RE: psab response?

From: Kim Marshall <kim.marshall@ieso.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Thu, 30 Nov 2017 14:20:09 -0500

Ok thx

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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: November 30, 2017 2:18 PM
To: Kim Marshall
Subject: RE: psab response?

Hi Kim -- I think it would be helpful for them to understand more about the RPP – the OEB's role in that process and how that continues, but is expanded to take into consideration the amount of the deferred payments from the ratepayers.

Cindy

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: November 30, 2017 8:05 AM
To: Veinot, Cindy (TBS)
Subject: psab response?

Here is what I am running by opg – any thoughts on approach before I do that? Need more detail on opg accounting or leave for another discussion ? Thx

Would it be the IESO or would it be OPG that would ultimately go to the Ontario Energy Board to recover these costs?

As per the legislation, OPG provides the clean energy adjustment recoverable for a specific period to the OEB who establishes the rate for specified consumers.

If it is the IESO, my understanding is the OFHPA creates the deferral and variance account that enables the IESO to recover costs from future rates. If it is OPG, would they already have a deferral and variance account to house these costs until it is recovered? Or does the legislation apply to OPG as well?

Parts of the legislation do apply to OPG. The IESO has the original right to recover from future rates. This creates the regulatory asset, like the fair hydro predecessor – RPP or . The IESO right to recover and any obligations will be transferred to the financing entity. While the financing entity is better able to speak to their accounting than I am, my understanding is they will have a variance account which will be consolidated into OPG and then the provincial books.

Finally, when it comes time to recover those costs, would it go through the OEB prudence review or is that not necessary as a result of the OFHPA legislation?

The OFHPA legislation covers the OEB oversight. Note – can we be more specific here?

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