



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

DECISION AND ORDER

EB-2019-0244

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

November 7, 2019

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on September 26, 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 29 poles, as described in Attachment 1, located on Old Kingston Rd., and Old Highway 2, 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 \$43,553.59 inclusive of 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 29 poles located in Trenton, Ontario to Bell Canada.

DATED at Toronto November 7, 2019

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment 1: Asset List

Attachment 1-Asset Listing

Old. Kingston Rd.

Pole Barcode	Pole Height (ft.)	Year	Quantity	Residual Value (Per Unit)	Sale Price
AZ2QUP	40	1984	1	\$1,090.00	\$661.00
C3CS5T	45	2009	1	\$2,441.00	\$2,012.00
AZ2QSE	45	1984	1	\$1,184.00	\$755.00
AZ2QWY	40	1991	1	\$1,398.00	\$969.00
AZ2QVT	45	1983	1	\$1,133.00	\$704.00
AZ2QRZ	40	1975	1	\$693.00	\$264.00
B2NAAL	40	2009	1	\$2,191.00	\$1,762.00
B2NA9X	40	2009	1	\$2,191.00	\$1,762.00
AZ2QYJ	35	1950	1	\$429.00	\$0.00
BJR2KJ	40	2007	1	\$2,103.00	\$1,674.00
AZ2QPP	35	1950	1	\$429.00	\$0.00
CXCVPG	45	2015	1	\$2,743.00	\$2,314.00
AZ2QMA	40	2001	1	\$1,838.00	\$1,409.00
AZ2QLV	30	1950	1	\$429.00	\$0.00
Total Number of Poles to be Sold			14	Subtotal	\$14,286.00
				HST	\$1,857.18
				Total Cost	\$16,143.18

Old Highway 2

Pole Barcode	Pole Height (ft.)	Year	Quantity	Residual Value (Per Unit)	Sale Price
AZ32FA	55	1986	1	\$ 1,650.00	\$1,221.00
AZ32EV	55	1986	1	\$ 1,650.00	\$1,221.00
AZ32DQ	60	1986	1	\$ 2,014.00	\$1,585.00
CREVTU	60	2015	1	\$ 4,719.00	\$4,290.00
AZ36BW	55	1986	1	\$ 1,650.00	\$1,221.00
AZ369D	55	1986	1	\$ 1,650.00	\$1,221.00
AZ368Y	55	1986	1	\$ 1,650.00	\$1,221.00
AZ367T	55	1986	1	\$ 1,650.00	\$1,221.00
AZ366P	55	1986	1	\$ 1,650.00	\$1,221.00
AZ365J	55	1986	1	\$ 1,650.00	\$1,221.00
AZE64E	55	1986	1	\$ 1,650.00	\$1,221.00
AZ362U	55	1986	1	\$ 1,650.00	\$1,221.00
AZ35JZ	55	1986	1	\$ 1,650.00	\$1,221.00
C3CRPU	60	2009	1	\$ 4,159.00	\$3,730.00
AZ35XY	55	1986	1	\$ 1,650.00	\$1,221.00
Total Number of Poles to be Sold			15	Subtotal	\$24,257.00
				HST	\$3,153.41
				Total Cost	\$27,410.41