

BY EMAIL AND RESS

April 14, 2022

Mr. Hussein Yusufali
Advisor
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Yusufali,

EB-2022-0083 – Service Area Amendment and Exemption Application for Hydro One Remotes Communities Inc. to Service Wawakapewin First Nation – Additional Information

This letter is provided by Hydro One Remote Communities Inc. (“Remotes”) and is intended to address the additional information that OEB Staff sought by letter issued April 8, 2022. The responses below align numerically with the questions posed in OEB Staff’s April 8, 2022 letter.

1. Support Letter from Wawakapewin First Nation

Discussion with Wawakapewin First Nation (“Wawakapewin”) about potential service has been on-going since the initial request to the Ministry of Energy dated March 14, 2017. Initial preliminary work in the earlier portions of engagement focused on understanding each other. Significant effort was spent by discussing the current state of both Hydro One Remotes service in other communities and the current operations of Wawakapewin’s IPA. Through this fact-finding stage we started to better understand the challenges of both parties. Other local distribution companies (“LDC”), contractors and alternative service options were discussed, however, it was determined that having Remotes as the LDC was the best option and the parties proceeded with that preference. Multiple field visits were also performed to gain insight into the community, its existing assets and Independent Power Authority (“IPA”) operations. The challenge for Remotes and Wawakapewin was to come to an understanding of what is a reasonable standard of service given the logistical and operational challenges unique to this isolated community. Through understanding and co-operation we have been able to work together to discuss service scenarios and develop workable solutions. The engagement throughout the process focused on meeting in person approximately every 3 to 6 months, when possible, and communicating actively via email, telephone, conference calls etc. between in-person meetings. Wawakapewin has been actively supported by both Shibogama tribal council and Opiikapawiin Services LP (“OSLP”) throughout the framework development process. Other stakeholders including Wataynikaneyap Power LP and Indigenous Services Canada (“ISC”) were also brought in on an as-required basis. The Long Term Modified Service Framework (“Framework”) is fully supported by Wawakapewin as evidenced by the attached August 31, 2021 letter.

The preliminary Framework will be considered final, pending OEB approval, as there have been no updates to the document as filed. There is also no plan to re-file. It is expected that the agreed to Framework once approved by the OEB will be part of, or embedded in, the Independent Power Authority Understanding and

Conveyance Agreement (“IPA UCA”). The Agreement is signed between the First Nation, its IPA, Hydro One Remotes and ISC on behalf of Canada. The IPA UCA sets out the asset transfer conditions, takeover day conditions, pre-transfer work, land permits, electrification and service terms, and ISC acknowledgement. It is expected that the pre-transfer work and electrification and service portion of the UCA, will be modified for the Wawakapewin IPA UCA to recognize the unusual situation at hand. Should there be any material changes to the Framework, Remotes commits to informing the OEB, accordingly.

Remotes would welcome the OEB to reach out to the community leadership representatives as it may be beneficial for the OEB to get a better sense of the on-going challenges the community faces as well as its desire for grid connected, long-term, reliable service.

2. System Reliability Indicators, Event Reporting and Billing Accuracy

Service Reliability Indicators, Event Reporting

Section 2.1.4.2 of RRR. (Reporting on System Reliability Indicators)

Section 7.9 of DSC. (Emergency Response)

The utility service model for Wawakapewin is unlike all other communities served by Remotes, which are more readily served by via chartered aircraft from Thunder Bay or other Northern hub communities. Wawakapewin cannot be easily accessed which makes providing reliable service challenging if and when trouble occurs as newly introduced logistical and operational challenges emerge. Similar to its existing IPA service, response times will likely be measured in days and weeks, not minutes. As such, Remotes feels that it would be appropriate to exclude the above noted sections as consolidated reliability results and response times will not reflect what the average customer experiences.

Billing Accuracy

Section 2.1.19 of RRR

Remotes has assumed that the RRR section referenced in the OEB staff question should have been Section 2.1.19 and has responded to this question, accordingly. Since Remotes does not use smart meters, the accuracy of billing heavily relies on the manual meter reads provided by the community’s meter reader. In other communities, Remotes staff can be easily deployed to read meters should local representatives be unable to complete work. Given the logistical considerations, time requirements and steep costs, having Remotes staff complete this work is unwarranted. Remotes would generally expect to have billing accuracy similar to other communities, but it will require a firm commitment by the community meter reader to regularly perform this work as other options are scarce or costly. As such, Remotes feels that it would be appropriate to exclude the above noted sections as consolidated billing accuracy results may be impacted negatively, and not reflect what the average customer experiences.

3. Regulations

- i) Remotes confirms that Wawakapewin First Nation is, in accordance with subsection 1. (1) of O. Reg. 199/02, a community prescribed by the Province for the purposes of section 48.1 (1) of the *Electricity Act, 1998*;
- ii) Remotes confirms that in accordance with subsection 1. (2) of O. Reg. 199/02, Hydro One Inc. shall not, directly or through a subsidiary, operate a distribution system in, or distribute electricity within, Wawakapewin First Nation until the OEB has issued an order amending Remotes' licence to include that community within its service area. It is Remotes' expectation that the licence amendment will not be effective until Wataynikaneyap Power LP's transmission line is connected to the IESO-Controlled grid such that the community of Wawakapewin can be connected as outlined in the application.
- iii) Confirmed. Once the Board has issued an order amending the licence to include Wawakapewin within its service area, in accordance with subsection 3.1 of Section 2 of O. Reg. 442/01, as amended, Remotes will be authorized to provide consumers who occupy residential premises in Wawakapewin with rate protection under section 79 of the Ontario Energy Board Act, as it is one of the remote communities named in Schedule 3 of O. Reg. 442/01.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Richardson".

Joanne Richardson



Wawakapewin First Nation

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August 31, 2021

Mr. Kevin Mann
Manager, Business Integration & Customer Service
Hydro One Remote Communities Inc.
680 Beaverhall Place
Thunder Bay, ON, P7E 6G9

Re: Local Distribution Service by Hydro One Remote Communities Inc. in Wawakapewin First Nation

Wawakapewin First Nation Chief & Council have reviewed the updated *Preliminary Proposed LDC Service Model Framework* dated August 9, 2021 provided by Hydro One Remote Communities Inc. (Remotes) that outlines the provisions for long-term modified distribution service in Wawakapewin First Nation by Remotes. Wawakapewin First Nation Chief & Council agree in principle to the proposed distribution service provisions outlined in the aforementioned document and the development of an Understanding & Conveyance Agreement for service.

Further, Wawakapewin First Nation is aware of and in support of Remotes' intent to seek exemption to the Distribution System Code (DSC) and Reporting and Record Keeping requirements (RRR) standards from the OEB as noted in the *LDC Service Model Framework*.

Sincerely,

Chief Anne Marie Beardy
Wawakapewin First Nation

CC:

Rhoda Meekis, *WFN*
Allyne Gliddon, *WFN*
Luke McKay, *Shibogama*
Laura Sayers, *Shibogama*
Rachelle Boone, *ISC*
Lucie Edwards, *OSLP*
Richard Habinski, *OSLP*