

Message

From: Nancy Marconi [Nancy.Marconi@oeb.ca]
Sent: 2017-04-24 10:25:19 AM
To: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshall]; Martine Band [Martine.Band@oeb.ca]
Subject: Re: CONFIDENTIAL: OEB Comments on Draft Legislation

I think that 2pm would work well for us, and we agree that a conference call would be helpful - on these comments and the variance question I left a vmail for you about on Friday. I will get us a number.

Thanks,
Nancy

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Kim Marshall
Sent: Monday, April 24, 2017 9:55 AM
To: Martine Band
Cc: Nancy Marconi
Subject: RE: CONFIDENTIAL: OEB Comments on Draft Legislation

Martine and nancy, I think the OEB and IESO are aligned on our comments. Is there value in a short conference call to ensure this? Any chance 1:30 or 2 is possible? thanks

Kimberly Marshall | VP, Corporate Services & CFO
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Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals.

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From: Martine Band [mailto:Martine.Band@oeb.ca]
Sent: April 23, 2017 2:02 PM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Shear, Dan (ENERGY); Hume, Steen (ENERGY); Christie, Tim (ENERGY); scott.nelms@ontario.ca; phamilton@stikeman.com; Kim Marshall
Cc: Mary Anne Aldred; Lynne Anderson; Brian Hewson; Ceiran Bishop; Theodore Antonopoulos; Nancy Marconi
Subject: CONFIDENTIAL: OEB Comments on Draft Legislation

Attached are two documents: (1) our comments on the draft legislation, other than the May 2017-April 2018 price setting methodology; and (2) a separate piece with our comments on the price setting methodology in section 6xx(1) and (2).

In terms of key issues:

- i. We have a number of comments on the price-setting methodology provisions, which based on recent discussions do not appear to align with our understanding of the policy intention. This is particularly the case in relation to consumers that will be subject to fair adjustment pricing that

are not on RPP today, including consumers that currently have a retail contract and consumers that have opted out of the RPP. It had been and remains our understanding that consumers that are not currently on the RPP were intended to be settled through a mechanism other than RPP/regulated prices. We also have concerns about attempting to "retroactively" apply the proposed Fair Hydro Plan benefit on a prospective basis to cover the period from May 1 to whenever the OEB sets the new prices under this proposed legislation .

- ii. We have proposed a streamlined version of the price-setting methodology, which we believe to be clearer than the sections as drafted but should result in the 25% reduction that is being proposed (subject to confirmation of a couple of assumptions). The draft as written would, among other things, have "over-smoothed" by the amount that the OEB has already adjusted for in May RPP prices.
- iii. We have not been involved in discussions relating to (a) the OEB's contemplated role in relation to the recovery by the IESO of any funding shortfall or (b) the nature of new licence conditions that are contemplated but not articulated. We need to better understand these so that we can comment on them in a meaningful way.

We have not had a chance to review the IESO's comments and revisions sent this morning, and our comments and suggested revisions are on the draft circulated by the Ministry last Thursday evening. We will do our best to go through the IESO's version today with a view to sharing any comments that we have by the end of the day.

We are aware that timelines are very short, and we would be pleased to meet with the Ministry and the IESO to discuss outstanding points.

Martine

Martine M. N. Band
Associate General Counsel
Ontario Energy Board
Direct Line: 416-440-8117

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