

Fwd: Confidential Advice to Govt - OEB 5 Point Plan

From: Rosemarie Leclair <rosemarie.leclair@ontarioenergyboard.ca>
To: "Imbrogno, Serge (ENERGY)" <serge.imbrogno@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
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Attachments: OEB 5 Point Plan.pptx (2.43 MB); ATT00001.htm (297 bytes)

Further to the note I sent you last week, as discussed with you, OEB staff met with OPO on Thursday to discuss rising electricity rates and provide an overview of some of the ideas we had shared with you. Matt sat in on the meeting, and has a copy of the deck we used which was essentially in line with what we discussed and shared with you in my earlier email. Following that meeting, we did a little more analysis which is reflected in my note below and the attached deck.

Happy to provide any additional info or context as needed.

Sent from my iPhone

Begin forwarded message:

From: "Rosemarie Leclair" <Rosemarie.Leclair@ontarioenergyboard.ca>
To: "mary.rowe@ontario.ca" <mary.rowe@ontario.ca>
Subject: Confidential Advice to Govt - OEB 5 Point Plan

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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