EB-2009-0136

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 leave to sell distribution system assets to Haldimand County Hydro Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On May 4, 2009 Hydro One Networks Inc. ("Hydro One Networks") 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 Networks leave to sell certain assets to Haldimand County Hydro Inc. ("Haldimand").

The assets being sold in this transaction consist of:

a. part of the Argyle F2 feeder involving approximately 6.6 km of 8 kV line. This line section includes conductors and associated hardware; and

b. the single phase line along Onondaga Townline Road, between Greens Road and Haldimand Road 54 comprised of approximately 2.8 km of one phase 4.8 kV line. This line includes conductors and associated hardware.

A full description of the assets can be found in the application. The line sections are entirely within Haldimand's service area or along its boundary. Part of the Argyle F2 feeder line section is currently used to supply customers of both Haldimand and Hydro One Networks.

Findings

Hydro One Networks requested, with Haldimand's consent, 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.

The application states that the transaction will contribute toward improved reliability and operational flexibility for Haldimand as the utility will be able to convert the lines from 8 kV to 27.6 kV, thereby reducing electrical losses. Ownership of these line sections will also enable Haldimand to reduce the sub transmission charges paid to Hydro One Networks. The application also states that the transaction will not adversely affect the safety, reliability, quality of service, operational flexibility, or economic efficiency of either the Hydro One Networks or the Haldimand system.

The sale price of $9,680 plus GST, represents the negotiated commercial value of the assets. The proposed transaction also requires that Haldimand pay the costs for Hydro One to eliminate its need for the Argyle F2 feeder. The estimated cost of this work is $104,000. A Joint Agreement of Sale, signed by both parties was provided as part of the application. The application states that there are no rate impacts to either party's customers.

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:

1. Hydro One Networks Inc. is granted leave to sell to Haldimand County Hydro Inc. assets generally described as:

    a. part of the Argyle F2 feeder involving approximately 6.6 km of 8 kV line, including conductors and associated hardware; and
    b. the single phase line along Onondaga Townline Road, between Greens Road and Haldimand Road 54 comprised of approximately 2.8 km of one phase 4.8 kV line, including conductors and associated hardware.

ISSUED at Toronto, May 15, 2009

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects