



Chapleau Hydro  
PO Box 670, 110 Lorne St., S.  
Chapleau, ON P0M 1K0  
(705) 864-0111  
[puc@chapleau.ca](mailto:puc@chapleau.ca)  
[www.chapleau.ca](http://www.chapleau.ca)

**BY EMAIL AND RESS**

May 9, 2023

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

Dear Ms. Marconi,

**Chapleau Public Utilities Corporation and Hydro One Networks Inc. – Request to Ontario Energy Board**

Chapleau Public Utilities Corporation (CPUC) is requesting that, in accordance with Section 59(1) of the *Ontario Energy Board Act* (OEB Act), the Ontario Energy Board (OEB) issue an interim license to Hydro One Networks Inc. (Hydro One) to undertake activities under Section 57 of the OEB Act in respect of the CPUC's electricity distribution business. Hydro One is supportive of this request as evidenced by its signature below.

The CPUC provides electricity distribution services to customers in the Township of Chapleau (Township) and is one of the smallest remaining electricity distributors in the Province of Ontario, serving approximately 1,200 customers. The Township is the sole shareholder of the CPUC.

In recent years, the CPUC has experienced difficulty attracting and retaining qualified staff to oversee the general and financial management of the utility. As of May 1, 2023, the only two management staff have departed/retired and the Chair of the CPUC Board has assumed the General Manager role on an interim basis. Given this situation, and with the increasing regulatory oversight and capital upgrade requirements, the Township and the CPUC have been looking at all options to ensure electricity ratepayers within the Township continue to receive excellent electricity distribution services.

The Township and the CPUC Board would like Hydro One to manage the day-to-day operations of the CPUC's business. A search for qualified and synergistic service providers to fill the current resourcing needs of the CPUC was conducted, and the search identified Hydro One as the preferred solution provider. Hydro One is willing to fulfil this role and we are working expeditiously together to establish a pathway to facilitate this role. The CPUC believes that Hydro One is in the best position to fulfil this role for a number of reasons, including:

- Hydro One is willing to assist the CPUC;



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- The CPUC service territory is embedded within Hydro One's service territory, therefore Hydro One already has a local presence in the area;
- Hydro One already serves Indigenous communities and businesses on the outskirts of Chapleau; and
- Hydro One is an established and dependable electricity distributor in Ontario.

The Township is aware of the growing challenges associated with continuing to own and operate a small electricity distribution utility like the CPUC, beyond just staffing and succession planning. The electricity sector is poised for significant change going forward. No longer will distribution utilities be responsible for simple power delivery to customers in a single direction. Distributed energy resources, such as solar and wind generation, battery storage, and other technologies, must be adopted and managed in our region, requiring additional skillsets and resources beyond the capacity of our small utility. Aging infrastructure and growing electricity loads associated with the onset of electric vehicles and transitioning heating loads to electricity are but a couple of matters that, as we further decarbonize our lives, will drive the need for large capital investments to rejuvenate and grow our electricity distribution system. Such capital investment requirements will quickly outpace the financial capabilities of the Township and the CPUC. It is this reality that has prompted the Township and the CPUC to consider a potential sale of the CPUC to a larger utility. Any such transaction will take time as it will involve conducting due diligence to ensure all parties achieve a mutually agreeable outcome. The Township wants to retain local jobs and ensure electricity ratepayers within the Township and neighbouring areas, including our First Nations communities, will continue to receive safe and reliable electricity service and access to emerging technologies. The Township and the CPUC hope to enter into a sale agreement in 2023. The CPUC will keep the OEB and the Township residents informed of the progress made in respect of a potential sale transaction.

As a sale transaction is contemplated, it would appear appropriate to seek the OEB's support in the interim. With Hydro One's full support, the CPUC is requesting that the OEB issue an interim license to Hydro One to undertake activities under Section 57 of the OEB Act in respect of the CPUC's electricity distribution business. We also request that a decision be rendered by the OEB by May 15, 2023. If approved, Hydro One will inform the OEB when it has assumed its role as an interim licensee in accordance with the OEB's decision.

Should you have any questions on this application, please contact Jason Rioux at [jason.rioux@gmail.com](mailto:jason.rioux@gmail.com) or (416)-427-9434 with respect to the CPUC, Mayor Ryan Bignucolo for the Township of Chapleau at [mayor@chapleau.ca](mailto:mayor@chapleau.ca) or (705) 864-5050, and Joanne Richardson at [joanne.richardson@hydroone.com](mailto:joanne.richardson@hydroone.com) or (416) 902-4326 with respect to Hydro One.



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Sincerely,

A handwritten signature in blue ink, appearing to read 'Ryan Hignucolo'.

Ryan Hignucolo  
[Mayor, Town of Chapleau]

A handwritten signature in blue ink, appearing to read 'Robert Jean'.

Robert Jean, Chair  
[Board Chair, CPUC]

A handwritten signature in black ink, appearing to read 'Frank D'Andrea'.

Frank D'Andrea  
[VP, Regulatory Affairs, Hydro One Networks  
Inc.]