



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

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## **DECISION AND ORDER**

**EB-2019-0114**

### **HYDRO ONE NETWORKS INC.**

**Application for leave to sell distribution assets to Bell Canada**

**BY DELEGATION, BEFORE: Brian Hewson**  
Vice President  
Consumer Protection & Industry Performance

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**May 23, 2019**

## DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on March 19, 2019 under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (OEB Act), for an order granting Hydro One leave to sell distribution system assets to Bell Canada. The assets that are the subject of the proposed transaction are 50 poles, as described in Attachment 1, located on Hamills Point Rd. and Christie Point Rd. in Medora, Muskoka Lakes, Ontario.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing, pursuant to Section 6(4) of the OEB Act.

Section 86(1)(b) of the Act provides that leave of the OEB is required before a transmitter or a distributor can “sell, lease or otherwise dispose of that part of its transmission or distribution system that is necessary in serving the public.” The assets that are the subject of this transaction are necessary in serving the public.

The sale is for the purposes of maintaining the ownership balance between Bell Canada and Hydro One as per the Joint Use Agreement. The Joint Use Agreement stipulates that in case Bell Canada wishes to do any work in Bell Canada’s prime exchange areas, it must hold ownership of the poles. After completion of the proposed transaction, Bell will own the assets and Hydro One will continue as a tenant on these poles. The assets will continue to be used for supplying electrical load to existing Hydro One customers. The applicant stated that the transaction will not adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of Hydro One. As well, the applicant stated that there will be no impact on Hydro One’s distribution rates as a result of the assets sale.

This is a cash sale. The parties to the transaction agreed that the assets are being sold on an “as is, where is” basis for the sale price of \$42,102.00 plus HST. The sale price represents the value of the assets based on the residual value tables in the Joint Use Agreement. The residual value has been modified to deduct the cost of removing the poles.

The OEB finds that the proposed transaction is reasonable and is not anticipated to have any negative effects. It is therefore in the public interest to grant Hydro One leave to sell the assets described above to Bell Canada.

**IT IS ORDERED THAT:**

1. Hydro One Networks Inc. is granted leave to sell 50 poles located in Medora, Muskoka Lakes, Ontario to Bell Canada.

**DATED** at Toronto May 23, 2019

**ONTARIO ENERGY BOARD**

*Original signed by*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance

Attachment 1: Asset List

# Attachment 1: Asset List

Bell FTTH Project - Medora - Muskoka Lakes				
BBG-61747865				
Pole ID	Pole Size (feet)	Date of Pole	Quantity	Residual Value (Per Unit)
C262CU	35	1965	1	\$420.00
C262EE	40	1966	1	\$420.00
C262DZ	35	1981	1	\$1,644.00
C262GP	30	1945	1	\$420.00
C262HT	30	1952	1	\$420.00
CNVH3B	45	2012	1	\$6,039.00
C262KJ	30	1955	1	\$420.00
C262MS	30	1987	1	\$2,207.00
C262NX	40	1964	1	\$420.00
C262TB	45	1964	1	\$420.00
C262UG	35	1964	1	\$420.00
C262WQ	35	1981	1	\$929.00
C262XV	40	2004	1	\$3,969.00
C262YA	35	1951	1	\$420.00
C262ZF	35	1951	1	\$420.00
C2634B	35	1948	1	\$420.00
C263SA	35	1948	1	\$420.00
C263TF	35	1958	1	\$420.00
C263UK	40	2000	1	\$1,813.00
C263VP	30	1952	1	\$420.00
C263XZ	35	1952	1	\$420.00
C263YE	35	1952	1	\$420.00
C263ZJ	35	1952	1	\$420.00
C2643A	35	1952	1	\$420.00
C2642V	30	1952	1	\$420.00
C2644F	30	1952	1	\$420.00
C2645K	30	1952	1	\$420.00
C2646P	30	1952	1	\$420.00
C2647U	30	1952	1	\$420.00
C2648Z	30	1952	1	\$420.00
C264AS	30	1962	1	\$420.00
C264BX	30	1982	1	\$947.00
C264CC	35	1962	1	\$420.00
C264DH	35	1962	1	\$420.00
C264EM	35	1962	1	\$420.00
C264FR	35	1998	1	\$1,594.00
C264GW	35	1962	1	\$420.00
C264HB	35	1958	1	\$420.00
C264JL	35	1971	1	\$651.00
C264KQ	35	1954	1	\$420.00
C264LV	30	1962	1	\$420.00
C264MA	35	1962	1	\$420.00
C264NF	45	2004	1	\$2,256.00
C264PP	35	1962	1	\$420.00
C264QU	30	1982	1	\$947.00
C2657Y	35	1970	1	\$498.00
BU3Q6J	45	2013	1	\$2,715.00
C2658D	35	1970	1	\$498.00
C2655P	35	1970	1	\$608.00
C2659J	40	1970	1	\$507.00
50			Total	\$42,102.00