

Message

From: Calwell, Carolyn (ENERGY/MEDEI/MRI) [Carolyn.Calwell@ontario.ca]
Sent: 2017-04-24 10:36:56 AM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
CC: Hume, Steen (ENERGY) [Steen.Hume@ontario.ca]; Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshall]
Subject: Re: Ontario Fair Hydro Plan

That's good news. Thank you for getting back to me so quickly.

Carolyn

Carolyn Calwell
416.212.8392

On Apr 24, 2017, at 10:05 AM, Michael Boll <Michael.Boll@ieso.camailto:Michael.Boll@ieso.ca> wrote:

Hi Carolyn,

We have confirmed with KPMG that the IESO's proposed approach meets IESO's accounting needs.

Please let me know if you have any follow up questions.

Regards,
Michael

From: Calwell, Carolyn (ENERGY/MEDEI/MRI) [mailto:Carolyn.Calwell@ontario.ca]
Sent: April 24, 2017 7:28 AM
To: Michael Boll
Cc: Hume, Steen (ENERGY); Kim Marshall
Subject: FW: Ontario Fair Hydro Plan

Michael - can you confirm that the approach in the attached documents meets IESO's accounting needs? Is the role of the OEB adequate to create the regulatory asset? And is the recovery mechanism sufficient? I don't want to go down the road of addressing these points if IESO isn't certain that this works. If it does, then we will generally go with the approach, subject to resolving some feedback on IESO's changes from the OEB.

Thanks.

Carolyn

From: Peter Hamilton [mailto:PHamilton@stikeman.com]
Sent: April-23-17 9:46 AM
To: Kacaba, Jennifer (ENERGY); Rehob, James (ENERGY); Shear, Dan (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Christie, Tim (ENERGY); Leslie.Wong@opg.commailto:Leslie.Wong@opg.com; 'MCAULEY Tyler - LAWDIV' (tyler.mcauley@opg.commailto:tyler.mcauley@opg.com); John.S.Lee@opg.commailto:John.S.Lee@opg.com; JUDY.WILSON@blakes.commailto:JUDY.WILSON@blakes.com; Stephen.Ashbourne@blakes.commailto:Stephen.Ashbourne@blakes.com; Bryson.Stokes@blakes.commailto:Bryson.Stokes@blakes.com; 'Alan Hibben' (alan.hibben@rogers.commailto:alan.hibben@rogers.com); Brad.Purkis@tdsecurities.commailto:Brad.Purkis@tdsecurities.com; Maharukh.Hilloowala@tdsecurities.commailto:Maharukh.Hilloowala@tdsecurities.com; Michael.Wolff@tdsecurities.commailto:Michael.Wolff@tdsecurities.com; Harold.Holloway@tdsecurities.commailto:Harold.Holloway@tdsecurities.com; 'Niehaus, Katrina'; 'Benaiah, Ian'; Nevison, Gary (Gary.Nevison@tdsecurities.commailto:Gary.Nevison@tdsecurities.com); Thom, Trevor (Trevor.Thom@tdsecurities.commailto:Trevor.Thom@tdsecurities.com); Akman, Steven (Steven.Akman@tdsecurities.commailto:Steven.Akman@tdsecurities.com); Thompson, Susan (Susan.Thompson@tdsecurities.commailto:Susan.Thompson@tdsecurities.com); Manii, David (david.manii@tdsecurities.commailto:david.manii@tdsecurities.com); 'Feldman, Michael'; 'Persaud, Donnie - Debt Capital Markets'; 'Hill, Krista'; 'Turnbull, Vickie'; 'Dal Bello, David'; 'Mansoori, Nina'; 'Sebastiano, Rocco'; 'Fitzpatrick, Michael F.'; michael.boll@ieso.camailto:michael.boll@ieso.ca; Kim Marshall; Veinot, Cindy (TBS); Glenn Zacher; 'O'Brian, Adam'; 'Emes, Aaron'; 'JORDA Jenny -FIN & C CTRL'; maryanne.aldred@ontarioenergyboard.camailto:maryanne.aldred@ontarioenergyboard.ca; Petsche, Nadine (TBS); rramchandani@torys.commailto:rramchandani@torys.com
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Subject: RE: Ontario Fair Hydro Plan

Please see attached the IESO/Stikemans mark-up, together with a black line to the last version circulated by the Ministry.

This draft is still being reviewed by KPMG and is subject to their comments especially around the requirements to be met in order to recognize and de-recognize the regulatory asset.

While not reflected in our mark-up, we think that Part III with respect to the billing and collection of the Clean Energy Adjustment would benefit from a reorganization. First, it might be moved later in the statute, after both Part V with respect to the Regulatory Asset and Part VI with respect to the Investment Asset. Its current placement suggests that it is relevant to both the regulatory asset and the investment asset, which is not the case. Second it might be internally reorganized so that it deals sequentially with the following subjects:

1. Determination of the amount of the Clean Energy Adjustment, which in our view should be done by the Financial Services Manager (currently in Sections 10(1) and 10(3)).
2. Determination by the OEB of the rate necessary to recover the Clean Energy Adjustment (currently in Section 10(2)). It is not clear to us that there is a role for the IESO in between the OEB and the electricity vendors, but happy to discuss.
3. Obligation of electricity vendors to invoice (Section 12)
4. Obligation of consumers to pay invoice amount (Section 8)
5. Obligation of electricity vendors to collect and remit (Section 12(2) to 12(6)). We need to provide for the collection standard and in particular make clear that they do not guarantee collection from customers.
6. Obligation of IESO to collect and remit (Sections 11(2) to 11(5)). We need to provide for the collection standard and in particular make clear that we do not guarantee performance by the electricity vendors.

Peter

STIKEMAN ELLIOTT LLP Barristers & Solicitors

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Sent: Thursday, April 20, 2017 5:59 PM

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Johnson, Paul (ENERGY/MEDEI/MRI)

Subject: RE: Ontario Fair Hydro Plan

All - Please find attached the next turn in the consultation draft (v.3) of the proposed legislation. We have been working to address the feedback that you provided earlier in the week. A number of points remain in progress. As with the earlier versions, by sharing this document, we hope to continue to advance our discussions.

Our timeline has been extended and we are now working to a pens down date of April 28th. We will not get another extension. Accordingly, we ask for your detailed, written comments on the draft, which we require no later than Sunday at noon.

We will continue to work on the bill in the interim, so earlier instructions are helpful to us. With your input on this timeline, we expect to be able to provide one more circulation around Tuesday or Wednesday next week.

We have not had the opportunity to add notes or to update our crosswalk to the Blakes summary document.

We look forward to receiving your written comments.

Jennifer

Jennifer J. Kacaba
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From: Kacaba, Jennifer (ENERGY)
Sent: April 17, 2017 12:00 PM
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Subject: RE: Ontario Fair Hydro Plan

Please find attached a further turn of the consultation draft. This document continues to be a work in progress. We have not had the opportunity to add notes or update our tracking table. We also have not yet considered the comments that we received this morning. We look forward to seeing you at 1.

Jennifer

Jennifer J. Kacaba
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MAG Civil Law Division

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From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: April 15, 2017 10:06 PM
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Subject: Ontario Fair Hydro Plan

All - Please find attached the draft "Intergenerational Fairness in Hydro Rates Act, 2017". A tremendous amount of work has gone into getting to this draft and much more work is required to get this ready for the House. The goal of sharing this document now is to further the process we have engaged in over the last weeks. In the attached, we have included notes to try to address where the drafting is not yet consistent with our thinking. These notes are neither comprehensive nor complete. They are intended only as flags and as colour to the draft. We have not forgotten the comments that you have already provided and we are continuing to working through the translation of the commercial terms we have been discussing into legislative language.

For ease of reference, included with the draft bill are the partially updated Blakes' summary, a chart that attempts links the articles in that document to the sections of the bill (which is imperfectly numbered at best) and excerpts from the Electricity Act and the Ontario Energy Board Act, related to the consequential amendments.

In your review, please focus on the broad stroke concepts, rather than the minutia, and keep in mind the cascade of instruments that will be required - legislation first, then regulations and finally commercial agreements. We look forward to discussing the broader concepts on Monday

Carolyn Calwell
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