

Message

From: Jeannette Briggs [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=148095610F7242F48A5A9DA24B1A8A87-JEANNETTE B]
Sent: 2017-07-11 3:10:08 PM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]; Idalin McKenzie [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=d7d5b89cca6a4afa88ab3660c7e6c103-Idalin McKe]
CC: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]; Natalie Schaus [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=58bb43f7d031480696ce362cf240759c-Natalie Sch]
Subject: RE: timing on invoices with FHP

Yes for each of the provincial revenue funded programs, we will pay and receive dollars in the same month so that the Market is net neutral.

The current variance will likely be more or less at the August level until the OEB reset the rate in early December for January. In the last Decision and Order where the OEB set the RRRP rate, they decided to take our 2016 November surplus estimate for the December year-end balance and include half of it (July – Dec) which was not reasonable as at of May we were in a variance deficit not surplus for the new rate. This means the \$0.30 is below what is necessary to clear out the variance by year end. While they acknowledged our accounting reality, they indicated they wanted to keep the rate setting exercise for RRRP to a minimum and the IESO could hold the deficit variance as any interest on borrowing is permitted to be added to the variance.

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Susan Nicholson
Sent: July 11, 2017 2:57 PM
To: Jeannette Briggs; Idalin McKenzie
Cc: Anthony Martinello; Natalie Schaus
Subject: RE: timing on invoices with FHP

Do we expect to receive the provincial payment in the same invoicing period for RRRP? In which case do we expect the variance account to decrease as the rate portion is a much smaller component.

From: Jeannette Briggs
Sent: July 11, 2017 2:37 PM
To: Susan Nicholson; Idalin McKenzie

Cc: Anthony Martinello; Natalie Schaus
Subject: RE: timing on invoices with FHP

The variance for RRRP will continue – difference between paying a fix amount to eligible RRRP LDCs while collecting a rate from all Ontario demand based on forecasted annual MWh. We are working with H1 to return money they owe the Market for receiving more than they have distributed to R1/R2 consumers, now that they will be funded by provincial revenue as of July 1 consumption.

Regards,

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From: Susan Nicholson
Sent: July 11, 2017 2:33 PM
To: Jeannette Briggs; Idalin McKenzie
Cc: Anthony Martinello; Natalie Schaus
Subject: RE: timing on invoices with FHP

Thanks, so no monthly variance will result from these programs? I note that as of March 31, 2017 there was a balance in the RRRP account of \$2.7 million.

From: Jeannette Briggs
Sent: July 11, 2017 2:30 PM
To: Susan Nicholson; Idalin McKenzie
Cc: Anthony Martinello; Natalie Schaus
Subject: RE: timing on invoices with FHP

All of the vulnerable consumer programs and the change to RRRP from \$2.10/MWh to \$0.30/MWh is effective as of July 1, 2017 consumption. Therefore, the first time we see any costs related to these programs will be on the July invoice payable mid-august. Not sure what you mean by “timing differences”. These will all be part of the physical invoicing schedule timing as normal.

Regards,

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From: Susan Nicholson
Sent: July 11, 2017 2:26 PM
To: Jeannette Briggs; Idalin McKenzie
Cc: Anthony Martinello; Susan Nicholson; Natalie Schaus
Subject: timing on invoices with FHP

Hi, quick question:

What is the invoice timing for the following FHP programs (will it be \$nil balance in the month or is there a timing difference):

- 1) New RRRP – 3 programs – 2 through provincial revenues and one with new OEB rate.
- 2) New First Nations On-Reserve Delivery Credit – funded through provincial revenues

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