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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

November 12, 2009

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Licence Amendment to Include the Community of Marten Falls in Hydro One Remote Communities Inc.'s Service Territory

Hydro One Remote Communities Inc. ("Remotes") hereby applies for amendments to its electricity distribution licence and electricity generation licence under Section 74 of the *Ontario Energy Board Act, 1998* ("the OEB Act") to add the community of Marten Falls to its service territory.

Pursuant to a request from the Honourable Dwight Duncan, former Minister of Energy, Remotes has entered into an agreement to **operate and maintain** the community electrical system in Marten Falls. The First Nation will retain ownership of the existing generation and distribution assets.

The agreement with the Marten Falls First Nation specifies that capital funding for generation upgrades and distribution expansions and connections will continue to be supported by Indian and Northern Affairs Canada ("INAC"), so INAC is a party to the agreement for this purpose. Remotes will be responsible for capital replacement, operating and maintenance costs, including the purchase of diesel fuel, consistent with the terms under which Remotes operates in other First Nation reserve communities. The costs to operate and maintain the system, as well as the rates applicable to the community were approved by the Board in EB-2008-232.

Remotes' service territory is prescribed by legislation. O. Reg. 199/02 under the *Electricity Act, 1998*, was amended on October 8, 2009, to include the community of Marten Falls in Remotes' service territory. O. Reg. 442/01 under the OEB Act has also been amended so that the community can benefit from Rural or Remote Rate Protection. Copies of the Regulations are attached.

Together with the community and INAC, Remotes has established December 16, 2009, as the date Remotes would begin providing service to the community, as all required capital work is expected to be completed by that date. Remotes, therefore, requests that the licence amendment be made effective December 16, 2009.

Remotes requests that this application proceed without a hearing as allowed under section 21(4) of the OEB Act, since no person will be adversely affected in a material way by the approval of this application. The community stands to achieve an immediate benefit when it enters Remotes' service territory, as it has been struggling to operate and maintain a community electrical system that has been a technical and financial burden.

Yours truly,

Susan Frank

Attachment

cc: Adrian Pye, Manager, Licensing, Ontario Energy Board
Chief Harry Baxter, Marten Falls First Nation
Linda Churchley, Strategic Direction and Policy, Indian and Northern Affairs Canada
Dan Santerre, Director, Hydro One Remote Communities Inc.



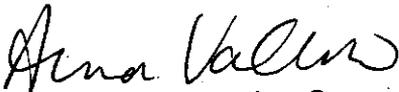
Ontario

Executive Council
Conseil exécutif

R.O.C./Décret 254/2009

I certify that the attached is a true copy of the Regulation under the Electricity Act, 1998, approved by His Honour the Lieutenant Governor in Council on October 7, 2009.

Dated at Toronto, October 7, 2009.


Deputy Clerk, Executive Council



Ontario

Executive Council
Conseil exécutif

Order in Council Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation de la personne soussignée, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil exécutif, décrète ce qui suit :

the appended Regulation be made under the *Electricity Act, 1998.*

Recommended

Jim Hermon
Minister of Energy and
Infrastructure

Concurred

Pete Bratina
Chair of Cabinet

Approved and Ordered

OCT 07 2009

Date

[Signature]
Lieutenant Governor

R.O.C./Décret (R)

254/2009

CONFIDENTIAL
Until filed with the
Registrar of Regulations

REGISTRAR OF REGULATIONS	
Filed as O. Reg.	390/09
On	OCT 08 2009
Proposed source law publication dates:	
e-Laws	Oct 13, 2009
Ontario Gazette	Oct 24, 2009

reg2009.0400.e
1-CEM

ONTARIO REGULATION
made under the
ELECTRICITY ACT, 1998
Amending O. Reg. 199/02
(Hydro One Inc.)

Note: Ontario Regulation 199/02 has previously been amended. For the legislative history of the Regulation, see the Table of Consolidated Regulations – Detailed Legislative History at www.e-Laws.gov.on.ca.

1. Section 1 of Ontario Regulation 199/02 is amended by adding the following paragraph:

13.1 Marten Falls.

2. This Regulation comes into force on the day it is filed.



Ontario

Executive Council
Conseil exécutif

R.O.C./Décret 255/2009

I certify that the attached is a true copy of the Regulation under the Ontario Energy Board Act, 2009, approved by His Honour the Lieutenant Governor in Council on October 7, 2009.

Dated at Toronto, October 7, 2009.


Deputy Clerk, Executive Council



Ontario

Executive Council
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the appended Regulation be made under the *Ontario Energy Board Act, 2009.*

Recommended

Minister of Energy and
Infrastructure

Concurred

Chair of Cabinet

Approved and Ordered

OCT 07 2009

Date

Lieutenant Governor

R.O.C./Décret (R) 255/2009

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Ontario Gazette	Oct 24, 2009

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Registrar of Regulations

reg2009.0401.e
3-CEM

ONTARIO REGULATION

made under the

ONTARIO ENERGY BOARD ACT, 1998

Amending O. Reg. 442/01

(Rural or Remote Electricity Rate Protection)

Note: Ontario Regulation 442/01 has previously been amended. For the legislative history of the Regulation, see the Table of Consolidated Regulations – Detailed Legislative History at www.e-Laws.gov.on.ca.

1. (1) The definition of “IMO” and “IMO-controlled grid” in subsection 1 (1) of Ontario Regulation 442/01 is revoked and the following substituted:

“IESO” and “IESO-controlled grid” have the same meaning as in the *Electricity Act, 1998*;

(2) The definition of “remote area” in subsection 1 (1) of the Regulation is revoked and the following substituted:

“remote area” means a part of Ontario not connected to the IESO-controlled grid that receives electricity from Hydro One Remote Communities Inc.;

(3) The definition of “rural area” in subsection 1 (1) of the Regulation is amended by striking out “IMO-controlled grid” and substituting “IESO-controlled grid”.

2. Paragraph 3 of section 2 of the Regulation is amended by striking out “IMO-controlled grid” and substituting “IESO-controlled grid”.

3. (1) Subsection 5 (1) of the Regulation is amended,

(a) by striking out "IMO" and substituting "IESO"; and

(b) by striking out "IMO-controlled grid" and substituting "IESO-controlled grid".

(2) Subsection 5 (2) of the Regulation is amended by striking out "IMO" in the portion before clause (a) and substituting "IESO".

(3) Clause 5 (2) (a) of the Regulation is amended by striking out "IMO-controlled grid" and substituting "IESO-controlled grid".

(4) Subsection 5 (4) of the Regulation is amended by striking out "IMO" and substituting "IESO".

(5) Subsection 5 (5) of the Regulation is amended,

(a) by striking out "IMO" wherever it appears and substituting in each case "IESO"; and

(b) by striking out "IMO-controlled grid" and substituting "IESO-controlled grid".

(6) Subsection 5 (7) of the Regulation is amended by striking out "IMO" and substituting "IESO".

4. This Regulation comes into force on the day it is filed.