RE: Media request: Financial Post

From: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
To: "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>
Cc: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Date: Mon, 02 Oct 2017 16:01:01 -0400

Right on, thanks.

Colin Nekolaichuk | Press Secretary
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From: McPhail, Blane (OPO)
Sent: October-02-17 4:01 PM
To: Nekolaichuk, Colin (ENERGY)
Cc: @OPO-Media Relations and Issues Management; Berry, James (ENERGY)
Subject: Re: Media request: Financial Post

Thx for including that, fine here

From: Nekolaichuk, Colin (ENERGY)
Sent: Monday, October 2, 2017 3:46 PM
To: McPhail, Blane (OPO)
Cc: @OPO-Media Relations and Issues Management; Berry, James (ENERGY)
Subject: RE: Media request: Financial Post

Hey Blane – here's a revision for your review:

It's important to note that Ontario's Fair Hydro Plan has provided immediate relief by reducing electricity bills by 25 per cent on average for all residential consumers – and up to 40 to 50 per cent if you're an eligible rural or low-income Hydro One customer. The Plan will then hold any increases to the rate of inflation for four years.

As the province's energy sector independent regulator, the Ontario Energy Board's top priority is to make decisions in the interest of ratepayers right across the province. The OEB's application review process is careful and considered, and in this case, reduced Hydro One's ask by $278 million over two years for administrative and capital expenditure costs.

In the last eight years, the OEB has reviewed over 100 major rate applications and reduced requested rate increases by an average of about 40 per cent. This is yet another example of the OEB's strong record of denying hydro companies all that they ask for, and reviewing rate applications with the consumer in mind first.

Thanks,
Colin

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From: McPhail, Blane (OPO)
Sent: October-02-17 3:19 PM
To: Nekolaichuk, Colin (ENERGY)
Cc: @OPO-Media Relations and Issues Management; Berry, James (ENERGY)
Subject: RE: Media request: Financial Post

Hey – thanks for the chat. As discussed, let's please include some FHP language off the top reminding people of the 25% reduction

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From: Nekolaichuk, Colin (ENERGY)
Sent: October-02-17 2:52 PM
To: McPhail, Blane (OPO)
Cc: @OPO-Media Relations and Issues Management; Berry, James (ENERGY)
Subject: Media request: Financial Post

Hi Blane,

Geoff Zochodne from FP is putting a story together regarding the OEB's Hydro One rate decision last week. Specifically, he's wondering about the government's response to this highlighted passage from the decision:

In this Decision the OEB has applied its outcomes based approach to rate regulation. A priority consideration under this performance based approach is whether the costs that a utility proposes to recover in rates will produce outcomes of value to its customers. The OEB was faced with a significant challenge in determining that question in this proceeding. This was because, embedded in the applied-for rates revenue requirements, are significant cost increases associated with the transformation of the utility's unregulated parent company from one wholly owned by the Province to a company whose shares are publicly traded. Slightly more than 50% of the publicly traded shares of Hydro One Limited are currently widely held by members of the public. The remaining minority shareholding interest is currently held by the Province.
One of the objectives of this transformation was to maximize the value of the Province's shares in the parent company which were sold to the public in an initial public offering (IPO) in early November 2015 and in subsequent public share offerings in 2016 and 2017.1 Another was to execute on a strategy of delivering increased value to shareholders by growing the earnings of existing subsidiaries, acquiring new regulated and unregulated businesses in Ontario and elsewhere that were accretive, and by maintaining a dividend payout ratio targeted at 70% to 80% of net income.

We would like to share this response, which he can use for his story:

As the province's energy sector independent regulator, the Ontario Energy Board's top priority is to make decisions in the interest of ratepayers right across the province. The OEB's application review process is careful and considered, and in this case, reduced Hydro One's ask by $278 million over two years for administrative and capital expenditure costs. In the last eight years, the OEB has reviewed over 100 major rate applications and reduced requested rate increases by an average of about 40 per cent. This is yet another example of the OEB's strong record of denying hydro companies all that they ask for, and reviewing rate applications with the consumer in mind first.

I'll also reach out to Geoff and share the following on background:

It's not like this is a surprise – Hydro One's new structure means they operate differently than a crown agency. The OEB assessed it as it does all rate applications, and made it a careful, considered decision. We expect them to continue doing just that.

Let me know if you're comfortable with this approach. Happy to chat if you like.

Colin

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