**Hydro One Networks Inc.**
483 Bay Street
7th South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

**Pasquale Catalano**
Director
Major Projects and Partnerships
**C** 647.616.8310
Pasquale.Catalano@HydroOne.com

**BY EMAIL AND RESS**

July 10, 2026

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

Dear Mr. Murray,

**EB-2026-0192 – Status Report on Operations of Cat Lake and Extension of Interim Licence**

Please find enclosed the Status Report on Operations of Cat Lake as of June 30, 2026.

Hydro One Networks Inc. kindly requests an extension of the term of the interim licence that is currently expiring on July 31, 2026.

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.

This submission has been filed electronically through the Ontario Energy Board Regulatory Electronic Submission System.

Sincerely,

Pasquale Catalano

# 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 July 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 January 29, 2026 (EB-2026-0007).

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 is working with Cat Lake to attempt to reach agreement that would lead to the filing of a future application to enable it to purchase certain transmission assets from Cat Lake Power (“the Contemplated Agreement”). As part of the Contemplated Agreement being negotiated, it would be proposed that the distribution service for the Cat Lake community be included in Hydro One Remotes Communities’ service territory. Hydro One and Cat Lake are negotiating an initial term sheet and the terms of an agreement which will be subject to final ratification by the Chief and Council. Hydro One will continue to provide updates in respect of these active negotiations through future progress reports, or sooner if appropriate.

This progress report updates the report that Hydro One filed on January 14, 2026. It covers Cat Lake activities to date and provides financial results until June 30, 2026.

***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 June 30, 2026, the total costs recorded since taking possession and control are as follows:

[1] ED-2006-0181

Cumulative Costs incurred by Hydro One for Cat Lake

| | |
|---|---|
| Capital: | $3,525,152 |
| OM&A | $11,986,630 |
| Cost of Energy: | $10,625,161 |
| Interest Cost: | $3,258,570 |
| **Total** | **$29,395,514** |

***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, 2025 | $566,571 |
| January to June, 2026 | $160,573 |
| **Total** | **$8,424,900** |

Bills have been issued to customers monthly, with the most recent bills in the reporting period issued in June, 2026. The total outstanding invoiced amount at that time was approximately **$7,407,446.** 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) | $255,554 |
| Overdue (40-69 days | $137,844 |
| Overdue (70-89 days) | $137,412 |
| Overdue (90+ days) | $6,876,637 |
| **Total** | **$7,407,446** |

***Regulatory Assets account balance***

As of June 30, 2026, the balance in the deferral account related to Cat Lake is **$20,970,614.** Should the contemplated agreement materialize, Hydro One intends to include a request to dispose of this amount for recovery as part of a future application.

***Operations***

No significant unplanned operational work to report other than a March storm.

***Planned Work and Further Reporting***

Hydro One continues to operate Cat Lake and manage issues associated with its operations including but not limited to any metering replacements that may be necessary.

Additionally, Hydro One notes that the replacement of three-phase voltage regulators is currently in progress at Cat Lake. The expected completion date is the first quarter of 2027.

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.