



EB-2014-0318

IN THE MATTER OF section 59 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF the extension of an interim distribution licence issued to Hydro One Networks Inc., under sections 59(2) and 59(9) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B in relation to distribution assets serving the Cat Lake community.

By delegation, before: Peter Fraser

DECISION AND ORDER
October 24, 2014

Hydro One Networks Inc. ("Hydro One") currently holds an interim licence issued by the Ontario Energy Board ("Board") under section 59(2) of the *Ontario Energy Board Act, 1998* (the "Act") under which Hydro One has possession and control over distribution assets that serve the Cat Lake community, specifically the deemed distribution assets owned by Cat Lake Power Utility Ltd. and the distribution assets in the Cat Lake community owned by the Ontario Electricity Financial Corporation. The interim licence was first issued by the Board on July 21, 2006 (proceeding EB-2006-0180), and its term has since been amended and extended as described in Appendix 2.

On October 17, 2014, Hydro One provided the Board with a written update of the status of its operations under the interim licence. In its status report, Hydro One has outlined some of the work activities and investments planned for Cat Lake. In the status report Hydro One also provided an explanation for the decline of the amounts collected from customers between September 2006 and June 2014 as directed by the Board in the licence extension proceeding EB-2014-0241. Hydro One submitted that due to the collection program suspension from April to September 2013 and then from December

2013 to August 2014 resulted from transition to a new Customer Information System, amounts collected from Cat Lake customers were low. The decline is not expected to continue as the collection program was reactivated in September 2014.

In its July 21, 2008 Decision and Order on this matter, the Board noted that interim orders have been issued under section 59 of the Act since July 2006. The Board further noted that in its view, the provisions of section 59 of the Act were intended to be emergency provisions; the provisions were not meant to be used as long-term solutions to operational problems. No long-term solution has been brought forward to the Board. Hydro One just noted in its status report that Hydro One Remote Communities Inc. (“Remotes”) is planning to file a MAADs application to include Cat Lake in Remotes’ service territory in the near future, once an agreement with the community has been reached and required government approvals have been secured. I therefore find it necessary to extend the term of Hydro One’s interim licence to ensure the continuity of reliable electricity supply to consumers in the Cat Lake community. I am satisfied that Hydro One’s management and operation of the distribution assets supplying Cat Lake and the associated businesses will help ensure the continued reliability of supply to consumers in that community.

THE BOARD ORDERS THAT:

1. The term of interim electricity distribution licence ED-2006-0181 is extended for a further period of three months to January 23, 2015. The interim electricity distribution licence set out in Appendix 1, is effective as of October 24, 2014.
2. Hydro One Networks Inc. continue to remain in possession and control of the deemed distribution assets owned by Cat Lake Power Utility Ltd. and the distribution assets in the Cat Lake community that are owned by the Ontario Electricity Financial Corporation, and continue to comply with the provisions of the interim licence set out in Appendix 1.
3. Hydro One Networks Inc. continue collecting revenue from the existing customers in the Cat Lake community based on the applicable rates.

4. Hydro One Networks Inc. continue keeping track of revenues from the customers in the Cat Lake community and of the costs of operation and maintenance of the distribution assets in a deferral account (under the Uniform System of Accounts). Such accounts will be reviewed in a future rate proceeding. The Board will determine at that point the cost responsibility in the event of a shortfall and the mechanism for that shortfall recovery.
5. Cat Lake Power Utility Ltd. continue surrendering possession and control of the deemed distribution assets and associated business. Cat Lake Power Utility Ltd. is not entitled to any compensation from the Crown, the Board or any person for having surrendered possession and control of its deemed distribution assets and business.
6. Ontario Electricity Financial Corporation continue surrendering possession and control of the distribution assets and associated business serving the community of Cat Lake. The Ontario Electricity Financial Corporation is not entitled to any compensation from the Crown, the Board or any person for having surrendered possession and control of its distribution assets and business.

DATED at Toronto, October 24, 2014

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance

Appendix "1"

Interim Distribution Licence
as extended

Effective October 24, 2014

ONTARIO ENERGY BOARD

Appendix "2"

The interim licence was issued by the Board on July 21, 2006 (proceeding EB-2006-0180), and its term has since been amended and extended as described below:

1. first to January 21, 2007 (proceeding EB-2006-0239);
2. then to April 21, 2007 (proceeding EB-2007-0004);
3. then to July 21, 2007 (proceeding EB-2007-0107);
4. then to October 21, 2007 (proceeding EB-2007-0653);
5. then to January 21, 2008 (proceeding EB-2007-0808);
6. then to April 21, 2008 (proceeding EB-2008-0005);
7. then to July 21, 2008 (proceeding EB-2008-0086);
8. then to October 21, 2008 (proceeding EB-2008-0262);
9. then to January 21, 2009 (proceeding EB-2008-0334);
10. then to April 21, 2009 (proceeding EB-2009-0017);
11. then to July 21, 2009 (proceeding EB-2009-0109);
12. then to October 21, 2009 (proceeding EB-2009-0285);
13. then to January 21, 2010 (proceeding EB-2009-0366);
14. then to April 21, 2010 (proceeding EB-2010-0006);
15. then to July 21, 2010 (proceeding EB-2010-0163);
16. then to October 21, 2010 (proceeding EB-2010-0242);
17. then to January 21, 2011 (proceeding EB-2010-0309);
18. then to April 21, 2011 (proceeding EB-2011-0012);
19. then to July 21, 2011 (proceeding EB-2011-0108);
20. then to October 20, 2011 (proceeding EB-2011-0267);
21. then to January 21, 2012 (proceeding EB-2011-0364);
22. then to April 23, 2012 (proceeding EB-2012-0016);
23. then to July 23, 2012 (proceeding EB-2012-0208);
24. then to October 23, 2012 (proceeding EB-2012-0315);
25. then to January 23, 2013 (proceeding EB-2012-0407);
26. then to April 23, 2013 (proceeding EB-2013-0005);
27. then to July 23, 2013 (proceeding EB-2013-0097);
28. then to October 23, 2013 (proceeding EB-2013-0267);
29. then to January 23, 2014 (proceeding EB-2013-0358);

30. then to April 23, 2014 (proceeding EB-2014-0018);
31. then to July 23, 2014 (proceeding EB-2014-0161); and
32. then to October 23, 2014 (proceeding EB-2014-0241).