

Fwd: Confidential Advice to Govt - OEB 5 Point Plan

From: "Rowe, Mary (OPO)" <mary.rowe@ontario.ca>
To: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
Date: Sat, 28 Jan 2017 23:22:43 -0500
Attachments: OEB 5 Point Plan.pptx (2.43 MB)

I've sent to phil and Gillian. She and her staff have been very helpful. See what you think?

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----- Forwarded message -----

From: Rosemarie Leclair <Rosemarie.Leclair@ontarioenergyboard.ca>
Date: Jan 28, 2017 6:18 PM
Subject: Confidential Advice to Govt - OEB 5 Point Plan
To: "Rowe, Mary (OPO)" <Mary.Rowe@ontario.ca>
Cc:

Mary, as a follow up to our meeting last Thursday, we have prepared a revised deck for your information. As noted, this 5 point plan attempts to:

- maintain the integrity of the direction the OEB has been pursuing with respect to fixed rates for low volume consumers while expediting its implementation.
- maintain the integrity of the system for recovering appropriate costs from rate payers
- look for options to assist government in addressing customer concerns over delivery costs and rising rates which are sustainable and rational.

Our approach to fixed rates has evolved since our meeting. In this deck we have incorporated fixed rates for both distribution and transmission, as both of these make up the delivery line that shows on the bill. (Last time we only had distribution).

We have also included charts to show the impact on the delivery line, as well as the impact on the total bill. As noted this is a 5 point plan, each step we have shown the cumulative impact. Total bill numbers also include the HST at 2016 levels for comparability as we used 2016 data from our system. (Said another way, they are overstated as we have not considered the 8% HST credit implemented on Jan 1/17.)

Finally, we have plugged a 10% reduction in the commodity line, which may or may not be appropriate. We are not aware of what options are being considered beyond the amortization idea that we spoke about.

We have also included an example of how the 5 point plan would play itself out on a Toronto Hydro bill, in addition to the charts for HONI, and the weighted average.

From my perspective, this plan addresses the issue of lack of equity on delivery charges, by largely eliminating any variations within one LDC, and reducing the spread in variations between LDCs across Ontario. It also, reduces some bill impacts, by removing what could reasonably be considered social programs, something that would be well received by the industry. And it anticipates further reductions to the overall bill through whatever measures are being considered by the MOE and the IESO.

I will be sending a copy of the revised to both Serge and Andrew for their info.

I will also send you under separate email a new chart listing all LDCs and what their fixed distribution charges and fixed delivery charges would be if both tx and dx moved to fix.

Hopefully this will be of some help in your considerations.

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