



**EB-2008-0262**

**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.

**BEFORE:** Pamela Nowina  
Vice Chair

### **DECISION AND ORDER**

Hydro One Networks Inc. ("Hydro One") currently holds an interim licence issued by the 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. 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 seven times, first to January 21, 2007 (proceeding EB-2006-0239), then to April 21, 2007 (proceeding EB-2007-0004), then to July 21, 2007 (proceeding EB-2007-0107), then to October 21, 2007 (proceeding EB-2007-0653), then to January 21, 2008 (proceeding EB-2007-0808), then to April 21, 2008 (proceeding EB-2008-0005), and then to July 21, 2008 (proceeding EB-2008-0086). Further details about the history of this matter may be obtained from a review of the Decisions and Order issued in the above mentioned proceedings, to which the interim licence is in each case attached.

On July 15, 2008, Hydro One provided the Board with a written update of the status of its operations under the interim licence. The Board is satisfied that Hydro One's services of managing and conducting the operations of the distribution assets supplying Cat Lake and of the associated businesses will ensure the continued reliability of supply to consumers in that community. In order to ensure the continuity of reliable electricity

supply to consumers in the Cat Lake community, it is necessary to extend the term of Hydro One's interim licence for a further period.

However, the Board notes that it has been issuing these interim orders since July 2006. It is the Board's view that the provisions in section 59 of the Act were meant as emergency provisions to be used by the Board to ensure the reliable supply of electricity to consumers; these provisions were not meant to be used as long-term solutions to operational problems. The Board will not continue issuing interim orders under section 59 of the Act for the Cat Lake assets indefinitely. Therefore, the Board will undertake a review of the Cat Lake situation in order to determine what options there are for a viable long-term solution. During the review, the Board will expect all parties, including Hydro One and representatives from Cat Lake Power and the Cat Lake community, to provide information and assistance as requested by the Board.

**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 October 21, 2008. The interim electricity distribution licence set out in Appendix 1, is effective as of July 21, 2008.
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 would be reviewed in a future rate proceeding. The Board would 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, July 21, 2008.

ONTARIO ENERGY BOARD

*Original signed by*

Kirsten Walli  
Board Secretary

Appendix "1"

Interim Distribution Licence  
as extended

Effective July 21, 2008

ONTARIO ENERGY BOARD