FW: OFHP Legislation- Comments due 8am May 8th

From:	"Hindmarch-Watson, Tim (CAB)" <tim.hindmarch-watson2@ontario.ca>
To:	"Greenberg, Martha (CAB)" <martha.greenberg@ontario.ca>, "Moore, Karen (CAB)" <karen.moore4@ontario.ca>
Date:	Mon, 08 May 2017 12:06:21 -0400
Attachments:	DLEG-847_ID49011_LRC_CBN- Rate Mitigation- Draft- No materials- V9- ENE edits.docx (284.67 kB)

FYI

The paragraph they are concerned about was a piece requested by the DM, however he has also been sympathetic to keeping onside with Energy. Let me know your thoughts. I will incorporate edits now.

Tim Hindmarch-Watson
416-325-4618

From: Schlaepfer, Martin (ENERGY)
Sent: May-08-17 11:56 AM
To: Hindmarch-Watson, Tim (CAB)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

Hi Tim,

Attached are our edits/comments to your latest pink note. Please note these are still with our MO for review.

We would ask that the paragraph below not be included in the note, as we have not received this from TBS, nor have we seen how they came to these calculations. Until we have seen their note, we don't think the paragraph should be included.

Thanks,
Martin

From: Hindmarch-Watson, Tim (CAB)
Sent: May-08-17 9:38 AM
To: Schlaepfer, Martin (ENERGY)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

FYI I have added this paragraph that was not in the last version from TBS re sensitivity analysis:

The current model is based on a static interest rate of 5%. While this assumption is accurate within the current historically low interest rate environment, should interest rates increase above 5% after 2020, residential bills would also significantly increase during the repayment phase of the plan. For instance, if the interest rates increase from 5% to 7% (historical 30 year average) between 2020 and 2024, financing costs would increase by $11.2B (for a total of $37B), requiring much higher price increases in the out-years. Under this scenario, the increases required from 2022 to 2029 would be 7.3% annually (compared to 6.3% per year increases required under the base case) and the bill would remain 12.5% higher (compared to 10.4% in the base case). All of these factors increase the risk that the province would have to absorb some of the debt in the future.

Tim Hindmarch-Watson
416-325-4618

From: Schlaepfer, Martin (ENERGY)
Sent: May-08-17 9:17 AM
To: Hindmarch-Watson, Tim (CAB)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

Understood. Thanks, Tim.

From: Hindmarch-Watson, Tim (CAB)
Sent: May-08-17 9:09 AM
To: Schlaepfer, Martin (ENERGY)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

Hi Martin:

No problem. I know you have been working full out.

I am working on a new draft now to incorporate some materials from the submission. I am adding a bunch of the language you have from the legal considerations to make sure it is seen and clarifying a few bits and pieces that I have noticed throughout. I am also using the chart provided in the deck as the new figure 2 so no need to worry about that one.

I had been working towards a 9am print for 10am send out, but it does not look like we will be making this as we don't have the hard copies yet, and I want to make sure that energy is happy with the note before we go forward. That said, an afternoon mailout means my absolute drop dead time is 1-115. This provides me with 30 minutes to incorporate your changes go through approvals, and print, so sooner is still better.

Thanks

Tim Hindmarch-Watson
416-325-4618

From: Schlaepfer, Martin (ENERGY)
Sent: May-08-17 8:59 AM
To: Hindmarch-Watson, Tim (CAB)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

Hi Tim,

I think we have a few comments that we want to pass along, but won't be able to get them over just yet. What is your absolute drop dead time?

Thanks and sorry again for jamming you.

Martin

From: Hindmarch-Watson, Tim (CAB)
Sent: May-05-17 3:59 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Moore, Karen (CAB); Greenberg, Martha (CAB); Foster, Robert (CAB); Johnston, John (CAB)
Subject: RE: OFHP Legislation- Comments due 8am May 8th

Hi Martin:

Thanks for the edits and back and forth and apologies for all the harassment! I have incorporated them into the note, massaged where needed, and have made further edits coming out of briefings on this end of things. Attached is the version that went into PO weekend binders.

There is one more chance to turn around edits on the note. I'm specifically looking to confirm one particular detail on page 8 regarding when rates are projected to become higher than they otherwise would have been, and for an updated Figure 2 (Page 15) or confirmation that this is still up to date. Other comments of course welcome.

Please have edits/comments to me no later than 8am on Monday morning so we can incorporate them into final versions before distribution to members.

Thanks again and have a great weekend!

Tim Hindmarch-Watson
416-325-4618

From: Schlaepfer, Martin (ENERGY)
Sent: May-05-17 2:32 PM
To: Hindmarch-Watson, Tim (CAB)
Subject: OFHP Legislation

Hi Tim,

Please find attached the latest version of the combined legislation. Please note that this is not final as translation continues, so there may be a few more tweaks.

Thanks,
Martin