



EB-2012-0402

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 PowerStream Inc.

By delegation, before: Viive Sawler

DECISION AND ORDER

December 6, 2012

THE APPLICATION

Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board on October 9, 2012 under section 86(1)(b) of the *Ontario Energy Board Act, 1998*, for an order granting Hydro One leave to sell certain distribution system assets to PowerStream Inc. ("PowerStream").

The Board assigned file number EB-2012-0402 to the application. The proposed transaction involves the sale of a section of the Midhurst 44 kV (23M5) feeder comprised of approximately 800 metres of the 3-wire 44 kV circuit including 12 poles and equipment, currently owned by Hydro One to PowerStream. The assets are located entirely within PowerStream's service area in the City of Barrie on the corner of Sunnidale Road and Ferndale Drive, continuing northeast for 12 poles along Sunnidale Road. Upon purchase, these assets will be integrated into PowerStream's system to better supply its customers.

FINDINGS

Hydro One requested, with PowerStream'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 other 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 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 evidence indicates that the assets currently serve and will continue to serve PowerStream's customers and upon purchase will be integrated into PowerStream's distribution system to better supply its customers. The applicant further states that the transaction will not adversely affect the safety, reliability, and quality of service of Hydro One or PowerStream and operational flexibility can be improved.

The total sale price of \$120,000 (plus HST) represents a negotiated commercial value. The applicant states that the proposed transaction will have no impact on either Hydro One's or PowerStream's electricity distribution rates.

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 Hydro One leave to sell the assets described above to PowerStream.

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 PowerStream Inc. the distribution system assets described in the application as a section of the Midhurst 44 kV (23M5) feeder comprised of approximately 800 metres of the 3-wire 44 kV circuit including 12 poles and equipment.

DATED at Toronto, December 6, 2012

ONTARIO ENERGY BOARD

Original signed by

Viive Sawler
Manager, Conservation and Reporting