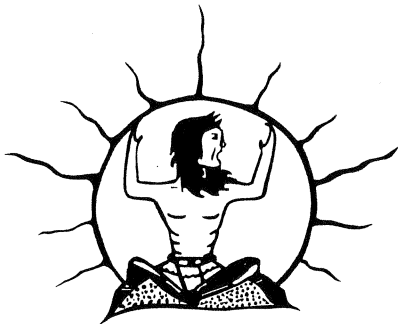


Appendix “A”

July 21, 2006

ONTARIO ENERGY BOARD



Windigo First Nations Council

MAIN OFFICE
P.O. Box 299
Sioux Lookout, ON
P8T – 1A3
Ph: (807) 737-1585
Fax: (807) 737-3133

TECH UNIT
P.O. Box 1407
Sioux Lookout, Ontario
P8T – 1B3
Ph: (807) 737-1059
Fax: (807) 737-4075

March 15 2006

Honourable Howard I. Wetston, Q.C. Chairman
Ontario Energy board
Box 2319, 2300 Yonge Street
Toronto ON
M4P 1E4

RECEIVED
MAR 17 2006
CHAIR
ONTARIO ENERGY BOARD

Dear Sir:

On behalf of Cat Lake First Nation, the following letter and attachments are being forwarded to you for your review and action.

If you have any questions, please direct them to Chief and Council of Cat Lake First Nation or myself at Windigo Technical Unit

Sincerely,

Richard Habinski, WTU Manager

CAT LAKE FIRST NATION
GORDON OOMBASH MEMORIAL BUILDING
2 BACK ROAD WEST
CAT LAKE, ONTARIO
P0V 1J0



**PESHEWESAHEKNIK
NETUM ANESHENAPEK**
(807) 347-2100
FAX (807) 347-2116

March 13 2006

Honourable Howard I. Wetston, Q.C.
Chairman
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

Dear Mr. Wetston

In 1999 Cat Lake First Nation, through its ownership of Cat Lake Power, constructed a 125 km transmission line from the community to the Hydro One Networks system to provide reliable electricity to the First Nation. At that time Cat Lake applied for and received a transmission license from the Ontario Energy Board. Cat Lake Power now holds one of five transmission licenses in the Province of Ontario.

Cat Lake Power is the only customer on the end of the transmission line connecting to the Hydro One Network and as such does not receive any additional revenue from the transmission line. The operation and maintenance costs are borne by the ratepayers of Cat Lake Power which is contrary to operations of other transmission licensees. In addition, in 2001 the provincial government failed to protect the line from a forest fire and a significant number of poles were burned causing \$500,000.00 in damage. Cat Lake First Nation had to absorb these costs which they are continuing to pay down.

It is clear that Cat Lake First Nation cannot continue to accrue the costs and the risks of the transmission line to the detriment of their ratepayers. Cat Lake First Nation would like to advise the Ontario Energy Board that Cat Lake Power will turn in their transmission license as of April 1, 2006. We request that in your capacity as Chair of the Ontario Energy Board you direct the adjacent transmitter to take over operation of this line and to contact Cat Lake Power to affect this transition. We have attached a Band Council Resolution from our First Nation supporting this decision.

We would also like to advise the Chair that Cat Lake Power will no longer operate as a Local Distribution Company and have indicated their intention to the Ontario Ministry of Energy to turn over operations to the owner of the assets, the Ontario Financial Services Corporation. (letter attached)

Sincerely

Cat Lake First Nation

Chief Elsie Gray

Councilor Abigail Wesley

Cc: Stan Beardy-Grand Chief-NAN-Thunder Bay
Frank McKay-WFNC Chair-Sioux Lookout
Kai Koivukoski-INAC
Roger Saltel-INAC-Sioux Lookout
Charles Wesley-Cat Lake Power Authority
Doug Hannah-BDO Dunwoody-Dryden
Richard Habinski-WTU Mgr-Sioux Lookout
Geoff Ogram-Senior Vice President Asset Management-Hydro One Networks-Toronto
Gord Maki-Sioux Hydro-Sioux Lookout



Cash free balance - Solde disponible
BCR -46-2006
Site Reference No. - N° de référence du dossier

BAND COUNCIL RESOLUTION RESOLUTION DE CONSEIL DE BANDE

NOTE:
The words "from our Band Funds" "capital" or "revenue", whichever is the case, must appear in all resolutions requesting expenditures from Band Funds.
NOTA:
Les mots "des fonds de notre bande" "capital" ou "revenu" selon le cas doivent paraître dans toutes les résolutions portant sur des dépenses à même les fonds des bande.

The council of the Le conseil de	CAT LAKE FIRST NATION			Capital Amount Compte capital	\$ _____
Date of duty convened meeting Date de l'assemblée dument convoquée	D-J	M	Y-A	Province ONTARIO	Revenue Amount Compte revenu
	3	0	0 1	0 6	\$

DO HEREBY RESOLVE:
DECIDE, PAR LES PRESENTES:

- WHEREAS:** Cat Lake First nation is the sole member of Cat Lake Power,
- WHEREAS:** the Federal Government will know longer pay the Standard A rate for electricity in Cat Lake First Nation, and;
- WHEREAS:** Cat Lake Power can no longer afford to pay expenses on the transmission line including the prohibitive cost of insurance , and;
- WHEREAS:** another catastrophe such as the forest fire that burned the transmission line would not be paid by Indian Affairs, and;
- WHEREAS:** Sioux Hydro no longer participate in the operational partnership with Cat Lake Power. and;
- WHEREAS:** Cat Lake First Nation residents should not have to pay more for electricity than other grid connected communities, and;
- WHEREAS:** Cat Lake First Nation Chief and Council constituted with the residents of the community and gained their support,

THEREFORE BE IT RESOLVED THAT; Cat Lake First Nation will send a letter to the Ontario Energy Board, stating they wish to give up their transmission license as they are unable to operate the transmission line under the regulations of the Electricity Act and undertake the risk involved in owning an asset they cannot insure against liability risk and;

BE IT FURTHER RESOLVED THAT; Cat Lake First Nation will write the Ministry of Energy to request a qualified operator be appointed to operate the distribution system owned by Ontario Electricity Finance Corporation in Cat Lake First Nation and;

THEREFORE BE IT RESOLVED THAT; Cat Lake First Nation will no longer support the operation of Cat Lake Power and demand the Ontario Government and the Ministry of Energy take appropriate action as soon as possible to ensure the residents of Cat Lake receive electricity rates equivalent to other resident of Ontario connected to the transmission grid.

Quorum: Three

_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)
_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)
_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)	_____ (Councillor - Conseiller)

FOR DEPARTMENTAL USE ONLY - RESERVE AU MINISTÈRE					
Expenditure - Dépenses	Authority (Indian Act Section) Autorité (Article de la Loi sur les Indiens)	Source of funds Source des fonds	Expenditures - Dépenses	Authority (Indian Act Section) Autorité (Article de la Loi sur les Indiens)	Source of funds Source des fonds
		Capital _____ Revenue _____			Capital _____ Revenue _____
Recommending officer - Recommandé par			Recommending officer - Recommandé par		
Signature _____ Date _____			Signature _____ Date _____		
Recommending officer - Recommandé par			Recommending officer - Recommandé par		
Signature _____ Date _____			Signature _____ Date _____		

CAT LAKE FIRST NATION
GORDON OOMBASH MEMORIAL BUILDING
2 BACK ROAD WEST
CAT LAKE, ONTARIO
P0V 1J0



PESHEWESAHEKNIK
NETUM ANESHENAPEK
(807) 347-2100
FAX (807) 347-2116

March 13 2006

Honourable Donna Cansfield
Minister of Energy
Ministry of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, Ontario
M7A 2E1

COPY

Dear Minister Cansfield:

Cat Lake First Nation has owned and operated Cat Lake Power our local distribution company for the past five years. Since that time the regulatory requirements of the energy environment and changes in our revenue stream have made it impossible to operate a small local utility. While Municipal distribution companies have the option to sell their distribution systems we are not in this position. The distribution plant in Cat Lake, including the decommissioned generator plant is still owned by the Ontario Electrical Finance Corporation.

~~At this time Cat Lake First Nation would like to advise the Minister that Cat Lake Power is no longer able to fulfill the regulatory and fiscal requirements to operate the distribution network in Cat Lake First Nation. We request you direct the OEFC to operate or have them designate an operator by April 1, 2006. We have attached a Band Council Resolution from our First Nation supporting this decision.~~

We would also like to advise the Minister that Cat Lake Power can no longer operate as a transmitter and have indicated their intention to the Ontario Energy Board to turn back their transmission license. (Letter attached)

Thank You for your prompt consideration in this matter.

Sincerely

Cat Lake First Nation

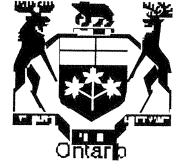
Chief Elsie Gray

Councilor Abigail Wesley

Cc: Stan Beardy-Grand Chief-NAN-Thunder Bay
Frank McKay-WFNC Chair-Sioux Lookout
Kai Koivukoski-INAC
Roger Saltel-INAC-Sioux Lookout
Charles Wesley-Cat Lake Power Authority
Doug Hannah-BDO Dunwoody-Dryden
Richard Habinski-WTU Mgr-Sioux Lookout
Geoff Ogram-Senior Vice President Asset Management-Hydro One Networks-Toronto
Gord Maki-Sioux Hydro-Sioux Lookout

Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



Compliance Office

March 22, 2006

Chief Elsie Gray
Cat Lake First Nation
Gordon Oomash Memorial Building
2 Back Road West
Cat Lake, Ontario
P0V 1J0

Dear Chief Elsie Gray:

I am writing in relation to your letter and enclosures of March 13, 2006 addressed to Mr. Wetston, Chair of the Ontario Energy Board. Your correspondence was received on March 17, 2006 under cover of a letter from Mr. Richard Habinski, Manager of the Windigo Technical Unit of the Windigo First Nations Council and has been forwarded to me for response.

I understand from your letter that Cat Lake Power no longer wishes to operate the transmission assets for which it has been licensed, and that it also no longer wishes to operate the distribution system that serves the Cat Lake community. You have requested that the Board and the Minister of Energy take action such that Cat Lake Power will be relieved of responsibility for the operation of the transmission and distribution assets as of April 1, 2006.

While I appreciate that Cat Lake Power is facing certain pressures in relation to the continued operation of the transmission and distribution assets, as a licensed transmitter and a distributor Cat Lake Power has certain legal and regulatory responsibilities that it is required to fulfill. If Cat Lake Power wishes to be relieved of those obligations, it must do so in an orderly manner and in compliance with any applicable requirements under the *Ontario Energy Board Act, 1998*. Until that time, I expect that Cat Lake Power will continue to operate its transmission and distribution assets in compliance with its legal and regulatory obligations. I am advised by Mr. Neil McKay of our office, that after speaking to a representative of Cat Lake, it is not your intention to stop operating the distribution and transmission systems.

In your letter you have requested that the adjacent transmitter take over operation of the asset. As well your letter to the Ministry suggests the operation of the distribution assets be taken over by the Ontario Electricity Financial Corporation. We request that you provide your proposal for how these transfers should occur and how Cat Lake intends to pay for the services that will continue to be provided by these assets. I or a member of my staff will contact you to arrange a

mutually convenient time at which we can further discuss this matter. In the interim, please do not hesitate to contact me at 416-440-7628 should you have any questions.

Sincerely,

Brian Hewson
Chief Compliance Officer

CC:

Honourable Donna Cansfield, Minister of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, Ontario
M7A 2E1

Mr. Richard Habinski
Windigo First Nations Council
P.O. Box 299
Sioux Lookout, ON
P8T 1A3

~~Stan Beardy-Grand Chief-NAN-Thunder Bay~~
Frank McKay-WFNC Chair – Sioux Lookout
Kai Koivukoski-INAC
Roger Saltel-INAC-Sioux Lookout
Charles Wesley-Cat Lake Power Authority
Doug Hannah-BDO Dunwoody-Dryden
Geof Ogram-Senior Vice President Asset Management-Hydro One Networks
Gord Maki-Sioux Hydro- Sioux Lookout

Grand Chief Stan Beardy
Nishnawbe Aski Nation
100 Backstreet, Unit 200
Thunder Bay, ON P7J 1L2

Frank McKay
Windigo First Nations Council Chair
P.O. Box 299
Sioux Lookout, ON P8T 1A3

Kai Koivukoski
Policy Analyst, Resource Development - North
Indian and Northern Affairs
Strategic Direction and Policy - North
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Thunder Bay, ON P7J 1A5

Roger Saltel
Sr Funding Services Officer
Indian and Northern Affairs
Funding Services - North
100 Anemki Drive, Suite 101
Thunder Bay, ON P7J 1A5

Charles Wesley

Cat Lake Power Authority
Cat Lake General Delivery
Cat Lake, ON P0V 1J0

Doug Hannah
Partner
BDO Dunwoody
37 King Street
P.O. Box 3010
Dryden, ON P8N 3G3

Geoff Ogram
Senior Vice President, Asset Management
Hydro One Networks Inc.
483 Bay Street
North tower, 14 floor
Toronto, ON M5G 2P5

Gord Maki
President/CEO
Sioux Lookout Hydro Inc.
25 Fifth Avenue
PO Box 908
Sioux Lookout ON P8T 1B3



Ministry of Energy

4th Floor, Hearst Block
900 Bay Street
Toronto, Ontario
M7A 2E1

Ministère de l'Énergie

Édifice Hearst, 4^e étage
900 rue Bay
Toronto, Ontario
M7A 2E1

March 31, 2006

Chief Elsie Gray
Councillor Abigail Wesley
Cat Lake First Nation
Gordon Oomash Memorial Building
2 Back Road West
Cat Lake, Ontario
P0V 1J0

Dear Chief Gray and Councillor Wesley:

Thank you for your letter dated March 13, 2006 to the Honourable Donna Cansfield, Minister of Energy, regarding Cat Lake First Nation's transmission and distribution systems. The Minister also received a copy of your related letter to the Chair of the Ontario Energy Board (OEB). The Minister has asked me to respond on her behalf.

The Government fully appreciates your concerns about the ability of Cat Lake Power to continue to operate its transmission and distribution systems. However, the safe and reliable supply of electricity with no disruption of service to local customers is a clear priority.

The issues raised in your letters are matters for the OEB to consider and I understand that Board staff have already been in touch with you. I have been advised that while the OEB works towards addressing your concerns, you have agreed that Cat Lake Power will continue to operate and ensure that there is no disruption of service to local customers.

Thank you for bringing this matter to the Minister's attention.

.../cont'd

-2-

Sincerely,



Rosalyn Lawrence
Director
Consumer and Regulatory Affairs

c: The Honourable Donna Cansfield
Minister of Energy

James Gillis
Deputy Minister of Energy

Howard I Wetston
Chair, Ontario Energy Board

Grand Chief Stan Beardy
Nishnawbe Aski Nation

Frank McKay
Chair, Windigo First Nations Council

Richard Habinski
WTU Manager, Windigo First Nations Council

Charles Wesley
Cat Lake Power Authority

Gord Maki
President/CEO

Geoff Ogram
Senior Vice President, Asset Management

Kai Koivukoski
Policy Analyst, Resource Development - North

Roger Saltel
Sr Funding Services Officer

Doug Hannah
Partner