



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2016-0295

HYDRO ONE NETWORKS INC.

Application for the extension of an interim distribution licence issued in relation to distribution assets serving the Cat Lake community.

BY DELEGATION, BEFORE: Peter Fraser
Vice President,
Consumer Protection & Industry Performance

October 24, 2016

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) currently holds an interim licence issued by the Ontario Energy Board (OEB) under section 59(2) of the *Ontario Energy Board Act, 1998* (OEB 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 OEB on July 21, 2006 (proceeding EB-2006-0180), and its term has since been amended and extended as described in Appendix 2.

On October 7, 2016, Hydro One provided the OEB with a written update on 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 September 2016 as well as on the amount of arrears. In its report, Hydro One stated that the values in overdue amounts continue to reflect the impact of the suspension of Hydro One's collection program in 2013 and 2014. Considering that the collection program was reactivated in 2014 and the amount of arrears has not gone down and continues to rise, in its next status report, Hydro One is directed to explain what efforts have been made and measures to be taken to collect the overdue amounts and provide expected timelines for the arrears to decline.

In its July 21, 2008 Decision and Order on this matter, the OEB noted that interim orders have been issued under section 59 of the Act since July 2006. The OEB 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. In its latest status report Hydro One confirmed that Hydro One Remote Communities Inc. (Remotes) is still expecting to file a MAADs application to include Cat Lake in Remotes' service territory once an agreement with the community has been reached and required government approvals have been secured. However, Hydro One did not provide an expected timeline for filing the MAADs application as no agreements with relevant parties have yet been finalized.

As no long-term solution has yet been brought forward to the OEB, I 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.

IT IS ORDERED THAT:

1. The term of interim electricity distribution licence ED-2006-0181 is extended for a further period of three months to January 23, 2017. The interim electricity distribution licence set out in Appendix 1, is effective as of October 24, 2016.
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 OEB 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 OEB 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 OEB or any person for having surrendered possession and control of its distribution assets and business.

DATED at Toronto October 24, 2016

ONTARIO ENERGY BOARD

Original Signed By

Peter Fraser
Vice President, Consumer Protection & Industry Performance

Appendix “1”

Interim Distribution Licence
as extended

Effective October 24, 2016

ONTARIO ENERGY BOARD

Appendix “2”

The interim licence was issued by the OEB 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);
33. then to January 23, 2015 (proceeding EB-2014-0318);
34. then to April 23, 2015 (proceeding EB-2015-0013);
35. then to July 23, 2015 (proceeding EB-2015-0160) ;
36. then to October 23, 2015 (proceeding EB-2015-0222);
37. then to January 23, 2016 (proceeding EB-2015-0282);
38. then to April 23, 2016 (proceeding EB-2016-0009);
39. then to July 23, 2016 (proceeding EB-2016-0151);
40. then to October 24, 2016 (proceeding EB-2016-0220); and
41. then to January 23, 2017 (proceeding EB-2016-0295).