



EB-2009-0366

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.

BEFORE: Pamela Nowina
Vice Chair

DECISION AND ORDER

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 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 16, 2009, Hydro One provided the Board with a written update of the status of its operations under the interim licence. The Board is satisfied that Hydro One's management and operation of the distribution assets supplying Cat Lake and the associated businesses will ensure the continued reliability of supply to consumers in that community. In order to ensure the continuity of reliable electricity supply to consumers in the Cat Lake community, it is necessary to extend the term of Hydro One's interim licence.

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. The Board also stated that it would commence a review of the Cat Lake situation. The Board has consolidated information from a number of sources and is now working with involved parties to identify a range of potential long-term solutions for Cat Lake. The Board expects that all parties will continue to provide information and assistance as requested by the Board.

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 21, 2010. The interim electricity distribution licence set out in Appendix 1, is effective as of October 21, 2009.
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 21, 2009.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "1"

Interim Distribution Licence
as extended

Effective October 21, 2009

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), and
12. then to October 21, 2009 (proceeding EB-2009-0285).