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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY EMAIL AND RESS

January 27, 2022

Ms. Nancy Marconi
Acting Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi:

Service Area Amendment and Exemption Application for Hydro One Remotes Communities Inc. to Service Wawakapewin First Nation

Hydro One Networks Inc. (“Hydro One”) is submitting on behalf of Hydro One Remotes Communities Inc. (HORCI) this service area amendment and exemption application (“the Application”) to the Ontario Energy Board (“OEB”) to request various amendments to HORCI’s Distribution Licence (ED-2003-0037).

Wawakapewin First Nations’ connection to the Wataynikaneyap Power Ltd. (“WPLP”) transmission line is expected to be in May, 2023. Remotes requests that the Board establish that the exemptions and service area amendment sought in the Application are acceptable and that they will be effective upon Remotes notifying the OEB of Wawakapewin First Nations’ connection. This will enable Remotes to meet this May 2023 deadline in preparation for the connection and provide increased certainty about grid connected service to project funders.

Should you have any questions on this application, please contact Pasquale Catalano at (647) 616-8310 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joanne Richardson", with a stylized, flowing script.

Joanne Richardson

**Service Area Amendment Application
Hydro One Remote Communities Inc.**

January 27, 2022

7.0 INTRODUCTION

This application for a Service Area Amendment is structured and follows the minimum filing requirements for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirements of the base reference.

The purpose of this Service Area Amendment (“SAA”) application is to amend the service boundaries of Hydro One Remote Communities Inc. (“Remotes”) to enable Remotes to service Wawakapewin First Nation. Wawakapewin First Nation has given its support for Remotes to proceed with this SAA that will incorporate the area currently served by Wawakapewin Power Authority.

Given the unique access constraints to this community, that will be further documented in this Application, Remotes will be seeking exemptions to the OEB’s Distribution System Code as well as the OEB’s Reporting and Record Keeping Requirements and requests that those exemptions be reflected in its distribution licence in order to service Wawakapewin First Nation. Wawakapewin First Nation is aware of Remotes’ intent to seek these exemptions and supports Remotes’ request to seek these exemptions as outlined in Wawakapewin First Nation’s support letter provided as Attachment 1 of this Application. The “Long-Term Modified Service Framework” that forms the agreement reached between Wawakapewin First Nation and Remotes, outlines the expected service model and any specific exemptions that may be required by Remotes in order to effectively service the community. The Long-Term Modified Service Framework is provided as Attachment 2 of this Application.

7.1 BASIC FACTS

GENERAL

7.1.1 (a)

*Provide the contact information for the applicant
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

The Applicant:

Hydro One Remote Communities Inc.

Pasquale Catalano
Advisor, Regulatory Affairs
483 Bay Street, 7th Floor, South Tower
Toronto, ON M5G 2P5
Telephone: 416-345-5405
Mobile: 647-616-8310
E-mail: regulatory@hydroone.com

7.1.1 (b)

*Provide the contact information for the incumbent distributor
Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person*

Wawakapewin First Nation
C/O Shibogama First Nations Council
81 King St., P.O. Box 449
Sioux Lookout, ON P8T 1A5
Phone: 807-737-2662
Fax: 807-737-1583

Chief Ann Marie Beardy
annemarieb@wawakapewin.ca

and/or:

Councillor Rhoda Meekis
rhoda@meekis.com; rhodam@wawakapewin.ca

7.1.1 (c)

Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person

The affected customers would be all customers that reside within Wawakapewin First Nation.

7.1.1 (d) & (e)

Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative.

There are no alternate distributors.

7.1.2 REASONS FOR APPROVAL OF THIS AMENDMENT

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.

This amendment is necessary to connect Wawakapewin First Nation to the electricity grid. The current diesel station serving the community is nearing end-of-life. Wawakapewin First Nation is 1 of 24 partner communities in the Wataynikaneyap Transmission Project, that upon completion of that Project will transition Wawakapewin First Nation to be serviced by a local distribution company, enabling them to connect to Ontario's electricity grid. This is in line with the principles that underpinned the OEB's decision to approve the construction of the Wataynikaneyap Transmission Project. Based on the most current Wataynikaneyap Transmission Project schedule, Wawakapewin is scheduled for grid connection in May 2023.

The proposed SAA has been agreed to by Remotes and Wawakapewin First Nation and is the result of many years of productive and collaborative consultation. Remotes will inform the OEB when Wawakapewin First nation has been connected and requests that the service area amendment and corresponding exemptions sought in this application are effective as of the date of that future correspondence.

No load transfers are eliminated by the proposed SAA.

7.1.3 DESCRIPTION OF PROPOSED SERVICE AREA

(a) Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.

For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

The lands to be included in the distribution licence of Remotes are known as Wawakapewin First Nation. As a point of reference, the lands are located approximately 250 kilometers north of Pickle Lake, ON.

(b) Provide geographic descriptions of the lands that are subject of the SAA application and how they Should be reflected on the Schedule 1 of the applicants' electricity distribution licences.

See Attachment 3- Map of Land subject to this SAA.

Wawakapewin First Nation should be added as an additional community served by Remotes in Schedule 1 of Remotes' distribution licence. Thus the amendment should read as follows:

23. Wawakapewin First Nation

7.1.4

Provide one or more maps or diagrams of the area that is the subject of the SAA application.

See Attachment 3.

7.1.4 (a)

Borders of the applicant's service area

N/A

7.1.4 (b)

Borders of the incumbent distributor's service area

N/A

7.1.4 (c)

Borders of any alternate distributor's service area

N/A

7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application.

N/A

7.1.4 (e)

Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities

See Attachment 3.

7.1.4 (f)

Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well)

The community is currently served by approximately 2km of 25kV distribution line that was recently upgraded. Once connected, the community will continue to be serviced via the same distribution facilities.

DISTRIBUTION INFRASTRUCTURE IN AND AROUND THE PROPOSED AMENDMENT AREA

7.1.5

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

The First Nation community has a population of approximately 70 people with approximately 15 houses, plus multi-use band office, health service, water plant, band operations and maintenance garage, and a diesel station.

7.1.6

*Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application.
Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.*

N/A

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.

Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long-term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

Remotes will continue to utilize the existing distribution facilities (the recently upgraded 2km of 25kv lines).

Wawakapewin FN has no airport and is not road accessible. Wawakapewin FN is accessible only via winter road, ski and float plane. Additionally, there is limited access during freeze and break-up of the Asheweig River.

Limited access to the community poses challenges to health, safety, medical situations and/or other emergencies that may arise. Delayed or slow response time due to the aforementioned travel methods and adverse weather in concert with increased costs to transport staff, materials and goods above other Remote sites results in Remotes' request for specific exemptions from the OEB's distribution system code and regulatory reporting requirements as part of this Application. These exemptions have been agreed to by Wawakapewin First Nation and are outlined in the *Long-Term Modified Service Framework* provided as Attachment 2 of this Application and further documented in Attachment 4.

With respect to long-term impacts of the proposed SAA on reliability, approval of this SAA will allow Wawakapewin FN to connect to the transmission grid once the Wataynikaneyap Transmission Project line is placed in service.

7.2.1 ECONOMIC AND ENGINEERING EFFICIENCY

In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application.

(NOTE: (a), (b), (c), (d), (e), (f), (g), (h))

7.2.1 (a)

Location of the point of delivery and the point of connection

The community connection point will be Wawakapewin TS which is approximately 5km away from the community.

7.2.1 (b)

Proximity of the proposed connection to an existing, well developed electricity distribution system

Please refer to 7.2.1 (a).

7.2.1 (c)

The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA

(Note: the Board will determine if the reason provided is acceptable).

It is forecast that the connection of this community will increase the funding required from Rural and Remote Rate Protection, associated with this community, by approximately \$150k to \$200k annually, given the low density and high cost to serve.

7.2.1 (d)

The amount of any capital contribution required from the customer

The customer is not required to contribute any capital expenses.

7.2.1 (e)

Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed

There will be no stranded equipment or assets associated with the project other than the diesel station.

7.2.1 (f)

Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term

Once the Watay transmission line is completed, this SAA is anticipated to enhance the reliability of the distribution system within the surrounding area currently or in the future.

7.2.1 (g)

Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application

This service area amendment application and corresponding asset sale does not impact whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area.

7.2.1 (h)

Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

Please refer to 7.2.1 (g)

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

Description of Impacts

7.3.1

Identify any affected customers or landowners.

Affected customers are all those within Wawakapewin FN territory, totaling approx. 20-25 connections.

7.3.2

Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

As a rate regulated utility, customers will be charged OEB-approved Remotes rates analogous to all other communities served by Remotes. Service quality and reliability is anticipated to improve relative to the status quo though Remotes does highlight for the OEB's consideration and for completeness purposes that certain exemptions from the DSC and RRR are requested to serve this specific remote community (see Attachment 4).

7.3.3

Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

This SAA application will have no impact on service quality and reliability for customers or distributors outside the subject area and may have a minimal impact on Rural and Remote Rate Protection funding as may be necessary to serve the community as noted in 7.2.1(c).

7.3.4

Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.

Remotes will not be negatively impacted by this SAA as long as the Long-Term Modified Service Framework is accepted by the OEB including any DSC or RRR exemptions that may be necessary to realize the Long-Term Modified Service Framework.

7.3.5

Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.

There will be no stranded assets or redundancies if the proposed SAA is granted other than the diesel station.

7.3.6

Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

2km of 25 KVA existing plant will be transferred as part of this amendment consisting of single phase and three phase transformers, single phase and three phase primary overhead lines, single phase primary underground duct and distribution poles.

7.3.

Identify any customers that are proposed to be transferred to or from the applicant.

Not applicable.

7.3.8

Provide a description of any existing load transfers or retail points of supply that will be eliminated.

Not applicable.

7.3.9

Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code (“DSC”)? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.

Not applicable.

EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

7.3.10

Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.

Please refer to Wawakapewin’s consent letter (Attachment 1).

7.3.11

Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.

Please refer to Wawakapewin’s consent letter (Attachment 1).

7.3.12

Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.

Not Applicable.

7.3.13

Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).

Not applicable

7.4 CUSTOMER PREFERENCE

7.4.1

An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.

Not applicable.

7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.

Not applicable.

7.5.1

If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.

Not applicable.

7.5.2

Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.

Not applicable.

7.5.3

Actual copies of, as well as a summary of, the offer(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM&A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.

Not applicable.

7.5.4

If there are competing offers to connect, a comparison of the competing offers to connect the customer, landowner, or developer.

Not applicable.

7.5.5

A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

Not applicable.

7.5.6

Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.

Not applicable.

7.5.7

Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.

Not applicable.

7.6 OTHER

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

7.7 REQUEST FOR NO HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:

- (a) an explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND**
- (b) the proposed recipient's written consent to the disposal of the application without a hearing.**

Remotes requests that the Board proceed with this application without a hearing.

- (a) No person will be adversely affected if the Board approves this application. The customers aware of this application and First Nation community agrees to Remote's intention of connecting their electrical service.
- (b) Wawakapewin First Nation has provided consent in support of this application.

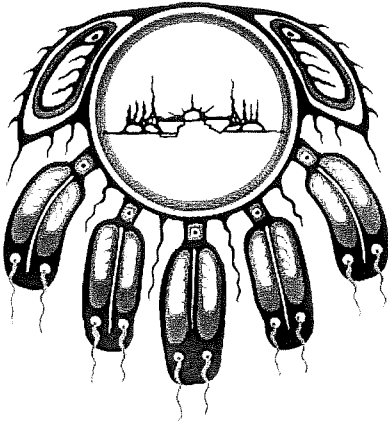
7.8 CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

I certify that the information contained in this application and in the documents provided are true and accurate.



Joanne Richardson
Director - Major Projects and Partnerships
Hydro One Networks Inc.

Dated: January 27, 2022



Wawakapewin First Nation

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March 14, 2017

Hon. Bob Chiarelli, Minister
Ministry of Energy
880 Bay Street - 3rd Floor
Toronto, ON
M7A 2C1

Via Email
and Mail

Dear Mr. Chiarelli:

Re: Letter of Request - Inclusion of Wawakapewin in the Hydro One Remotes Communities Service Area.

Wawakapewin First Nation currently operates an Independent Power Authority (IPA). Today, our community is writing to request the Minister of Energy ask Hydro One Remotes Community Inc. (H1RCI) to engage with Wawakapewin on the inclusion of our community in the Hydro One service territory.

It is our understanding that a formal request must be made to the Ministry, thereby allowing H1RCI to consider taking over the operations of our IPA. And further, that as a potential member community for the distribution of power with H1RCI, we will become Hydro One customers with access to the rural remote rate protection subsidy.

Thank you for your timely consideration of this matter,

Sincerely,

Chief Anne Marie Beardy
Wawakapewin First Nation

cc Samir Adkar – Manager Transmission Policy
Sophie Radecki, INAC Manager
Kraemar Coulter, Hydro One Remote Communities Inc.
Donna Brunton, Shibogama First Nation Council

Long-Term Modified Service Framework (Draft)

The following represents the preliminary framework for a **long-term modified** service framework between Hydro One Remotes (Remotes) and Wawakapewin First Nation (Wawakapewin) and includes a proposed service model for local distribution service as well as related regulatory exemptions. This proposed service model framework considers community access barriers including the lack of an all season road or MTO airport. Once barriers to community access are removed or otherwise addressed, including through the development of a permanent, maintained, all season road or MTO licensed airport, the long-term modified service framework would end. Changing to the standard service model is not expected to result in any negative impacts to the community or its residents, but is expected to take years, which is why a longer term modified service framework is required.

Essential Distribution Service Requirements

Due to both safety and logistical requirements, Remotes is currently unable to travel to/from Wawakapewin via floatplane or ski-plane which may affect mobilization times, travel times, service and schedule flexibility. As such:

1. Remotes requires the development of a helipad in Wawakapewin in order to provide local distribution service.
2. The Wawakapewin helipad must be built to a high standard similar to lit emergency medical helipads in Ontario.
3. Wawakapewin supports the development of a helipad within or near the community in order to receive local distribution service from Remotes.
4. Remotes requires the development of a compound at an agreed to location, similar to that of other IPA's in Wawakapewin in order to provide local distribution service.
5. Remotes compound or alternatively a vehicle garage must be in close proximity to the proposed helipad.
6. The Wawakapewin compound shall be modified from the Remotes standard compound design to:
 - a. accept a single-wide construction grade trailer, rather than a house, suitable to sleep 3, with option for 4 sleeper in emergency situation agreeable to Remotes.
 - b. remove the lines storage shed, replaced with an excellent condition Sea-can, placed on 8 X 8 PT wood beams, off the ground.
 - c. replace the existing full sized pole bunk with a smaller basic pole bunk for up to 10 poles.
 - d. remove full size transformer deck completely.
 - e. shrink the land footprint by 10% or as agreed.
 - f. include the addition of a 8-foot fuel waste storage shed (if Remotes is not providing back-up power, as it is a DGS requirement).
7. An IPA "UCA" understanding and conveyance agreement is required to be signed by all parties, including ISC. All other IPA transfer requirements, must be met, prior to service.
8. Remotes reserves the option to use whatever travel method necessary provided it is safe and suitable, should circumstances change.

Connection of New Services

1. Wawakapewin agrees to provide Remotes with a minimum 6 months notice or at the earliest possible convenience for all new connections.
2. Wawakapewin agrees to provide Remotes notice each October for any larger community infrastructure projects that may require additional or specialized materials via winter road delivery.
3. Remotes shall endeavor to complete a new connection at the earliest possible date once the new service is ready. This assumes adequate notice has been given by Wawakapewin, bundling of work has been considered to reduce costs for all parties and all applicable service conditions have been met.
 - a. Remotes shall complete layouts required for new connections within 90 days of all conditions being met for the layout or at a mutually agreeable date.
 - b. Remotes shall complete connection of a new service, within 90 days of all conditions being met for the connection or at a mutually agreeable date.
4. Wawakapewin recognizes that the Electrical Safety Authority inspection is a separate condition prior to all connections and is not controlled or coordinated by Remotes.
5. All layout and connection work shall be planned to occur during the winter road season (February/March) or between May 1st and November 1st annually, or when mutually agreed to.
6. Fixed price layouts or connections will not be offered.
7. Layouts and Connections are under a full cost recovery model, similar to other customers. All layouts or connections will be quoted on a variable cost basis. Actual costs will be charged, with savings through work bundling refunded.
8. Wawakapewin must provide at a reasonable commercial charge its backhoe, excavator or other equipment, in sound operating condition including an operator when requested by Remotes. Wawakapewin equipment rates are to be provided annually.
9. Remotes will bundle work when possible to reduce cost to both the community of Wawakapewin and RRRP/ratepayers.
10. Given expected mail delays, Wawakapewin will maintain and provide an active list of community representatives with appropriate email and fax contact numbers.
11. Given expected communication concerns, Wawakapewin will maintain and provide an emergency telephone number, such as a satellite phone.
12. Remotes would seek a full exemption to the *New Connection* Distribution System Code (DSC) and Reporting and Record keeping requirements (RRR) from the OEB; this requires agreement by the OEB.
13. Wawakapewin is aware of and will provide written support of Remotes' intent to seek exemption to the *New Connection* DSC and RRR standards from the OEB.

Emergency Response

1. Wawakapewin will immediately notify Remotes of any outage, by calling 1-888-825-8707. It is the responsibility of the community or individual members to report service issues to the toll free number. Any action, communication or response does not begin until we are aware of the outage or issue.
2. There are individuals in Wawakapewin who are able to provide local operations and maintenance support to Remotes; these individuals are willing to complete training by Remotes in order to provide local support and perform meter reading and reporting activities on a regular basis. Wawakapewin will enter into a contract with Remotes to perform local operations, maintenance support services and provide mutually acceptable candidates.
3. Wawakapewin expects that Remotes will train mutually acceptable candidates provided by the First Nation as a distribution operator to ensure that there are no gaps in the community's ability to provide initial response to local issues.
4. Distribution operator training and tasks performed will be of a sufficient nature to provide initial response to local issues with a focus on public safety. More complex trouble will be dispatched accordingly. Response by the local operator will be under the direction and guidance from Remotes.
5. Remotes will endeavor to meet the OEB's *Emergency Response* measure to local distribution issues within 120 minutes at least 80% of the time; however, this commitment will be contingent on the availability of a local community member to be engaged in distribution outage response activities.
6. In the event of an expected prolonged outage in Wawakapewin requiring further response, Remotes will provide a plan to respond within 48 hours of being notified of the outage. This is communicating the plan, not necessarily starting the response.
7. Remotes will make best efforts to respond to all outages given access challenges with heightened priority for a community wide interruption over single customer outages.
8. Remotes would seek a full exemption to the *Emergency Response* DSC and RRR requirements from the OEB; this requires agreement by the OEB. Emergency response reporting is usually done in conjunction with event reporting in which Remotes is also seeking an exemption from.
9. Wawakapewin is aware of and will provide written support of Remotes' intent to seek exemption to the *Emergency Response* DSC and RRR standards from the OEB.

Reconnection Standards (Disconnection)

1. Customers are responsible to pay their bill on time. We know that this can be a struggle for some, and if a customer is unable to pay a bill the single most important thing they can do is to stay in contact with our Billing Department: we have information on helpful programs, payment plans and can discuss options.
2. Given mail delays and likely bill payment challenges, Remotes will provide information to customers on pre-authorized payment, ways to pay, and budget billing options.
3. Wawakapewin would, in principle, be willing to cover unpaid residential bills if a customer is facing disconnection.
4. There are no changes proposed by Wawakapewin to the Remotes annual spring/fall collection process. It is expected that normal customer collection notification will be provided by Remotes.
5. Wawakapewin and Remotes recognize that the disconnection/reconnection process is needlessly costly, prolonged, and inconvenient for all parties and will make efforts to address/resolve issues pre-emptively and collaboratively.
6. Any reconnects will be done during the next normal trip to the community, which may result in prolonged disruption to service. Alternatively, the reconnect can be done immediately at full cost paid up-front by the customer.
7. Remotes would seek a full exemption to the *Reconnection Standard* DSC and RRR from the OEB; this requires agreement by the OEB.
8. Wawakapewin is aware of and will provide written support of Remotes' intent to seek exemption to the *Reconnection Standard* DSC and RRR standards from the OEB.

Event Reporting

1. All parties including the OEB recognize that reliability in Wawakapewin will likely not be the same level of service as neighbouring communities due to access and logistical challenges.
2. Remotes would seek a full exemption to the Event Reporting and Major Event Reporting DSC and RRR from the OEB; this requires agreement by the OEB
3. Wawakapewin is aware of and will provide written support of Remotes' intent to seek exemption to the Event Reporting and Major Event Reporting DSC and RRR standards from the OEB.

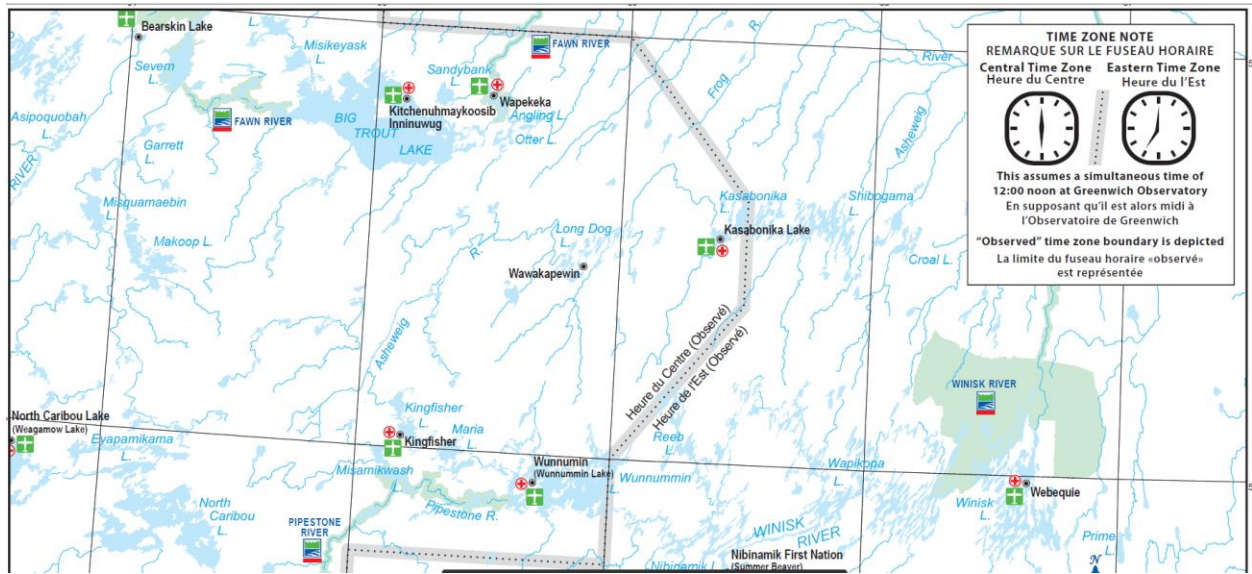
Billing Accuracy

1. Remotes will bill all Wawakapewin customers at least monthly.
2. Prior to taking over local distribution service in Wawakapewin, Remotes will provide information to Wawakapewin with regards to available affordability support programs, and other customer programs.
3. There are individuals in Wawakapewin who are able to provide local meter reading support to Remotes; these individuals are willing to complete training by Remotes and read and report on a monthly basis.
4. Wawakapewin will enter into a contract with Remotes to perform meter reader services and provide mutually acceptable candidates.

Alternate Regulatory Requirements

1. Remotes will seek exemptions from the DSC and RRR standards for all the applicable sections specifically listed above.
2. Remotes will maintain appropriate separate records specific to Wawakapewin of the exemptions sought. It will be provided to the OEB or other stakeholders on request only.
3. The OEB must approve the long-term modified service framework for Wawakapewin.
4. The OEB must also approve the inclusion of Wawakapewin into Remotes service territory and the corresponding use of the RRRP (Rural or Remote Rate Protection).

Wawakapewin Ontario Road Map



Wawakapewin Reserve Overview Map



**Hydro One Remote Communities Inc.’s Exemption Request from
Sections of the Ontario Energy Board’s Distribution System Code and
Related Electricity Reporting and Record-Keeping Requirements**

Summary of the Request

Under Section 21(4)(b) of the Ontario Energy Board Act, 1998, Hydro One Remote Communities Inc.’s (“Remotes”) requests licence exemptions in respect of its distribution connection of the Wawakapewin First Nation (“Wawakapewin” or “the community”) to the Wataynikaneyap Power Ltd. (“WPLP”) transmission line. More specifically, Remotes believes it is prudent to request exemptions from certain provisions of the Distribution System Code (“DSC”) addressing the connection of new services, system reliability indicators, emergency response, re-connection standards and billing accuracy. Remotes also requests certain exemptions from the Electricity Reporting and Record-Keeping Requirements (“RRR”) which correspond to these obligations and where reporting this information is neither practical nor appropriate.

As discussed in section 7.3.2 of this Service Area Amendment (“SAA”) application, the Remotes-Wawakapewin connection is expected to result in an improvement to Wawakapewin’s service quality and reliability relative to the status quo. However, the extreme isolation of the area, in conjunction with unfavourable seasonal weather, is nonetheless anticipated to create logistical issues in servicing this community of about 70 people, hamper response times and increase the costs of transporting materials and goods.

Remotes functions in a unique environment. Extremely low customer densities, a harsh climate, logistical challenges related to transportation, complex funding arrangements with third parties and the heightened importance of First Nation band councils, set Remotes apart from other Ontario electricity distributors. This unique operating environment has a profound impact on operations and costs throughout Remotes’ service area.

For Remotes, the conventional LDC utility service model, often doesn’t fit or align with what is practical, achievable or cost effective. Accordingly, many regulatory service requirements with completion timelines suited to a normal LDC setting are not feasible here. Striving for compliance with the above-stated DSC and related RRR requirements therefore, would represent a major and costly challenge.

To address these issues more specifically, Remotes and Wawakapewin have developed and agreed upon an alternative proposal provided in Attachment 2 – a Long-Term Modified Service Model Framework (“Service Model Framework”), that is more feasible, specific to the needs of the community and balances its need for electricity service with a reasonable level of additional funding required from the Province’s Rural and Remote Rate Protection (“RRRP”) plan. This Service Model Framework is characterized by agreements, communication and close co-operation between Remotes, band council and stakeholders, that enables, for example, the bundling of work for completion during specific periods or seasons more “amenable” to community access.

Wawakapewin's connection to the WPLP line is expected to be in May, 2023. Remotes requests that the Board establish the exemptions are acceptable and that they will be effective upon Remotes notifying the OEB of Wawakapewin's connection. This will enable Remotes to meet this deadline in preparation for the connection and provide increased certainty about grid connected service to project funders.

The following describes the regulatory exemptions requested and the aspects of the Service Model Framework which Remotes and Wawakapewin propose as an alternative to manage these obligations. (Appendix A to this Attachment provides the requirements for the convenience of the reader.)

Exemptions Requested

1. Connection of New Services

- a. DSC, Section 7.2
- b. RRR, Section 2.1.4.1.1

Section 7.2 of the DSC mandates timelines of 5 or 10 business days to complete the connection of new low- and high-voltage service arrangements, respectively (or other timelines as agreed by the parties). This requirement must be accomplished 90% of the time, annually, while the RRR specifies the related annual reporting requirements.

Remotes' and Wawakapewin's proposed Service Model Framework provides for the completion of a new service within 90 days of all conditions being met (or on a mutually agreeable date). This timeline is dependent on factors such as agreed notice periods, bundling of work where possible and an agreed full cost recovery approach, similar to Remotes' practice elsewhere in its service territory.

For more details, please see Attachment 2, page 2, "Connection of New Services."

2. System Reliability Indicators and Event Reporting

- a. RRR, Section 2.1.4.2

The RRR's Section 2.1.4.2 defines and provides the calculations for broad utility system reliability indicators (such as SAIFI and SAIDI) and event reporting in Ontario.

While Remotes believes that its distribution connection to Wawakapewin will improve the community's electricity service vis-à-vis that experienced today, interruptions and other potential complications due to weather events must be expected. Transport and logistics issues involved in conveying Remotes crews to the site for restoration work would create considerable disruption and impact on other work programs and other customers, as well as excessive costs to ratepayers. Response times of getting crews to sites for complex trouble calls are severely impacted; by not hours, but days. To help address response times and ensure public safety, Remotes will train and provide on-going support to a local distribution operator living in Wawakapewin.

Despite these arrangements, Remotes anticipates and must acknowledge that system reliability for the community will not attain the performance standards considered reasonable for the remainder of the province and requests an exemption to the RRR's Section 2.1.4.2.

For more details, please see Attachment 2, pages 3 and 4, "Emergency Response" and "Event Reporting."

3. Emergency Response

- a. DSC, Section 7.9
- b. RRR, Section 2.1.4.1.8

The DSC's Section 7.9 mandates an emergency response timeline of 120 or 60 minutes for rural or urban communities, respectively, with such timelines to be met 80% of the time, annually. The RRR Section 2.1.4.1.8 specifies the approach to report these emergency response statistics.

The issues discussed in the prior two sections will also hinder Remotes' response timelines for emergencies. However, Remotes and Wawakapewin acknowledge the critical need for an emergency response protocol and have developed a plan which includes, among other things, a notification process for outage communications and the presence of community residents who have been trained and qualified as distribution operators capable of responding to local issues under Remotes' guidance. Contingent on this approach, Remotes commits to attempt to respond to local distribution issues within 120 minutes at least 80% of the time and, for an expected prolonged outage, to provide a plan to respond within 48 hours of being notified.

Even with these efforts, it must be understood that emergency response timelines generally will be slower for Wawakapewin than those elsewhere. Accordingly, Remotes requests an exemption to the DSC's Section 7.9 and the related section 2.1.4.1.8 of the RRR.

For more details, please see Attachment 2, page 3, "Emergency Response."

4. Re-Connection Standards (Disconnection)

- a. DSC, Section 7.10
- b. RRR, Section 2.1.4.1.9

The DSC's Section 7.10 requires that following a disconnection, the distributors re-connect the customer's property within 2 business days of the date of full payment of the arrears or of the customer having entered into an arrears payment agreement. This requirement must be met 85% of the time, annually. The RRR specifies the approach to report these statistics.

The Ontario Energy Board ("the Board") has already acknowledged the circumstances which create difficulties for Remotes to fulfill this obligation and, on April 25, 2013, approved an exemption to this section of the DSC in Schedule 3 of its Distribution Licence (EB-2011-0021). In this case, therefore, Remotes requests an exemption to the corresponding Section 2.1.4.1.9 of the RRR.

For more details, please see Attachment 2, page 4, "Reconnection Standards (Disconnection)."

5. Billing Accuracy

- a. DSC, Section 7.11
- b. RRR, Section 2.1.19 b)

The DSC's Section 7.11 defines the requirements for an accurate electricity bill and mandates that the requirements be met at least 98% of the time, annually. The RRR section 2.1.19b) requires that distributors report their billing accuracy according to the DSC requirements, annually.

As discussed in previous RRR annual reporting, Remotes, historically, does not meet the industry standard of 98.00%, which relies on smart meter deployment throughout a utility's service area. Remotes has not installed a smart meter network due to limited communication infrastructure in its service territory.¹ It therefore, relies on manual readings which are faxed to the office and entered into the system by the billing team. If the faxed readings are late or not performed, they result in an unplanned estimate. Remotes has also continued with at least quarterly physical meter readings for seasonal customers, but there are a number of seasonal customers whose meters are inaccessible at certain times of the year, making the industry standard difficult to attain.

¹ Furthermore, Remotes' billing is based on tiered, not time-of-use pricing, which diminishes the need for smart meter usage.

Remotes' plan for Wawakapewin, therefore, is to replace all the existing meters and bill all customers at least monthly, based on manual meter readings. The recruitment and training of one or more meter readers from the community will be critical and Wawakapewin will contract with Remotes to provide mutually acceptable candidates for this purpose. However, given the small size of the community (with about 20 meters), this work would be part-time at best and retention of trained people may become problematic. Sending Remotes staff to replace community meter readers when needed, is not a feasible option, due to logistics and the related cost. Remotes will make all reasonable efforts to ensure the accuracy of its billing practices, but given the reliance on manual meter readings, achieving the DSC's billing accuracy requirements will be very challenging.

Accordingly, Remotes requests an exemption to the DSC's Section 7.11 and the RRR's Section 2.1.19b).

For more details, please see Attachment 2, page 4 "Billing Accuracy."