

Message

From: Joyce Poon [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JOYCE POONF49]
Sent: 2016-12-13 3:49:30 PM
To: Michael Lyle [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Michael Lyle5aa]; Jordan Penic [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Penicj]; George Pessione [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=George Pessione22e]
CC: Bruce Campbell [/O=IMO/OU=MSX1/cn=Recipients/cn=Bruce Campbell]; Terry Young [/O=IMO/OU=MSX1/cn=Recipients/cn=Terry Young]; Tam Wagner [/O=IMO/OU=MSX1/cn=Recipients/cn=Tam Trinh]
Subject: RE: Rate Mitigation: Final Presentation

The key is that IESO cost models provide a reasonable cost trajectory and the residential bills forecasted are driven by that trajectory.

Recognizing the OPO cost trajectory and the 2016 actual residential bills from OEB approved rates for Toronto Hydro set March 2016, and OEB TOU rates in May 2016 and November 2016, the forecasted residential bills would indicate more of a 7% decline in 2017 relative to 2016.

**Typical Residential Electricity Bill Forecast includes taxes,
Assumes 800 KWh/Mth - (\$Nominal /Mth)**

	2014	2015	2016	2017	2018	2019	2020
2013 LTEP	\$ 137.00	\$ 145.00	\$ 167.00	\$ 170.00	\$ 178.00	\$ 177.00	\$ 181.00
Actuals	\$ 137.55	\$ 146.05	\$ 172.65				
OPO - Outlook B			\$ 160.24	\$ 168.06	\$ 171.27	\$ 174.45	\$ 185.66
OPO - Outlook B Year over Year % Change				5%	2%	2%	6%
OPO - Outlook B with 8% rebate, ICI, and RRRP			\$ 160.24	\$ 157.27	\$ 160.27	\$ 163.24	\$ 173.67
OPO - Outlook B with 8% Rebate, ICI, and RRRP Year over Year % Change				-2%	2%	2%	6%

Relying on the Trajectory provided above and the 2016 Actual - the Residential Bills would be updated as follows:

OPO Based on 2016 actuals				\$ 181.08	\$ 184.54	\$ 187.95	\$ 200.04
OPO Based on 2016 actuals with 8% rebate, ICI and RRRP				\$ 160.22	\$ 163.27	\$ 166.29	\$ 176.92

Change from 2016 to 2017 would be a -7% decline, followed by an increase of about 2% per year until 2019	-7%	2%	2%	6%
--	-----	----	----	----

Joyce

From: Michael Lyle
Sent: December 13, 2016 3:25 PM

To: Joyce Poon; Jordan Penic; George Pessione
Cc: Bruce Campbell; Terry Young; Tam Wagner
Subject: RE: Rate Mitigation: Final Presentation

Key point is that we should not look at the 2016 actual compared to the 2017 OPO Outlook B as adjusted and assume that we are really going to see a 9% decrease in residential bills in 2017.

From: Joyce Poon [mailto:Joyce.Poon@ieso.ca]
Sent: December 13, 2016 3:19 PM
To: Jordan Penic; Michael Lyle; George Pessione
Cc: Bruce Campbell; Terry Young; Tam Wagner
Subject: RE: Rate Mitigation: Final Presentation

Please find attached an updated Table with the data associated with slide 3 to include the forecast value of 2016 for the OPO – Outlook B. The OPO Outlooks are developed prior to the availability of 2016 actual data.

**Typical Residential Electricity Bill Forecast includes taxes,
Assumes 800 KWh/Mth - (\$Nominal /Mth)**

	2014	2015	2016	2017	2018	2019	2020
2013 LTEP	\$ 137.00	\$ 145.00	\$ 167.00	\$ 170.00	\$ 178.00	\$ 177.00	\$ 181.00
Actuals	\$ 137.55	\$ 146.05	\$ 172.65				
OPO - Outlook B			\$ 160.24	\$ 168.06	\$ 171.27	\$ 174.45	\$ 185.66
OPO - Outlook B with 8% rebate, ICI, and RRRP			\$ 160.24	\$ 157.27	\$ 160.27	\$ 163.24	\$ 173.67

The OPO Outlook was based on a trajectory from the 2015 actual.

Joyce

From: Jordan Penic
Sent: December 13, 2016 1:26 PM
To: Joyce Poon; Michael Lyle; George Pessione
Cc: Bruce Campbell; Terry Young; Tam Wagner
Subject: RE: Rate Mitigation: Final Presentation

Thanks for the speedy turnaround. If there are no further comments, I will share with the Ministry shortly.

From: Joyce Poon
Sent: December 13, 2016 1:25 PM
To: Jordan Penic; Michael Lyle; George Pessione
Cc: Bruce Campbell; Terry Young; Tam Wagner
Subject: RE: Rate Mitigation: Final Presentation

**Typical Residential Electricity Bill Forecast includes taxes,
Assumes 800 KWh/Mth - (\$Nominal /Mth)**

	2014	2015	2016	2017	2018	2019	2020
2013 LTEP	\$ 137.00	\$ 145.00	\$ 167.00	\$ 170.00	\$ 178.00	\$ 177.00	\$ 181.00
Actuals	\$ 137.55	\$ 146.05	\$ 172.65				
OPO - Outlook B				\$ 168.06	\$ 171.27	\$ 174.45	\$ 185.66
OPO - Outlook B with 8% rebate, ICI, and RRRP				\$ 157.27	\$ 160.27	\$ 163.24	\$ 173.67

From: Jordan Penic
Sent: December 13, 2016 1:03 PM
To: Michael Lyle; George Pessione; Joyce Poon
Cc: Bruce Campbell; Terry Young; Tam Wagner
Subject: RE: Rate Mitigation: Final Presentation
Importance: High

Hi,

We have another last minute follow-up request from the Ministry. They would like the values for the graph on slide 3, including for the black line that has been removed. This information is for back pocket purposes.

Joyce/George – is this something that you can quickly provide?

-Jordan

From: Jordan Penic
Sent: December 13, 2016 8:30 AM
To: Michael Lyle; Bruce Campbell; Terry Young; JoAnne Butler
Cc: Joyce Poon; George Pessione; Tam Wagner
Subject: Rate Mitigation: Final Presentation

Good morning,

Please find attached the final presentation that was shared with the Premier. You'll notice that the "black line" representing the 2015-2016 actuals for Toronto Hydro customers has been removed at the request of the Ministry.

Regards,

Jordan

Jordan Penic | Senior Manager, Communications & Government Affairs
Independent Electricity System Operator (IESO) | T: (416) 506-2815
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)