Message

From: Ho, Larissa (ENERGY) [Larissa.Ho@ontario.ca]
Sent: 2017-10-25 11:49:31 AM
To: Joyce Poon [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3093c75378834fd195c6a07d2c0aded1-Joyce Poon]
CC: George Pessione [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=fe1264f59cb3428a90a73766e96ea517-George Pess]
Subject: RE: Industrial Rates

Flag: Follow up

Hi Joyce,

Table with the breakdown below.

I suspect the difference is primarily in the transmission line as my approach was quick but simple. I took the wholesale transmission charge from most recent Monthly Market Report at the time (about $10/MWh), and applied the annual rate of change observed from the transmission charge in the residential forecast.

- As noted in the Monthly Market Report, the wholesale transmission charge is calculated by summing all transmission-related fees paid by all loads in the province and dividing that by the total energy delivered to those loads. I recognize that it is not representative of any particular customer as it does not account for peak consumption pattern etc.

WMSC was adjusted in two ways – first, converted to $/MWh from $/750kWh observed in the residential forecast. Secondly, as per the 2017 LTEP Assumptions document, the residential bills are base bills prior to the application of Ontario's Fair Hydro Plan. Therefore, to reflect the impact of OFHP, the cost of OESP and RRRP were removed based on estimates provided by Ministry colleagues.

- As a test, I compared the total WMSC in a 2017 Monthly Market Report and subtracted the cost of OESP and RRRP listed. The result was relatively in line with the estimate of $3/MWh for 2017 below.

Happy to chat. May you share the industrial rates you developed as well?

Thanks,
Larissa

Class A ($nominal/MWh)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Hourly Ontario Energy Price		26	28	27	31	36	40	48	44	53	49	50	51	53	57
Class A Global Adjustment		36	36	39	38	35	34	32	36	32	36	37	37	36	34
Transmission	10	11	11	12	12	13	13	14	14	14	14	15	15	15	15
Adjusted WMSC		3	2	2	2	2	2	2	2	2	2	2	2	2	2
Debt Retirement Charge		7	2												
Total		**83**	**80**	**79**	**84**	**86**	**90**	**95**	**96**	**102**	**101**	**103**	**104**	**105**	**107**

From: Joyce Poon [mailto:Joyce.Poon@ieso.ca]
Sent: October 25, 2017 10:08 AM
To: Ho, Larissa (ENERGY)
Cc: George Pessione
Subject: Industrial Rates

Hi Larissa,
Could you provide me with the derivation of the industrial rates you produced by component: Class A GA, HOEP, Tx, Regulatory and DRC so I can compare by line item the industrial rates I developed from the model.
Thanks,

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