Message

Sent: 2017-07-07 9:45:29 AM
To: [redacted]
CC: John.Bozzo@oeb.ca; Terry Young [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=872fa3f6e61a48709b11458c0c3b6ca6-Terry Young]
Subject: RE: query re. borrowing to finance the RPP revenue shortfall since May 1, 2017

Tom,
The Ontario Fair Hydro Plan Act (OFHPA) http://www.ontla.on.ca/bills/bills-files/41_Parliament/Session2/b132ra_e.pdf Part V discusses the Regulatory Asset created by the IESO and the time to time transfer of this Asset to a financing entity. Part VI of the Act discusses how the financing entity may create an investment asset. Much of the Act makes reference to associated regulation. The general O.Reg for OFHPA (link below) support the Act and . The highlighted allow us to move all dollars in the RPP variance before June 1, 2017 into the variance account that will be transferred ultimately to the Financing Entity.

The general regulation is in force and available on e-laws. https://www.ontario.ca/laws/regulation/170206

Determination of IESO deferral

15. The IESO may include the following amounts in the IESO deferral for each month:

1. The difference between the following amounts:
   - i. The sum of all amounts payable to the IESO in the month by electricity vendors and specified consumers under the *Electricity Act, 1998* and the market rules made under section 32 of that Act, without taking into account any of the following:
     - A. Variances reported to and recorded monthly by the IESO in a variance account under section 5 of Ontario Regulation 430/04 (Payments Re Section 25.33 of the Act) made under that Act.
     - B. Rates determined by the Board under Part II of the Act.
   - ii. The sum of all amounts payable in the same month by electricity vendors and specified consumers to the IESO, taking into account rates determined under Part II of the Act.
2. The costs incurred by the IESO in relation to the financing of the difference between the amounts referred to in subparagraphs 1 i and ii.
3. Any amounts incurred by the IESO on or after May 1, 2017 and before the Act came into force.

Adjustments that may be recorded by the IESO

16. For the purposes of paragraph 3 of subsection 24 (1) of the Act, the IESO shall record the following adjustments in a variance account each month:

1. All funding rebates and other amounts paid by the IESO to a financing entity during the month.
2. Any variance account balances in variance accounts established and maintained under subsection 25.33 (5) of the *Electricity Act, 1998* and costs incurred in relation to the balances.

From: John Bozzo
Sent: Thursday, July 6, 2017 4:33 PM
To: Nancy Marconi; Terry Young
Subject: Fwd: query re. borrowing to finance the RPP revenue shortfall since May 1, 2017

FYI

Sent from my iPhone

Begin forwarded message:

From: Tom Adams <[redacted]
Date: July 6, 2017 at 4:12:35 PM EDT
To: John Bozzo <John.Bozzo@oeb.ca>
Subject: Re: query re. borrowing to finance the RPP revenue shortfall since May 1, 2017

Any progress? I am writing for a regulatory law journal and my deadline is tomorrow. I hope that my question is simple and straightforward.

T

On Thu, Jul 6, 2017 at 11:29 AM, Tom Adams <[redacted]> wrote:
Thanks.

On Thu, Jul 6, 2017 at 11:28 AM, John Bozzo <John.Bozzo@oeb.ca> wrote:
Hi Tom. Let me check with our internal folks and get back to you. John

Sent from my iPhone

On Jul 6, 2017, at 11:17 AM, Tom Adams <[redacted]> wrote:

> Dear Mr. Bozzo,
>
> I understand that Ms. Evans is on secondment to the Ministry of Energy. I wonder if you might help me with my inquiry.
>
> I am trying to understand how the RPP revenue shortfall since May 1, 2017 is being managed. Perhaps you might direct me to some documentation addressing this issue, if such references are available.
>
> Thanks,
>
> Tom Adams [redacted]
>
> ---------- Forwarded message ----------
> From: **Tom Adams** <[redacted]
> Date: Thu, Jul 6, 2017 at 11:10 AM
> Subject: query re. borrowing to finance the RPP revenue shortfall since May 1, 2017
> To: "Young, Terry" <terry.young@ieso.ca>, Karen Evans <Karen.Evans@ontarioenergyboard.ca>
>
> Can you assist me in understanding how the RPP revenue shortfall since May 1, 2017 is being managed?
>
> T. Adams

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