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

DECISION AND ORDER

EB-2025-0179

HYDRO ONE NETWORKS INC.

Application for leave to sell distribution assets to Red Rock Mill Development Inc.

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

July 17, 2025

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on May 23, 2025, 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 Red Rock Mill Development Inc. (Red Rock). 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.

Red Rock is a distribution customer of Hydro One. The assets that are the subject of the proposed transaction consists of two 50kVA pole mounted transformers. The assets are located on Red Rock’s property on Baker Road, Red Rock Village, in Ontario.

The sale is for the purpose of transferring ownership of the subject assets that are located on land owned by the recipient, Red Rock, pursuant to Hydro One’s conditions of service with Red Rock. The subject assets will be used only to supply electricity to Red Rock. Following the sale of the subject assets, Red Rock will remain a distribution customer of Hydro One.

Red Rock 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, Red Rock is exempted from section 57(a) of the OEB Act.

The sale is a cash sale at the price of $9,6262 plus HST for a total of $10,877.38. 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.

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 Red Rock Mill Development Inc.

IT IS ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell the two 50kVA pole mounted transformers, located on Baker Road, Red Rock Village, in Ontario, to Red Rock Mill Development Inc.

DATED at Toronto July 17, 2025

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance