FW: FAO report

From:	"Teliszewsky, Andrew (ENERGY)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
To:	"Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>
Date:	Wed, 24 May 2017 18:48:40 -0400
Attachments:	Energy Backgrounder Response - draft with staff comments - v3 20170524.docx (43.78 kB)

FYI

From: Teliszewsky, Andrew (ENERGY)
Sent: May-24-17 6:47 PM
To: Bevan, Andrew (OPO); Killorn, Bill (OPO)
Subject: RE: FAO report

Good Evening:

So… Energy bureaucrats spent today chasing their tails and just delivered a backgrounder for our collective review.
It's way too negative. Calls FAO "inaccurate" when we just sent a media statement from Glenn where he thanks the FAO twice in the statement.
I think they are obviously responding to the harsh tone of SoC's almost-midnight yesterday and also feel strongly about delivering that product that CO "requested".
I'm at a bit of a loss here. Can one of you just please tell CO that a backgrounder is no longer required, please?

Andrew

From: Bevan, Andrew (OPO)
Sent: May-24-17 6:51 AM
To: Teliszewsky, Andrew (ENERGY); Killorn, Bill (OPO)
Subject: Re: FAO report

Agreed, was just for info

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Teliszewsky, Andrew (ENERGY)
Sent: Wednesday, May 24, 2017 6:49 AM
To: Killorn, Bill (OPO); Bevan, Andrew (OPO)
Subject: Re: FAO report

DM / CO haven't seen our statement - which is detailed. Not just a few sentences. Serge was also a bit surprised that we had already decided to make available the KPMG paper (arguably stronger, as an independent report compared to a government backgrounder).

I think it will take officials a good long while to produce a "backgrounder". We'll all spend most of the day arguing about the wording with legal folks when all of this is just as easily done via today's walkaround. (perhaps even with less ahem constrained language).

SoC should have made this request last week when we got the initial draft and flagged these points.

In the end, your call. But I'm in the mode of shortest distance from A to B and at this point a detailed backgrounder feels like a "nice to have" versus a "need to have".

From: Killorn, Bill (OPO)
Sent: Wednesday, May 24, 2017 6:32 AM
To: Teliszewsky, Andrew (ENERGY)
Subject: Fw: FAO report

Thoughts?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Bevan, Andrew (OPO) <Andrew.Bevan@ontario.ca>
Sent: Wednesday, May 24, 2017 6:13 AM
To: McEachern, Gillian (OPO); MacKenzie, Rebecca (OPO); Killorn, Bill (OPO)
Subject: Fw: FAO report

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Orsini, Steve (CAB) <Steve.Orsini@ontario.ca>
Sent: Tuesday, May 23, 2017 11:45 PM
To: Imbrogno, Serge (ENERGY)
Cc: Bevan, Andrew (OPO); Davidson, Steven (CAB); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: RE: FAO report

I think we need to create a backgrounder that provides correct information.

I don't think the public service can stand by when Officers of the Legislature release erroneous information .

Please check with your MO. I'm copying Andrew for his information/comments.

Steve

From: Imbrogno, Serge (ENERGY)
Sent: Tuesday, May 23, 2017 7:05 PM
To: Orsini, Steve (CAB)
Cc: Davidson, Steven (CAB); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: Re: FAO report

Hi. The FAO appears to mirror the fiscal plan that only goes out for three years whereas the GA financing is over thirty years. It's another shortcoming of the report.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Orsini, Steve (CAB)
Sent: Tuesday, May 23, 2017 6:05 PM
To: Imbrogno, Serge (ENERGY)
Cc: Davidson, Steven (CAB); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: RE: FAO report

What about funding for social programs. Why didn't the FAO show that as continuing beyond the four years?

From: Imbrogno, Serge (ENERGY)
Sent: May 23, 2017 1:48 PM
To: Orsini, Steve (CAB)
Cc: Davidson, Steven (CAB); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: Re: FAO report

> *Hi Steve,*
>
> *The existing RRRP program provides support to Hydro One R2 customers, as well as customers in Algoma Power and remote communities. The Fair Hydro Plan announced that the Ministry intends, through legislation and regulation, to move RRRP costs for Hydro One R2 consumers from the ratebase to the taxbase. This represents roughly 80% of current RRRP costs. Costs associated with providing support to Algoma Power and Hydro One Remote Communities are unaffected by this proposal in order to not disrupt complex regulatory constructs governing this funding. To allow the Ministry to implement this intent, the legislation allows for current RRRP costs to be funded through both the taxbase and the ratebase (with this division to be articulated in regulation). The regulations will specify that Hydro One R2 costs will be paid for by the taxbase, and there is no intention to return Hydro One R2 costs to the ratebase at any point.*
>
> *Costs associated with the broadened RRRP program (referred to in the legislation as Distribution Rate Protection under Schedule 2 Section 4) can only be placed on the taxbase. Therefore the Ministry disagrees with the FAO assessment that there is potential for the program to revert back to the ratebase in the future.*
>
> *Serge*

Sent from my iPad

On May 23, 2017, at 12:48 PM, Orsini, Steve (CAB) <Steve.Orsini@ontario.ca> wrote:

> Why is the FAO saying that "the RRRP may revert back to ratepayers, as described under schedule 2, section 1 of the proposed Bill 132, the Fair Hydro Act, 2017."

Footnote 10: The FAO is forecasting the cost of the electricity relief programs based on the Province's announced commitments regarding the FHP and information provided by the Province to the FAO. As such, the FAO does not forecast the costs of the electricity relief programs beyond the year 2020-21. However, there is uncertainty with this assumption because (a) the electricity relief programs may continue after the year 2020-21 and (b) the cost of the RRRP may revert back to ratepayers, as described under schedule 2, section 1 of the proposed Bill 132, the Fair Hydro Act, 2017. Overall, the FAO estimates that the $21 billion in net costs to Ontarians of the FHP would not be impacted if this assumption changes. This is because any incremental savings to ratepayers would be offset by costs to the Province.

From: Kwamena, Boafoa (CAB)
Sent: May-23-17 10:56 AM
To: Orsini, Steve (CAB)
Subject: FAO report

Electronic version.

Thanks

<Fair Hydro Plan.pdf>