



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

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# **DECISION AND ORDER**

**EB-2023-0148**

**HYDRO ONE NETWORKS INC.**

**Application for leave to sell distribution assets to  
Kirkland Lake Gold Ltd.**

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

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**June 20, 2023**

## DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on May 23, 2023, 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 Kirkland Lake Gold Ltd.<sup>1</sup> (Kirkland Lake Gold). Section 86(1)(b) of the OEB 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.

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

Kirkland Lake Gold is a distribution customer of Hydro One. The assets that are the subject of the proposed transaction consist of 7 spans of 44kV distribution line, 8 wooden structures and conductors. The assets are located on Kirkland Lake Gold’s property on Government Road West, Kirkland Lake, in Ontario.

The sale is for the purpose of transferring ownership of the assets that are located on land owned by the recipient, Kirkland Lake Gold. The transfer of ownership will allow Kirkland Lake Gold to facilitate their own private connection to the Customer Transformer Station which is owned by Kirkland Lake Gold. Following the transfer of ownership of the assets, Kirkland Lake Gold will remain a distribution customer of Hydro One.

Kirkland Lake Gold is not a licensed distributor. While under section 57(a) of the OEB Act distributors are required to hold a licence, section 4.0.1(1)(b) of Ontario Regulation 161/99 exempts a distributor who owns and operates a distribution system that is entirely located on land owned or leased by that distributor from the requirement to hold a distribution licence. As the assets are located on land owned by the recipient, Kirkland Lake Gold is exempted from section 57(a) of the OEB Act.

The sale is a cash sale at the price of \$30,000.00 plus HST for a total of \$33,9000.00. The assets are being sold on an “as is, where is” basis, and the sale price represents the net book value of the assets. A letter agreeing to the sale was provided and signed by both parties.

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<sup>1</sup> The applicant’s subsidiary, Kirkland Lake Gold Inc. is currently licensed as an electricity wholesaler under EW-2020-0125 since June 4, 2020.

The OEB finds that the proposed transaction is reasonable and is not anticipated to have any negative effects on quality, reliability or price of electricity services provided by Hydro One. It is therefore in the public interest to grant Hydro One leave to sell the assets described above to Kirkland Lake Gold Ltd.

**IT IS ORDERED THAT:**

1. Hydro One Networks Inc. is granted leave to sell the 7 spans of 44kV distribution line, 8 wooden structures and conductors, located on Government Road West, Kirkland Lake, in Ontario, to Kirkland Lake Gold Ltd.

**DATED** at Toronto June 20, 2023

**ONTARIO ENERGY BOARD**

Brian Hewson  
Vice President, Consumer Protection & Industry Performance