

FW: OPO line

From: "Donelson, Philip (OPO)" <philip.donelson@ontario.ca>
To: "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Date: Mon, 16 Jan 2017 13:57:03 -0500

Did he respond to your question here? I'm playing with various scenarios, and if we have a percentage reduction goal, it matters a great deal what our baseline average bill numbers are.

From: McEachern, Gillian (OPO)
Sent: January-15-17 10:36 AM
To: Teliszewsky, Andrew (ENERGY)
Cc: Donelson, Philip (OPO)
Subject: RE: OPO line

Thanks Andrew.

I think we'll need to consider which IESO demand scenario was used for the black line too - I hear you that OPO projection of cost is not comparable to this residential line, but the projections are much different depending on the scenario used so it's relevant to what we're showing for anticipated costs in the future.

Also, for the 2018 numbers below, if we said \$11 off the average bill with the 8% rebate, and Friday's graph shows another \$20, those two actions alone add up to the \$31. Is that because all of the other actions you list that are incorporated into the black line plus anything else post-LTEP to get costs of out of system don't add a measurable impact by 2018?

I think as much as we can frame as percentage reduction for Andrew and others the better.

Gillian McEachern
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From: Teliszewsky, Andrew (ENERGY)
Sent: Saturday, January 14, 2017 1:36 PM
To: McEachern, Gillian (OPO)
Cc: Donelson, Philip (OPO)
Subject: RE: OPO line

Good Afternoon:

The "black line" that I showed you has no correlate to the OPO. We never published the residential price curve. We published demand projections and with respect to costs published figures 19 and 20 in OPO that modeled total cost of electricity service (in Billions) and then Average Unit cost. What OPO line are you attempting to compare this all to and perhaps I can help?

As for the Black line, confirmed that the assumptions take into account already all of the work on rate mitigation to year-end 2016, including actions taken POST-OPO / SFT that had never been modeled before.

As discussed last night, we are going to prepare a presentation that tracks all of the 2016 Actions for comparison sake.

"Black Line" Assumptions are as follows:

- Includes throne speech assumptions for ICI, RRRP and 8% rebate for residential customers
- includes current hydro quebec deal of 2 TWh for 2017 to 2022 and capacity sale to HQ
- Residential monthly bill is re-based to the 2016 Toronto Hydro Rates and OEB establishes 2016 TOU rates
- Remove EFWSOP
- Remove LRP II
- Remove FIT 5 extension
- Remove FIT 6

As a point of some comparison, let's take 2013 LTEP residential price curve (that was based on OCEB ending, as it did in 2016, but also an average 800/kWh month) compared to the graphic that I gave you yesterday for RED LINE (ie refinancing, post 2016 rate mitigation measures, but also based on an average 750/kWh month). Let's pick 2018 to allow for actions to flush themselves out of the system / ie. 2017 won't be a full year of refinancing, etc. FOR 2018 Comparison :

LTEP 2013 : \$178\$/month
RED LINE FRIDAY : \$147\$/month

Therefore, incorporating all of the 2016 actions (assumptions above, inclusive HST) and not accounting for the change in kWh month calculation (modest 50kWh reduction); we can say that "compared to 2013 LTEP, this is about \$30/month reduction from projection).

Does this help?

Andrew Teliszewsky

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From: McEachern, Gillian (OPO)
Sent: January-14-17 7:17 AM
To: Teliszewsky, Andrew (ENERGY)
Cc: Donelson, Philip (OPO)
Subject: OPO line

Hi Andrew,

The IESO forecast used in the graph from yesterday - in addition to knowing whether it already incorporates the 8% rebate, it would be useful to know which planning outlook they used.

In the OPO, the price forecast for scenario B is much flatter than shown in yesterday's graph, but the OPO shows only total system costs over time and per unit cost, both of which are fairly flat, and not residential.

Thanks,
Gillian

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