

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5680
Cell: (416) 568-5534
frank.dandrea@HydroOne.com



Frank D'Andrea

Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

May 24, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

Re: EB-2018-0325 - Update on Hydro One Remote Communities Inc. ("Remotes") Licence Amendment to Include the Community of Pikangikum in its Service Territory

The community of Pikangikum was connected to the greater Ontario electrical grid in December of 2018. Driven by an emergency situation within the community's electrical system, Hydro One Remotes has been providing reduced services until such time as the conditions precedent outlined in the transfer agreement are met.

Unfortunately, the conditions precedent outlined in the asset transfer agreement remain incomplete as the project partners have been challenged to meet the readiness conditions. As such, Hydro One Remotes is not in the position to fully offer our complete distribution system services at this time.

In cooperation with Remotes, capital work and customer service work is continuing on the project by the community and its partners. Completion of these necessary capital work requirements is now expected early June. Hydro One Remotes expects to be in a position to fully serve and begin to bill its new Pikangikum customers accurately in late June, assuming the infrastructure completion and remaining readiness issues are resolved.

Both incremental O&M costs and cost of power are expected to continue for the extension period required and be paid for by the project. Normal operating costs related to this work will continue to benefit from Rural or Remote Rate Protection. Additionally, Remotes will continue to hold distribution performance results of Pikangikum electrical system separate until full service can be provided.



Hydro One Remotes remains committed to working with the community of Pikangikum and its partners on the full transfer of service. Remotes is also committed to providing the Ontario Energy Board appropriate notice should any condition materially change.

Sincerely,

ORIGINAL SIGNED BY FRANK D'ANDREA

Frank D'Andrea