Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2008-0283

IN THE MATTER OF the *Ontario Energy Board Act*, *1998,* S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to section 86(1)(b) of the *Ontario Energy Board Act*, *1998* by Hydro One Networks Inc. seeking an order granting Hydro One Networks Inc. leave to sell distribution assets to Clinton Power Corporation.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On August 19, 2008, Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board under section 86(1)(b) of the *Ontario Energy Board Act*, *1998*, for an order granting Hydro One leave to sell certain assets to Clinton Power Corporation ("Clinton").

The assets being sold in this transaction consist of an F2 feeder and an F4 feeder. A full description of the assets can be found in the application. The assets are currently used to serve customers in the Clinton service area. On completion of the proposed transaction, these assets will continue to serve Clinton's customers.

Hydro One and Clinton stated that after the sale, Clinton will be able to integrate these feeders to better supply their customers and accommodate future expansion, reliability and operational flexibility.

Hydro One and Clinton also stated that these facilities are not used to supply Hydro One customers. These assets are a legacy carry-over matter. However, the F2 feeder section has 28 poles with an attachment owned by Blue Water Cable. Blue Water is currently paying joint use fees to Hydro One. After the sale, Blue Water will pay Clinton joint use fees.

The application indicates that there are no environmental issues associated with the sale. The transaction will not adversely affect the safety, reliability, operational flexibility or economic efficiency of either the buyer or seller.

The total sale price of $14,000 plus GST represents the net book value of the assets plus a small premium for transaction costs. Hydro One and Clinton further stated that there are minimal rate impacts to ratepayers on either party's system due to the very small dollar value of this transaction.

Findings

Hydro One and Clinton requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. I find, based on the evidence filed in the application, that no person will be adversely affected in a material way by the outcome of this proceeding. I have therefore disposed of this matter without a hearing.

Section 86(1)(b) of the Act provides that leave of the Board is required before 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.

Based on the evidence, I find that there are benefits to the proposed transaction, and no negative consequences have been identified. It is therefore in the public interest to grant the application.

The approval of this application should in no way be construed as providing the Board's view as to the merits of any future rate proposal related to the assets that are the subject of this decision and order.

IT IS ORDERED THAT:

Hydro One Networks Inc. is granted leave to sell to Clinton Power Corporation assets generally described as the F2 feeder and the F4 feeder and they include:

1. Section of the Constance DS F2 feeder from the town limits to Clinton's MS#1. The F2 feeder comes in from the north along Hwy #4, known as Albert Street in town. This line section includes 28 Hydro One poles with a single 3 phase, 27.6 kV, double 3 phase 8 kV circuit and Clinton's 3 phase 4 kV joint use circuit.
2. Section of the F4 feeder from the town limits to Flemings Feed Mill and Clinton's MS#2. The circuit is 3 phase 27.6 kV. The F4 feeder includes 10 Hydro One poles.

ISSUED at Toronto, October 24, 2008

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects