



EB-2012-0095

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 Shamadon Resort Ltd.

BEFORE: Ken Quesnelle
Presiding Member

Emad Elsayed
Member

**DECISION AND ORDER
AUGUST 23, 2012**

THE APPLICATION

On March 16, 2012 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 distribution system assets to Shamadon Resort Ltd. ("Shamadon"). Hydro One requested, with Shamadon's consent, that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. The Board assigned file number EB-2012-0095 to the application.

The assets that are the subject of the proposed transaction are:

- Six wood poles
- 590m of phase and neutral conductor
- Four secondary underground services (150m)
- One 25 kVA overhead transformer

- Three 50 kVA overhead transformers

The assets are located on a campground owned and operated by Shamadon in West Gray County, Ontario. The assets will be sold for the price of \$1,713.16 plus HST. The sale price covers the net book value of the assets. Hydro One provided a map of the location of the assets with the application.

Hydro One stated that the assets are only useful to serve electricity consumers residing on the campground. Hydro One also stated that the assets will continue to serve the same consumers after the sale, but the assets used to supply these consumers will be owned by Shamadon instead of Hydro One. Hydro One will continue to supply electricity to these consumers through a primary metering unit on the campground.

Subsequently, in response to a Board staff information request, Hydro One and Shamadon provided additional information regarding the impetus for the proposed transaction and the metering configuration on the campground. Shamadon also provided information regarding the use of the installed meters after close of the transaction, stating that the meters would not be used for sub-metering.

FINDINGS

Hydro One requested that the Board dispose of the application without a hearing, pursuant to section 21(4)(b) of the Act. The Board notes that Shamadon has consented to this request. The Board finds that, based on the evidence filed in the application, no other person will be adversely affected in a material way by the outcome of this proceeding. The Board has 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 subject to this transaction are necessary in serving the public.

The purpose of the proposed transaction is to transfer ownership of the assets from Hydro One to Shamadon. The assets are located on land owned by Shamadon and are currently, and will continue to be used exclusively to serve Hydro One customers. In other words, following the transaction, Shamadon will own the assets instead of the utility, but there will be no change in supply. The Board agrees with Hydro One’s

statement that the transaction will not adversely affect the safety, reliability, quality of service or operational flexibility for customers and that there are no environmental issues associated with the proposed transaction. The Board finds that the proposed transfer will not impact distribution or transmission rates of the applicant.

Based on the evidence and Shamadon's correspondence that it will not sub-meter on the campground, the Board finds 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 below to Shamadon. The Board notes that its leave for sale of the assets is granted with the understanding that the meters installed on the poles of Shamadon's property will not be used in the future to sub-meter and bill consumers based on their usage.

IT IS ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell the following distribution assets located on 231764 Concession 2 WGR in Normanby Township, Ayton, Ontario, to Shamadon Resort Ltd.:
 - Six wood poles
 - A 590m of Phase and Neutral conductor
 - Four Secondary Underground Services (150m)
 - One 25 kVA overhead transformer
 - Three 50 kVA overhead transformers

DATED at Toronto, August 23, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary