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January 20, 2011

Susan Frank
Vice President and Chief Regulatory Office
Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, ON M5G 2P5

Re: Request for Exemption with Respect to Cat Lake Power Utility Ltd.

Dear Ms. Frank,

I am writing in respect to your letter dated November 12, 2010, regarding a request for an exemption from the Low-Income Energy Assistance Program (“LEAP”) with respect to Cat Lake Power Utility Ltd. (“Cat Lake”). It is my understanding that Hydro One is seeking an exemption from both the emergency financial assistance and customer service requirements of LEAP with respect to the Cat Lake community.

Emergency Financial Assistance

As set out in the Board’s guiding principles in Attachment A to its October 20, 2010 letter regarding LEAP, the Board believes that LEAP financial assistance should be available *province-wide*, to low-income customers of electricity and natural gas distributors. Consistent with this principle, the Board has communicated its expectation that all rate regulated licensed electricity distributors, and all rate regulated gas distributors, deliver LEAP. Although Cat Lake is not rate regulated, the Board has encouraged the implementation of LEAP by non-rate regulated distributors.

The Board believes it is important that Cat Lake customers have access to some form of emergency financial assistance to assist with bill payment. However, given the ongoing operational issues associated with Cat Lake, the Board agrees with Hydro One that appropriate aspects of LEAP could be integrated into a holistic approach to serving the needs of connected remote communities, once a permanent solution to Cat Lake’s situation is found.

Customer Service Requirements

On September 30, 2010, the Board issued for stakeholder comment a Notice of Proposal to Amend Codes, which set out proposed updated customer service requirements tailored to the special needs of low-income residential electricity customers. However, these proposed amendments are still under review by the Board. Once final code amendments have been approved and issued, if Hydro One still believes that an exemption is required, it may file a request at that time.

Questions relating to this letter should be directed to Market Operations at market.operations@oeb.gov.on.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary