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## **For immediate release**

July 26, 2006

### **OEB Issues Decision and Order authorizing Hydro One Networks to operate Cat Lake Power's transmission and distribution system**

**Toronto** – On July 21, 2006 the Ontario Energy Board (the Board) issued a Decision and Order granting Hydro One Networks an interim distribution licence to operate Cat Lake Power Utility Ltd.'s transmission and distribution system. This license to operate does not change the ownership of the assets which remain with Cat Lake Power for the transmission component, and the Ontario Electricity Financial Corporation (OEFC) for the distribution component. Hydro One is to take on this operational responsibility no later than August 14, 2006.

Cat Lake Power requested the Board relieve the utility of its responsibility to operate its system because the utility indicated it was no longer able to operate the transmission and distribution systems. A management/maintenance agreement between Cat Lake Power and Sioux Lookout Hydro Inc., in which Sioux Lookout Hydro agreed to service the Cat Lake Power transmission and distribution systems, expired July 1, 2006. While Sioux Lookout Hydro continues to operate the system on a best efforts basis until a resolution to the situation is achieved, it did not want to continue that maintenance arrangement with Cat Lake Power. The Board noted that the reliable supply of electricity to consumers in Cat Lake may be compromised without a means of providing that maintenance support on an ongoing basis.

At the Board's request, Cat Lake Power submitted a detailed proposal dealing with how the system could be maintained in the future. In the proposal, the utility requested the Board direct Hydro One Networks to purchase the transmission and distribution systems serving the Cat Lake community. In the Decision, the Board notes that it took the action to protect the interests of consumers with respect to the adequacy, reliability and quality of electricity service. Other elements of the Decision and Order include:

- Hydro One is to collect revenue from existing customers in the Cat Lake community and track the costs of operating of the system, which would be reviewed in a future rate proceeding.
- Cat Lake Power is to fully cooperate and assist in the transfer of operations to Hydro One to ensure public, system and employee safety of all parties.
- Until Hydro One takes over operational responsibility on or before August 14, 2006, it will provide the resources necessary to deal with required maintenance on a best efforts basis.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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