

DECISION AND ORDER EB-2020-0114

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

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on March 30, 2020 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 87 poles, as described in Attachment 1, located on located on Borden Ave., McEwen Dr., Regina Cres. and Namao Dr., 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 \$37,366.00 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 87 poles located in Trenton, Ontario to Bell Canada.

DATED at Toronto June 4, 2020

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson Vice President, Consumer Protection & Industry Performance

Attachment 1: Asset List

Attachment 1: Asset Listing Borden Ave.

				H1-Bell Residual	
	Pole			Table Value	Residual
Pole	Height			(Residual Value +	Value (Sale
Barcode	(ft.)	Year	Quantity	Removal Cost)	Price)
C8LTSC	35	1984	1	\$780.00	\$351.00
BZK5GM	35	1984	1	\$780.00	\$351.00
BZK5JB	35	1984	1	\$780.00	\$351.00
BZK5LL	35	1984	1	\$780.00	\$351.00
BZK5RP	35	1984	1	\$780.00	\$351.00
BZK5XT	35	1984	1	\$780.00	\$351.00
BZK5ZD	35	1984	1	\$780.00	\$351.00
BZK5TZ	35	1982	1	\$733.00	\$304.00
BZK5VJ	35	1982	1	\$733.00	\$304.00
BZK5QK	45	1982	1	\$868.00	\$439.00
C8LTRX	45	1982	1	\$868.00	\$439.00
BZK5FH	45	1982	1	\$868.00	\$439.00
BZK5HR	45	1982	1	\$868.00	\$439.00
BZK5KG	45	1982	1	\$868.00	\$439.00
BZK5PF	45	1982	1	\$868.00	\$439.00
BZK5SU	45	1982	1	\$868.00	\$439.00
BZK5UE	45	1982	1	\$868.00	\$439.00
BZK5WP	45	1982	1	\$868.00	\$439.00
BKZ5YY	45	1982	1	\$868.00	\$439.00
BZK7KP	45	1982	1	\$868.00	\$439.00
C8LTQS	45	1982	1	\$868.00	\$439.00
Total Number of Poles to					
be Sold			21	Subtotal	\$8,333.00
				HST	\$1,083.29
				Total Cost	\$9,416.29

McEwen Dr.

Pole Barcode	Pole Height (ft.)	Year	Quantity	H1-Bell Residual Table Value (Residual Value + Removal Cost)	Residual Value (Sale Price)
CXDDBX	35	2018	1	\$1,577.00	\$1,148.00
CXCF7Z	35	2018	1	\$1,577.00	\$1,148.00
BZK97A	35	1982	1	\$733.00	\$304.00
BZK95Q	35	1982	1	\$733.00	\$304.00
BZK93G	35	1982	1	\$733.00	\$304.00
BZK8ZP	35	1982	1	\$733.00	\$304.00
CXCV5B	45	2016	1	\$2,051.00	\$1,622.00
BZK98F	45	1982	1	\$868.00	\$439.00
BZK96V	45	1982	1	\$868.00	\$439.00
BZK94L	45	1982	1	\$868.00	\$439.00
BZK92B	45	1982	1	\$868.00	\$439.00
BZK8YK	45	1982	1	\$868.00	\$439.00
BZK8XF	45	1982	1	\$868.00	\$439.00
BZK8WA	45	1982	1	\$868.00	\$439.00
Total Number of Poles to be Sold 14			14	Subtotal	\$8,207.00
				HST	\$1,066.91
				Total Cost	\$9,273.91

Regina Cres.

				H1-Bell Residual	
	Pole			Table Value	
Pole	Height			(Residual Value	Residual
Barcode	(ft.)	Year	Quantity	+ Removal Cost)	Value
BZK6DB	45	1982	1	\$868.00	\$439.00
BZK6QP	45	1982	1	\$868.00	\$439.00
BZK6RT	35	1984	1	\$780.00	\$351.00
BZK6SY	45	1982	1	\$868.00	\$439.00
BZK6TD	35	1984	1	\$780.00	\$351.00
BZK6UJ	45	1982	1	\$868.00	\$439.00
BZK6VN	35	1984	1	\$780.00	\$351.00
BZK6WS	45	1982	1	\$868.00	\$439.00
BZK6XX	35	1984	1	\$780.00	\$351.00
BZK6YC	45	1982	1	\$868.00	\$439.00
BZK6ZH	35	1984	1	\$780.00	\$351.00
BZK72T	45	1982	1	\$868.00	\$439.00
BZK73Y	35	1984	1	\$780.00	\$351.00
BZK74D	45	1982	1	\$868.00	\$439.00
BZK75J	35	1984	1	\$780.00	\$351.00
BZK76N	45	1982	1	\$868.00	\$439.00
BZK77S	35	1984	1	\$780.00	\$351.00
BZK78X	45	1982	1	\$868.00	\$439.00
BZK79C	35	1984	1	\$780.00	\$351.00
BZK7AQ	45]	1982	1	\$868.00	\$439.00
BZK7BV	35	1984	1	\$780.00	\$351.00
BZK7CA	45	1982	1	\$868.00	\$439.00
BZK7DF	35	1984	1	\$780.00	\$351.00
BZK7EK	45	1982	1	\$868.00	\$439.00
BZK7FP	35	1984	1	\$780.00	\$351.00
BZK7GU	45	1982	1	\$868.00	\$439.00
BZK7HZ	35	1984	1	\$780.00	\$351.00
BZK7JJ	45	1982	1	\$868.00	\$439.00
Total Nur	nber of Po	oles to			
	be Sold		28	Subtotal	\$11,148.00
				HST	\$1,449.24
				Total Cost	\$12,597.24

Namao Dr.

					Residual
	Pole			H1-Bell Residual Table	Value
Pole	Height			Value (Residual Value	(Sale
Barcode	(ft.)	Year	Quantity	+ Removal Cost)	Price)
C8LTND	45	1982	1	\$868.00	\$439.00
C8LTPN	35	1984	1	\$780.00	\$351.00
C8LTMY	45	1982	1	\$868.00	\$439.00
C8LTKP	45	1982	1	\$868.00	\$439.00
C8LTLT	35	1983	1	\$757.00	\$328.00
C8LTHZ	45	1982	1	\$868.00	\$439.00
C8LTJJ	35	1982	1	\$733.00	\$304.00
C8LTFP	45	1982	1	\$868.00	\$439.00
C8LTGU	40	1982	1	\$784.00	\$355.00
C8LTDF	45	1982	1	\$868.00	\$439.00
C8LTEK	35	1984	1	\$780.00	\$351.00
C8LTCA	45	1982	1	\$868.00	\$439.00
C8LT9C	45	1982	1	\$868.00	\$439.00
C8LTAQ	45	1982	1	\$868.00	\$439.00
C8LTBV	45	1982	1	\$868.00	\$439.00
BZK6PJ	35	1984	1	\$780.00	\$351.00
BZK6NZ	45	1982	1	\$868.00	\$439.00
BZK6MU	35	1984	1	\$780.00	\$351.00
BZK6LP	45	1982	1	\$868.00	\$439.00
BZK6KK	35	1984	1	\$780.00	\$351.00
BZK6JF	45	1982	1	\$868.00	\$439.00
BZK6HV	35	1984	1	\$780.00	\$351.00
BZK6GQ	45	1982	1	\$868.00	\$439.00
BZK6EG	45	1982	1	\$868.00	\$439.00
Total Number of Poles to					
be Sold			24	Subtotal	\$9,678.00
				HST	\$1,258.14
				Total Cost	\$10,936.14