



EB-2015-0013

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
January 23, 2015

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 January 15, 2015, 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.

Hydro One has also reported on the amounts collected from customers between September 2006 and December 2014. In its July 24, 2014 Decision and Order, the Board ordered Hydro One to provide a detailed explanation for the significant decline in

the amounts collected from customers in 2013 and the six months in 2014 and explain whether such decline is expected to continue. In its October 17, 2014 status report, Hydro One provided an explanation for the decline as directed by the Board and stated that the decline is not expected to continue. However, information provided in January 15, 2015 status report shows that the amounts collected from customers in the fourth quarter of 2014 still show a decline, especially in October and December, 2014. In addition, the status report shows 50% increase in arrears since October 2014. In its next status report, Hydro One is directed to provide a detailed explanation for this significant increase in arrears as well as reasons for continuous decline in the amounts collected from customers contrary to what has been stated in October 17, 2014 status report.

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 October and December, 2014 status reports 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 April 23, 2015. The interim electricity distribution licence set out in Appendix 1, is effective as of January 23, 2015.
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, January 23, 2015

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance

Appendix “1”

Interim Distribution Licence
as extended

Effective January 23, 2015

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);
32. then to October 23, 2014 (proceeding EB-2014-0241); and
33. then to January 23, 2015 (proceeding EB-2014-0318).