Message

From: Kim Marshall [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=B63A22B42BF14587870D93119A054D88-KIM MARSHAL]
Sent: 2017-11-30 8:04:48 AM
To: Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]
Subject: RE: IESO - Follow up question

This was helpful thx

Kimberly Marshall | VP, Corporate Services & CFO
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From: Jeannette Briggs
Sent: November 29, 2017 12:08 PM
To: Kim Marshall
Subject: FW: IESO - Follow up question

I took a crack at them for you. Happy to explain how this is done to whomever. JB

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: November 28, 2017 1:30 PM
To: Kim Marshall
Cc: Hosick, Sarah (TBS); Donaldson, Mark (TBS)
Subject: FW: IESO - Follow up question

Hi Kim – can you take a first crack these questions?

From: Umar Saeed [mailto:usaeed@psabcanada.ca]
Sent: November 28, 2017 11:12 AM
To: Veinot, Cindy (TBS); Kim.Marshall@ieso.ca
Cc: Michael Puskaric
Subject: IESO - Follow up question

Dear Kim and Cindy,

We wanted to thank you again for your time the other day. I am going through my notes and I had a few questions for clarification.
I suspect these will be fairly straightforward for you to answer, but I also want to be respectful of your time and if they are too complicated – please let me know.

Would it be the IESO or would it be OPG that would ultimately go to the Ontario Energy Board to recover these costs? As per Bill 132, OPG provides the clean energy adjustment payable (finance amount for reference period and any true up) to the OEB who sets the rate for specified consumers.
If it is the IESO, my understanding is the OFHPA creates the deferral and variance account that enables the IESO to recover costs from future rates.. Yes, the IESO has a variance account that will continue to support OFHPA (not unlike it predecessor for RPP). The IESO variance dollars become a regulatory asset that from time to time will transfer to the financing entity. For amounts not transferred, the legislation 25 (3) allows the IESO to recover variance balances from specified consumers starting May 1, 2021.
If it is OPG, would they already have a deferral and variance account to house these costs until it is recovered? Following the transfer of the IESO's regulatory asset to the OPG financing trust, an investment asset is created by legislation which permits the trust to recover the asset from specified consumers in the future. The creation and recovery of the investment asset held by the financing trust is governed by the legislation and regulations.
Or does the legislation apply to OPG as well? Not sure what this means exactly – FSM & Fair Hydro Trust (both OPG managed), and IESO roles are all explicitly laid out in legislation, regulations and agreements
Finally, when it comes time to recover those costs, would it go through the OEB prudence review or is that not necessary as a result of the OFHPA legislation? Legislation is clear 15 (3) the OEB cannot change the clean energy adjustment value. However, the OEB does review and approve OPG's FSM fees but it is not a prudency review. OEB's review parameters defined by O. Reg. 206/17.].

I want to ensure I am understanding the process for recovering costs through future rates and the role of the OEB, OFHPA accurately.
I know this is a busy time for both of you and your help is very much appreciated.

Sincerely,
Umar

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