Ministry of the Attorney General

Legal Services Branch

Ministry of Energy
Ministry of Economic Development and Growth
Ministry of Research, Innovation and Science
Ministry of Infrastructure
Accessibility Directorate of Ontario

56 Wellesley Street West
18th Floor,
Toronto, ON
M7A 2E7

Telephone: (416) 325-1841
Fax: (416) 326-1021

Ministère du Procureur général

Direction des services juridiques

Ministère de l'Énergie
Ministère du Développement économique et de la Croissance
Ministère de la Recherche, de l'Innovation et des Sciences
Ministère de l'Infrastructure
Direction générale de l'accessibilité pour l'Ontario

56, rue Wellesley Ouest
18e étage,
Toronto, ON
M7A 2E7

Téléphone: (416) 325-1841
Télécopieur: (416) 326-1021

PRIVILEGED AND CONFIDENTIAL

Memorandum To: The Honourable Glen Murray
Chair of the Legislation and Regulations Committee

From: Carolyn Calwell
Director, Legal Services Branch

Date: May 5, 2017

Re: Ontario's Fair Hydro Plan
An Act to enact the Ontario Fair Hydro Act, 2017 and to make amendments to the Electricity Act, 1998 and the Ontario Energy Board Act, 1998

I have examined the draft of the above-referenced item being submitted to Legislation and Regulations Committee on May 10, 2017 and have compared that draft with the policy approved by Cabinet on March 1, 2017.

As a result of this comparison, I am able to advise you that the draft corresponds to the approved policy with the exception of the variances identified on the attached chart.

Original signed by

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Carolyn Calwell
Director

Ontario's Fair Hydro Plan
An Act to enact the Ontario Fair Hydro Act, 2017
and to make amendments to the Electricity Act, 1998 and the Ontario Energy Board Act, 1998

Minute Item	Approved Policy/Policy Sought to be Approved	Proposed Variance	Degree of Variance	Rationale/Commentary
1.A	Total projected bill increases will be kept in line with Consumer Price Index (CPI) **until the end of 2021.**	Bill increases will be prescribed by regulation for the period May 1, 2018 **to June 30, 2021**.	Low	June 30, 2021 aligns with public communications that rate increases will be held to inflation over the next four years. This regulation making authority would enable the government to keep bill increases in line with CPI.
1.A	Cap bill increases due to repayments at around 10% of the total bill.	Bill increases will not be capped.	High	Consultation with stakeholders and external advisors revealed that a legislated cap would undermine investors' certainty in recovering their investment. However, the debt rating will be impaired if modelling suggests that rates could increase more than 10%, providing a cap in practical terms.