

BY EMAIL AND RESS

January 14, 2026

Mr. Ritchie Murray
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray

EB-2026-0007 – Status Report on Operations of Cat Lake and Extension of Interim License

Please find enclosed the Status Report on Operations of Cat Lake as of December 31, 2025.

In concert with providing the enclosed Status Report on Operations, Hydro One Networks Inc. requests the following relief from the OEB:

- a.) an extension of the interim license currently set to expire on January 31, 2026. The interim license has been renewed approximately sixty times over the last twenty years, with only minor variations and no material changes in circumstances between renewal periods. Given this, Hydro One respectfully proposes the license term be a minimum of one year and a preferred duration term of five years.
- b.) a modification to the distribution licence regarding restrictions on the provision of information. Specifically, relief is requested to permit customer privacy disclosure akin to the conditions that are found within the Hydro One Remote Communities Inc. distribution licence.¹ This is to support the necessary account maintenance activities, customer verification, and to support resolving outstanding arrears.

These requests are further described in the attached Status Report. Hydro One remains committed to notifying the Ontario Energy Board of any significant issues, seeking guidance as needed, and providing required information to support the Board's review between renewal periods if requested. We appreciate your consideration and look forward to your response.

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

Sincerely,



Pasquale Catalano

¹ Please refer to Section 15 of [ED-2003-0037](#)

STATUS REPORT ON OPERATIONS OF CAT LAKE

Hydro One Networks Inc. (“Hydro One”) is providing this update to the Ontario Energy Board (“the OEB”) in advance of the expiry of the current Interim Distribution Licence for Cat Lake Public Utility (“Cat Lake”) on January 31, 2026.

In its Decision and Order dated July 21, 2006 (“the Order”)¹, the OEB deemed as distribution assets all the transmission voltage assets owned by Cat Lake and issued a three-month interim distribution licence to Hydro One. In the same Order, the OEB ordered Hydro One to take possession and control of the deemed distribution assets owned by Cat Lake 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 the Order at 12:01 a.m. on August 14, 2006. The Board has subsequently amended the interim electricity distribution licence ED-2006-0181, and most recently extended it for a six-month term on July 31, 2025 (EB-2025-0208).

As detailed in previous progress reports, Hydro One and Hydro One Remotes are continuing to work through various transfer issues with Cat Lake and additional stakeholders. Hydro One has intended to file an application to enable it to purchase certain transmission assets from Cat Lake Power (“the Contemplated Agreement”). As part of the Contemplated Agreement, it would be proposed that the distribution service for the Cat Lake community be included in Hydro One Remotes Communities’ service territory. Despite on-going efforts, the timing of the transaction is still uncertain.

This progress report updates the report that Hydro One filed on July 16, 2025. It covers Cat Lake activities to date and provides financial results until December 31, 2025.

Should the OEB agree to extend Hydro One’s interim electricity distribution licence, again, Hydro One requests that the OEB give consideration to an extended interim licence that is for a duration of greater than one year and preferably is for a five-year term. As aforementioned, Hydro One has held an interim distribution licence for Cat Lake for approximately twenty years. This has required approximately sixty extension applications², reviews and approvals by the OEB to effectively extend the interim electricity distribution licence originally granted in 2006. The duration of the interim licence will not have any affect on Hydro One and Hydro One Remote Communities’ continued efforts to achieve an agreement for the transfer of Cat Lake Public Utility assets and is intended to support industry aims of achieving regulatory efficiency. Additionally, should the OEB believe the request for an extended interim licence is reasonable, Hydro One would support the continued obligation to provide the OEB progress reports on Cat Lake

¹ ED-2006-0181

² *ibid*, Appendix 1

activities and would recommend that the frequency of such reports be provided on an annual basis.

Tracking of Cost

As directed, Hydro One records 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, 2025, 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	\$11,942,046
Cost of Energy:	\$10,083,006
Interest Cost:	\$3,037,531
Total	<u>\$28,580,262</u>

Tracking of Revenue

As of December 31, 2025, 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
January to December 2024	\$415,767
January to December 31, 2025	\$566,571
Total	<u>\$8,264,327</u>

Bills have been issued to customers monthly, with the most recent bills in the reporting period issued in December 2025. The total outstanding invoiced amount at that time was approximately **\$7,239,817**. This amount includes HST, arrears, and late payment charges where applicable. The issued bills aging categories, by amount, are as follows:

Current (0-39 days)	\$287,324
Overdue (40-69 days)	\$121,382
Overdue (70-89 days)	\$121,209
Overdue (90+ days)	\$6,709,903
Total	<u>\$7,239,817</u>

Customer Activities

During the last half of 2025, Hydro One has met with the Chief and associated representatives' multiple times on the growing need for account maintenance activities, customer verification and outstanding arrears resolution. We are currently developing a plan in cooperation with Cat Lake, suitable for the needs of both parties while recognizing the logistical, operational challenges, and high-cost structure related to servicing a remote, isolated community.

Customer Privacy Disclosure - Dx

To support the necessary account maintenance activities, customer verification, and outstanding arrears resolution, Hydro One is requesting a modification to the Cat Lake distribution licence regarding restrictions on the provision of information. Specifically, relief is requested to permit customer privacy disclosure akin to the conditions that are found within the Hydro One Remote Communities Inc. distribution licence.³

"The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:

a) to a debt collection, band council or government agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator."

This privacy disclosure is unique to Cat Lake only. Specifically, for those accounts that are within the care and control of Cat Lake and its associated entities, including band owned housing.

³ Please refer to Section 15 of [ED-2003-0037](#)

Hydro One will confirm acceptance of this proposed privacy change with Cat Lake and submit supporting correspondence at a later date.

Regulatory Assets account balance

As of December 31, 2025, the balance in the deferral account related to Cat Lake is **\$20,315,934**.

Operations

- No significant unplanned operational work to report

Planned Work and Further Reporting

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

There is no planned work to report at this time.

Hydro One will continue to inform the OEB of any significant issues, solicit advice and guidance as needed, and provide information in support of the OEB's review of the Cat Lake situation.