

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Hydro One
Remote Communities Inc. for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2013

Final Argument On Behalf of

Cat Lake First Nation

July 12, 2013

**HYDRO ONE REMOTE COMMUNITIES INC.
2013 REVENUE REQUIREMENT AND RATES APPLICATION
EB-2012-0137**

**FINAL ARGUMENT
OF
CAT LAKE FIRST NATION**

(July 12, 2013)

Procedural Order relating to submission to the Board

1. On June 28, 2013, The Ontario Energy Board (“Board”) issued Procedural Order No. 3 which outlined the background leading to a settlement conference on May 28 and 29, 2013.
2. Cat Lake First Nation participated in the settlement conference wherein most of the issues were settled to our satisfaction. The one matter that the Cat Lake First Nation was unable to agree to was the issue of applicability of the Standard A rate to certain customers in the remote grid-connected communities.
3. The Board has ordered that staff and intervenors may file written submissions on the unsettled issues no later than July 12, 2013. And further, Remotes may file a reply submission by no later than July 19, 2013.

Applicability of the Standard A Rate to First Nation Band operated facilities

5. Cat Lake First Nation welcomes the proposal by Remotes to establish a service offering for remote grid-connected communities.

6. Remotes is proposing to introduce a new Standard A Grid-connected rate¹ of \$0.2902/kWh.

7. Remotes evidence² sets out that Standard A service, with certain listed exceptions, *“are applicable to all accounts paid directly or indirectly out of Federal and/or provincial government revenue”*.

8. Cat Lake First Nation submits that Standard A service was created with the understanding amongst the provincial and federal government and the distributor that the distributor should not be required to cross subsidize government departments for electricity supply. Implicitly the understanding between the parties has been that a government department would reimburse a community First Nation Band facility being charged Standard A Service rates.

9. Aboriginal Affairs and Northern Development Canada (“AANDC”) does not recognize Standard A service for grid-connected communities.

10. Should Remotes apply Standard A rates to the community owned and operated facilities such as the school, teacher accommodation, water treatment plant, municipal garage, lift stations, heated water mains, fire station and Band office, the community will be required to use operating funds designated for other purposes to pay for the electricity used by these facilities.

11. Since the community is not funded to support the Standard A electricity price, and since doing so means having to utilize funds earmarked for other essential community services, the community is subject to undue and unnecessary hardship resulting from an unintended interpretation of an original understanding between the federal and provincial government and the electricity service provider.

12. Cat Lake submits that Standard A rates should only be applicable to those accounts that are recognized by the federal or provincial government as Standard A

¹ Exhibit G, Tab 1, Schedule 1, page 5

² Exhibit G2, Tab 1, Schedule 1, page 2

service through their respective funding formulas to the community or where they pay for the service directly.

13. Further, Cat Lake submits that applying the Standard A service definition, when it is not recognized by the funding agency, is discriminatory against the First Nation community when the comparable service is provided to a private customer in the same community at a much reduced rate.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

July 12, 2013

Ron Stewart

On Behalf of Cat Lake First Nation