

RE: Fact Check: Draft LRC CBN Fair Hydro Plan Implementation

From: "Teare, Rebecca (CAB)" <rebecca.teare2@ontario.ca>
To: "Strang, James (TBS)" <james.strang@ontario.ca>
Cc: "Malekzadeh, Afshin (TBS)" <afshin.malekzadeh@ontario.ca>, "Skubel, Chris (TBS)" <chris.skubel@ontario.ca>, "Moore, Karen (CAB)" <karen.moore4@ontario.ca>
Date: Mon, 16 Oct 2017 18:01:50 -0400

Hi James,

Thanks very much for your comments. We anticipate ENERGY will confirm costs over the inflationary period, which can be added to the note. Please let us know if there are any updates re: TB approvals.

Best,
Rebecca

From: Strang, James (TBS)
Sent: Monday, October 16, 2017 5:20 PM
To: Teare, Rebecca (CAB)
Cc: Malekzadeh, Afshin (TBS); Skubel, Chris (TBS)
Subject: RE: Fact Check: Draft LRC CBN Fair Hydro Plan Implementation

Hi Rebecca, feedback on the LRC note:

- We've been looking in the TB/MBC approval needed?

At a TBS staff level I have no problem with this item tracking as it is, it seems to be consistent with the second of two reg submissions that went in June 2017 related to implementing OFHP, by putting in place further details on the roles and responsibilities.

Alternatively, it could be argued that technically ENERGY is amending a reg and there are #s associated with it and therefore the amendments should come forward to TB/MBC. The OFA has provided the following edits to the draft pink note under costs to government section.

Allowing OPG to recover carrying costs from IESO during the "inflationary cap period" from July 1, 2017 to April 30, 2021, is expected to have no net impact to specified consumers within this period. As with other costs under the scheme, these IESO costs would be deferred to future collection from specified consumers on and after May 1, 2021.

CO is seeking confirmation from ENERGY on costs for the period from July 1, 2017 to April 30, 2021 of between \$0.5M and \$1.0M.

This, to me, still seems aligned with intentions to implement OFHP outlined in the June 2017 reg submissions.

- Feedback on the note?
 - OFA has provided separate feedback and edits on the cost of government section. I'm supportive of their edits regarding the fiscal plan implications.
 - It could be useful to include the forecast of the recovery costs (CO note, in a subsequent section, is confirming \$0.5M to \$1.0M over the inflationary period, noting plan how this would be ultimately recovered from specified ratepayers later). This could be a note given the section doesn't address the obvious question – what are the costs associated (albeit recovered from specified ratepayers).

James

From: Teare, Rebecca (CAB)
Sent: October 16, 2017 5:04 PM
To: Strang, James (TBS)
Cc: Moore, Karen (CAB)
Subject: RE: Fact Check: Draft LRC CBN Fair Hydro Plan Implementation

Hi James,

Just checking in on the status of TBS's comments on the note.

Many thanks,
Rebecca

From: Strang, James (TBS)
Sent: October 16, 2017 11:07 AM
To: Teare, Rebecca (CAB)
Subject: RE: Fact Check: Draft LRC CBN Fair Hydro Plan Implementation

Hi Rebecca,

We're looking at it, TBS Legal is calling over to Energy Legal regarding question of needing TB/MBC approval.

James

From: Teare, Rebecca (CAB)
Sent: October 16, 2017 8:00 AM
To: Strang, James (TBS)
Cc: Moore, Karen (CAB); Hindmarch-Watson, Tim (CAB)
Subject: Fact Check: Draft LRC CBN Fair Hydro Plan Implementation

Hi James,

ENERGY is tracking Direct to Cabinet on Oct 18 (TBC) with proposed regulatory amendments to support Ontario Fair Hydro Plan implementation.

Please find attached a draft LRC CBN for your review / fact check.

Please note that the CBN is based on draft ministry materials and is being sent to ENERGY for review concurrently. As such, there are questions and placeholders for ENERGY to address throughout the note.

Hoping you can kindly provide your comments by end of day today. Apologies for the short turn around.

Thank you,
Rebecca