Re: Delivery charges question

From: "Orsini, Steve (CAB)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=orsini, steve (cab)306">
To: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Cc: "Rowe, Mary (OPO)" <mary.rowe@ontario.ca>, "Bromm, William (CAB)" <william.bromm2@ontario.ca>, "Kwamena, Boafoa (CAB)" <boafoa.kwamena@ontario.ca>
Date: Sat, 04 Feb 2017 09:26:20 -0500

All options have their advantages and disadvantages. Reducing higher than average delivery charges is actually OEB policy. People are paying for higher delivery charges based on their consumption. Your phone bill doesn't go up if you happen go make more local calls. We have time of use policies to get people off peak.

We are also aggressively looking at the GA options which have their own flaws.

The plan is to develop all the options so that the government has choices as to what it will wants to do.

We are still developing the options so we are haven't finalized our analysis. Any of these options could fall off the table. Folks are working all weekend.

I said to Steen Hume that my plan is too keep him so busy at Energy that he will reflect fondly working as my EA!

Steve Orsini

Sent from my BlackBerry Priv

From: "Bevan, Andrew (OPO)" <Andrew.Bevan@ontario.ca>
Sent: Feb 4, 2017 8:25 AM
To: "Orsini, Steve (CAB)" <Steve.Orsini@ontario.ca>, "McEachern, Gillian (OPO)" <Gillian.McEachern@ontario.ca>
Subject: Re: Delivery charges question
Cc: "Rowe, Mary (OPO)" <Mary.Rowe@ontario.ca>, "Bromm, William (CAB)" <William.Bromm2@ontario.ca>, "Kwamena, Boafoa (CAB)" <Boafoa.Kwamena@ontario.ca>

I thought we had already ruled out an across the board cap for a variety of reasons including the impossibility of providing a policy rationale/justification for doing it, vs other mitigation options.
AB

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Orsini, Steve (CAB)
Sent: Friday, February 3, 2017 6:21 PM
To: McEachern, Gillian (OPO)
Cc: Bevan, Andrew (OPO); Rowe, Mary (OPO); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: RE: Delivery charges question

Gillian,

Good questions. The option I raised with the Premier is a $55 cap for delivery charges (which includes distribution charges) for households.

Here is a preliminary note. Energy is including it in their package of options, which they will share with us on Monday. There are still kicking the tires.

In addition, Energy is also looking at other GA options such as OEB oversight and creating a regulatory asset held by the IESO. The idea is to create a regulatory asset (debt is not book until the higher rates kick many years later) similar to OPG rate smoothing. This has a lot of accounting issues, but addresses some of the other concerns we had. They will need more time to think this through.

Steve

From: McEachern, Gillian (OPO)
Sent: February-03-17 5:22 PM
To: Orsini, Steve (CAB)
Cc: Bevan, Andrew (OPO); Rowe, Mary (OPO)
Subject: Delivery charges question

Hi Steve,

The Premier mentioned today that you'd presented an option to cap delivery charges that would cost $790 million, but there's some confusion about what that cap would be. Was the for delivery or distribution charge, and for all customers at $50? Would it mean halting the work OEB doing on fixed rates?

Does it build on what we were presented with by Energy on Wednesday?

Trying to respond to some questions on it but wasn't sure what it included.

Thanks,
Gillian