

Hydro One Networks Inc.

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

Jeffrey Smith

Director, Regulatory Compliance
C 905.399.5721
Jeffrey.Smith@HydroOne.com

BY EMAIL AND RESS

January 9, 2024

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

Dear Ms. Marconi,

RE: EB-2024-0005: Status Report on Operations of Cat Lake

Please find enclosed the Status Report on Operations of Cat Lake.

The financial numbers provided are *preliminary* due to the timing of this report requirement and license expiry. Should there be any material changes once the final reports are available, we will provide you with a revised version.

In future, it would be helpful to have the license renewal dates amended to January 31 and July 31 to better align with the availability of the final reports that inform the status updates.

Should you have any questions, please contact Liana Urquhart at (705) 740-4363 or via email at RegulatoryAffairs@HydroOne.com.

Sincerely,

A handwritten signature in black ink, appearing to be "Jeffrey Smith", written in a cursive style.

Jeffrey Smith

STATUS REPORT ON OPERATIONS OF CAT LAKE

Hydro One Networks Inc. (“Hydro One”) is providing this update to the Board in advance of the expiry on January 17, 2024, of the current Interim Distribution Licence for Cat Lake.

In a Decision and Order dated July 21, 2006 (EB-2006-0180), the Board issued an order (ED-2006-0181) deeming as distribution assets all the transmission assets owned by the Cat Lake Public Utility and issued then a three-month interim distribution licence to Hydro One. The Board ordered Hydro One to take possession and control of the deemed distribution assets owned by Cat Lake Power and the distribution assets in the Cat Lake community owned by the Ontario Electricity Financial Corporation (“OEFC”). Hydro One assumed possession and control of the assets covered by this order at 12:01 a.m. on August 14, 2006. The Board has subsequently amended the interim electricity distribution licences ED-2006-0181, and most recently extended it for a six-month term on July 18, 2023 (**EB-2023-0185**).

Hydro One Transmission and Hydro One Remotes are working through the final transfer issues with Cat Lake and additional stakeholders. Once complete, Transmission intends on filing an application to enable it to purchase certain transmission assets from Cat Lake Power. As part of this agreement, it will be proposed that the distribution service for the Cat Lake community be included in Hydro One Remotes Communities’ service territory. We remain hopeful this deal will be completed in 2024.

This progress report updates the report that Hydro One filed on July 13, 2023. It covers the Cat Lake utility activities to date and provides preliminary financial results until December 31, 2023.

Tracking of Cost

As directed, Hydro One is recording the revenues from the customers in the Cat Lake community and the costs of operation and maintenance of the system. The energy costs, OM&A costs and capital costs are recorded separately. As of December 31, 2023, the total costs recorded since taking possession and control are as follows:

Cumulative Costs incurred by Hydro One for Cat Lake

Capital:	\$3,517,679
OM&A	\$10,919,168
Cost of Energy:	\$8,576,321
Interest Cost:	\$1,668,683
Total	\$24,681,851

Tracking of Revenue

As of December 31, 2023, Hydro One has cumulatively collected the following amounts from Cat Lake customers (rounded to the nearest dollar):

September to December 2006	\$29,787
January to December 2007	\$477,319
January to December 2008	\$477,751
January to December 2009	\$437,198
January to December 2010	\$446,712
January to December 2011	\$488,469
January to December 2012	\$566,363
January to December 2013	\$298,490
January to December 2014	\$234,072
January to December 2015	\$488,254
January to December 2016	\$312,226
January to December 2017	\$576,204
January to December 2018	\$265,595
January to December 2019	\$384,240
January to December 2020	\$435,450
January to December 2021	\$570,334
January to December 2022	\$427,940
January to December 2023	\$365,586
Total	\$7,281,989

Bills have been issued to customers on a monthly basis, with the most recent bills in the reporting period issued in December 2023. The total outstanding invoiced amount at that time was approximately **\$ 4,775,352**. This amount includes HST, arrears, and late payment charges where applicable. The issued bills include the following amounts:

Current (0-39 days)	\$252,654
Overdue (40-69 days)	\$85,131
Overdue (70-89 days)	\$79,338
Overdue (90+ days)	\$4,358,229
Total	\$4,775,352

Regulatory Assets account balance

As of December 31, 2023, the balance in the deferral account related to Cat Lake is **\$17,399,861**

Operations

Operations were normal with no significant events.

Planned Work and Further Reporting

Hydro One continues to operate the Cat Lake system and to manage issues associated with its operations.

There is no meaningful planned work to report at this time.

We will also continue to inform the Board and its staff of any significant issues, to solicit advice and guidance as needed, and to provide information in support of the Board's review of the Cat Lake situation.