

Re: For review: Refinancing the Global Adjustment - question

From: "Imbrogno, Serge (ENERGY)" <"o=govon/ou=ontario public sector - iserv
ems/cn=recipients/cn=imbrogno">
To: "Maguire, Lauren (ENERGY)" <lauren.maguire@ontario.ca>
Cc: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>
Date: Mon, 13 Mar 2017 17:51:20 -0400

Ok

Sent from my iPad

On Mar 13, 2017, at 5:48 PM, Maguire, Lauren (ENERGY) <Lauren.Maguire@ontario.ca> wrote:

Hi Deputy,

Please find attached for your review a proposed response to the question below on refinancing the GA. Ok to share with MO?

Thank you,
Lauren

I have a question about Global Adjustment (GA). All Ontario electricity customers pay for Global Adjustment, whether it is in a separate line item or embedded within time-of-use (TOU) prices.

In 2016, the total cost of Global Adjustment was about \$12.3 billion. This amount was allocated to all electricity customers ranging from residential customers to large industrial customers. The government's announcement "Refinancing the Global Adjustment" of March 2, 2017 talks about an immediate reduction in the GA of about \$2.5 billion per year on average over the first 10 years.

This means that going forward, the total cost of GA that would be allocated to all electricity customers for recovery would be reduced. Thus each size/class of customer ranging from residential customers to large industrial customers would see a reduction in the GA allocated to them for recovery.

Could I please request you to confirm that my assumption is correct.

Thank you for your help.

Thank you

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References

<https://news.ontario.ca/mei/en/2017/03/refinancing-the-global-adjustment.html>

www.ieso.ca/Documents/Understanding_GA_Jan_2016.pdf

<http://www.ieso.ca/power-data/price-overview/global-adjustment>

<Refinancing the GA - QA V2.docx>