

Message

From: Rehob, James (ENERGY) [James.Rehob@ontario.ca]
Sent: 2017-09-26 10:16:50 AM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
CC: Christie, Tim (ENERGY) [Tim.Christie@ontario.ca]; O'Riordan, Eamon (ENERGY) [Eamon.O'Riordan@ontario.ca]; Cayley, Daniel (ENERGY) [Daniel.Cayley@ontario.ca]; Huang, Jackson (MEDG/MRIS) [Jackson.Huang@ontario.ca]; Thouin, Alena (ENERGY) [Alena.Thouin@ontario.ca]; Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]
Subject: RE: Instructions 1C to Amend GA Reg (O Reg 429-04) (Sept 18-17)_JH.docx

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Hi, Michael. Thanks for these very helpful comments and feedback. See my initial responses below but we're certainly on the same page.

Best,

James

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: Tuesday, September 26, 2017 9:56 AM
To: Rehob, James (ENERGY)
Cc: Christie, Tim (ENERGY); O'Riordan, Eamon (ENERGY); Cayley, Daniel (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs
Subject: RE: Instructions 1C to Amend GA Reg (O Reg 429-04) (Sept 18-17)_JH.docx

Hi James,

Thank you for the opportunity to comment. We have the following high level comments:

1. There is still a need for a regulation creating the obligation for the IESO to fund these financing entity costs. We believe this would be through amendments to the General Regulation. ***[NTD-JPR: Yes, understood and we completely agree –we're on it.]***
2. Costs would be owed to the financing entity, not the financial services manager. Once the regulation obligating IESO to fund these amounts is drafted, it might be easiest to cross reference to amounts owing pursuant to the particular section of that regulation. ***[ntd-jpr: Good thought and we do recognize that the two have to work together seamlessly. Great idea and I'll keep that front and centre.]***
3. Are there any Class A specified market participants? I understand there are some Class A participants who are specified consumers, but that is because they are a farm. ***[ntd-jpr: Not sure – to be honest, I thought if anyone knew Hydro One would but I'll check in with the clients on this.]***
4. Not sure "funding costs" plus FSM fees is accurate for what is being funded. However, OPG can weigh in on that when this is circulated to it. ***[ntd-jpr: Agree that OPG/Tory's must confirm the description of costs to be recovered for us. We'll check in with them soon.]***
5. If the LDCs are not actually billing the specified consumers, why is there a provision for LDCs multiplying consumption by the rate? We would like to discuss this again to make sure we understand what is being proposed. ***[ntd-JPR: I'll have to touch base with my clients on this: LDC's will have to bill consumers to ensure that the funds flow up to and through the LDC to the IESO then into the variance account. Hopefully this will be clarified on the next instructions which I believe we are to share with you.]***
6. There had been discussion with you about the potential need to be an offsetting adjustment created for Class A and Class B specified consumers who are not regulated consumers. Otherwise this mechanism may result in these non-regulated consumers not receiving the full rate reduction contemplated by Fair Hydro. We did not see

this adjustment in the instructions. *[ntd-jpr: Fair point – Correct, It's not there yet and we have to work that part in. Thank you for raising this again as its been on my mind as well.]*

Also, James, we have heard that O.Reg. 429/04 may be amended to address storage facilities. Are you aware of this and are those amendments working through contemporaneously? *[ntd-jpr: Yes, just heard from clients that the timing is such that the storage-related amendments, if any and if approved, would come after our OFHPA work has concluded.]*

Regards,

Michael

Michael Boll | Associate General Counsel

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From: Rehob, James (ENERGY) [<mailto:James.Rehob@ontario.ca>]

Sent: September 22, 2017 12:00 PM

To: Michael Boll

Cc: Christie, Tim (ENERGY); O'Riordan, Eamon (ENERGY); Cayley, Daniel (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY)

Subject: FW: Instructions 1C to Amend GA Reg (O Reg 429-04) (Sept 18-17)_JH.docx

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September 21, 2017

Hi, Michael and IESO Team. Please find attached our consultation draft of our proposal to create an amending regulation to amend O. Reg. 429/04 (Adjustments Under Section 25.33 of the *Electricity Act, 1998*).

Thank you in advance for your consideration of this proposal. Please do call me at 416-325-6676 if I can be of any assistance in this matter.

Best,

James P. H. Rehob

Senior Counsel

Ministry of the Attorney General

Legal Services Branch

MAG Civil Law Division

Ministry of Energy, Ministry of Economic Development and Growth, Ministry of Research, Innovation and Science,

Ministry of Infrastructure, Accessibility Directorate of Ontario

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