



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2019-0191

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

September 26, 2019

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on July 24, 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 35 poles, as described in Attachment 1, located on Godfrey Dr., Irving Ave., Laird Ave. and Breadner Blvd., in Trenton, 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 \$40,112 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 35 poles located in Trenton, Ontario to Bell Canada.

DATED at Toronto September 26, 2019

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment 1: Asset List

Attachment 1: Asset List

Godfrey Ave.

Asset	Year	Quantity	Residual Value (Per Unit)	Sale Price
45 ft, BZK89G	1982	1	\$868.00	\$868.00
45 ft, BZK8AU	1982	1	\$868.00	\$868.00
45 ft, BZK8BZ	1982	1	\$868.00	\$868.00
45 ft, BZK8DJ	1982	1	\$868.00	\$868.00
35 ft, BZK8CE	1982	1	\$733.00	\$733.00
Total Number of Poles to be sold		5	Subtotal	\$4,205.00
			HST	\$546.65
			Total Cost	\$4751.65

Irving Ave.

Asset	Year	Quantity	Residual Value (Per Unit)	Sale Price
45 ft., BZK7Q5	1982	1	\$868.00	\$868.00
45 ft., BZK7RX	1982	1	\$868.00	\$868.00
45 ft., BZK7SC	1982	1	\$868.00	\$868.00
45 ft., BZK7TH	1982	1	\$868.00	\$868.00
45 ft., BZK7UM	1982	1	\$868.00	\$868.00
45 ft., BZK7VR	1982	1	\$868.00	\$868.00
Total Number of Poles to be sold		6	Subtotal	\$5,208.00
			HST	\$677.04
			Total Cost	\$5,885.04

Laird Ave.

Pole ID	Pole Height (feet)	Pole Vintage Year	Quantity	Residual Value (Per Unit)	Sale Price
BZK8TL	35	1983	1	\$ 983.00	\$ 983.00
BZK8RB	35	1983	1	\$ 983.00	\$ 983.00
BZK8PR	35	1983	1	\$ 983.00	\$ 983.00
CXCUBK	35	2017	1	\$ 2,327.00	\$ 2,327.00
C24VGW	40	1983	1	\$ 1,046.00	\$ 1,046.00
C24VHB	40	1983	1	\$ 1,046.00	\$ 1,046.00
C24TKC	40	1985	1	\$ 1,134.00	\$ 1,134.00
CXCU9R	40	2017	1	\$ 2,543.00	\$ 2,543.00
BZK8UQ	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8SG	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8QW	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8NH	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8MC	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8LX	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8KS	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8JN	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8HD	45	1982	1	\$ 1,083.00	\$ 1,083.00
BZK8VV	45	1984	1	\$ 1,184.00	\$ 1,184.00
CXCUEZ	45	2016	1	\$ 2,793.00	\$ 2,793.00
Total Number of Poles to be Sold			19	Subtotal	\$ 24,769.00
				HST	\$ 3,219.97
				Total Cost	\$ 27,988.97

BREADNER BLVD.

Asset	Year	Quantity	Residual Value (Per Unit)	Sale Price
45 ft., BZK84H	1982	1	\$868.00	\$868.00
45 ft., BZK88B	1982	1	\$868.00	\$868.00
45 ft., BZK85M	1983	1	\$902.00	\$902.00
45 ft., BZK87W	2005	1	\$1,646.00	\$1,646.00
45 ft., BZK86R	2005	1	\$1,646.00	\$1,646.00
Total Number of Poles to be sold		5	Subtotal	\$5,930.00
			HST	\$770.90
			Total Cost	\$6,700.90