

RE: Orillia power

From: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
To: "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Ernesaks, Andrea (OPO)" <andrea.ernesaks@ontario.ca>, "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>
Cc: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>
Date: Fri, 13 Apr 2018 11:06:31 -0400

Great thx!

From: Berry, James (ENERGY)
Sent: April 13, 2018 11:02 AM
To: Forgione, Andrew (OPO); Ernesaks, Andrea (OPO); Den Heijer, Kevin (ENERGY)
Cc: @OPO-Media Relations and Issues Management
Subject: RE: Orillia power

FYI, here's some further background on the Board's decision.

The OEB protects the interests of consumers with respect to the price they pay for electricity service. The Board denied Hydro One's proposed acquisition of Orillia Power's shares because Hydro One did not provide evidence showing how Orillia customers will be impacted by the consolidation beyond the 10 year deferred rebasing period.

The Board provided Hydro One the opportunity to file further evidence on what it expects the overall cost structure to be following the deferral period and to explain the impact on Orillia's customers. Hydro One filed submissions but did not file further evidence. The Board was not satisfied that "no harm" test has been met.

From: Berry, James (ENERGY)
Sent: April 13, 2018 10:55 AM
To: Forgione, Andrew (OPO) <Andrew.Forgione@ontario.ca>; Ernesaks, Andrea (OPO) <Andrea.Ernesaks@ontario.ca>; Den Heijer, Kevin (ENERGY) <Kevin.DenHeijer@ontario.ca>
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Here are some lines – the fourth line speaks to this.

Key Messages

- We are always looking for ways to help minimize price impacts on Ontario families and businesses. This includes the possibility of finding efficiencies through restructuring and consolidation of electrical utilities.
- That said, ultimately the decision around how to manage local utilities will be left to the local municipalities that manage them.
- Our government has been clear that we will not be forcing the consolidation of Local Distribution Companies (LDC), but will work to remove impediments for voluntary consolidation.

- **Any consolidation, sale or acquisition of an LDC must be approved by the Ontario Energy Board (OEB), which has a mandate to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service, among other things.**
- **Any change in distribution rates proposed by LDCs must also be approved by the OEB.**
- Based on the recommendations of the Premier's Council on Government Assets, the Province has provided time-limited relief on taxes pertaining to transfers of electricity assets for all municipal electricity utilities (MEUs), including transfers to the private sector.
- This represents a step forward in the government removing impediments for LDCs that wish to pursue voluntary consolidation.

Affordability

- Last year our government introduced Ontario's Fair Hydro Plan, lowering rates on average by 25 per cent for **all** residential consumers, and as many as half a million small businesses and farms. This rate increase can be as high as 40-50 per cent for rural and low-income customers.
- **Any rate increases will be held to the rate of inflation for four years.**
- Moving forward, our Long-Term Energy Plan lays out a path for predictable, affordable electricity prices with no sudden jumps too.
- That's real relief Ontario families can depend on and it's all part of our plan to invest in care and create more opportunity for everyone.

From: Forgione, Andrew (OPO)
Sent: April 13, 2018 10:51 AM
To: Ernesaks, Andrea (OPO) <Andrea.Ernesaks@ontario.ca>; Den Heijer, Kevin (ENERGY) <Kevin.DenHeijer@ontario.ca>; Berry, James (ENERGY) <James.Berry5@ontario.ca>
Cc: @OPO-Media Relations and Issues Management <OPO-MediaRelationsandIssuesMgmt@msgov.gov.on.ca>
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Andrea is trying to get shawn to ask you guys directly but need messaging in next 15 minutes as well because Premier is availing.

From: Ernesaks, Andrea (OPO)
Sent: April 13, 2018 10:38 AM
To: Den Heijer, Kevin (ENERGY); Berry, James (ENERGY)
Cc: @OPO-Media Relations and Issues Management
Subject: Orillia power

Kevin and James -

can you guys get me background and messaging on the scuttling of an Orillia power deal? CP business wants shawn to ask and I have not heard of this before

Sent with BlackBerry Work (www.blackberry.com)