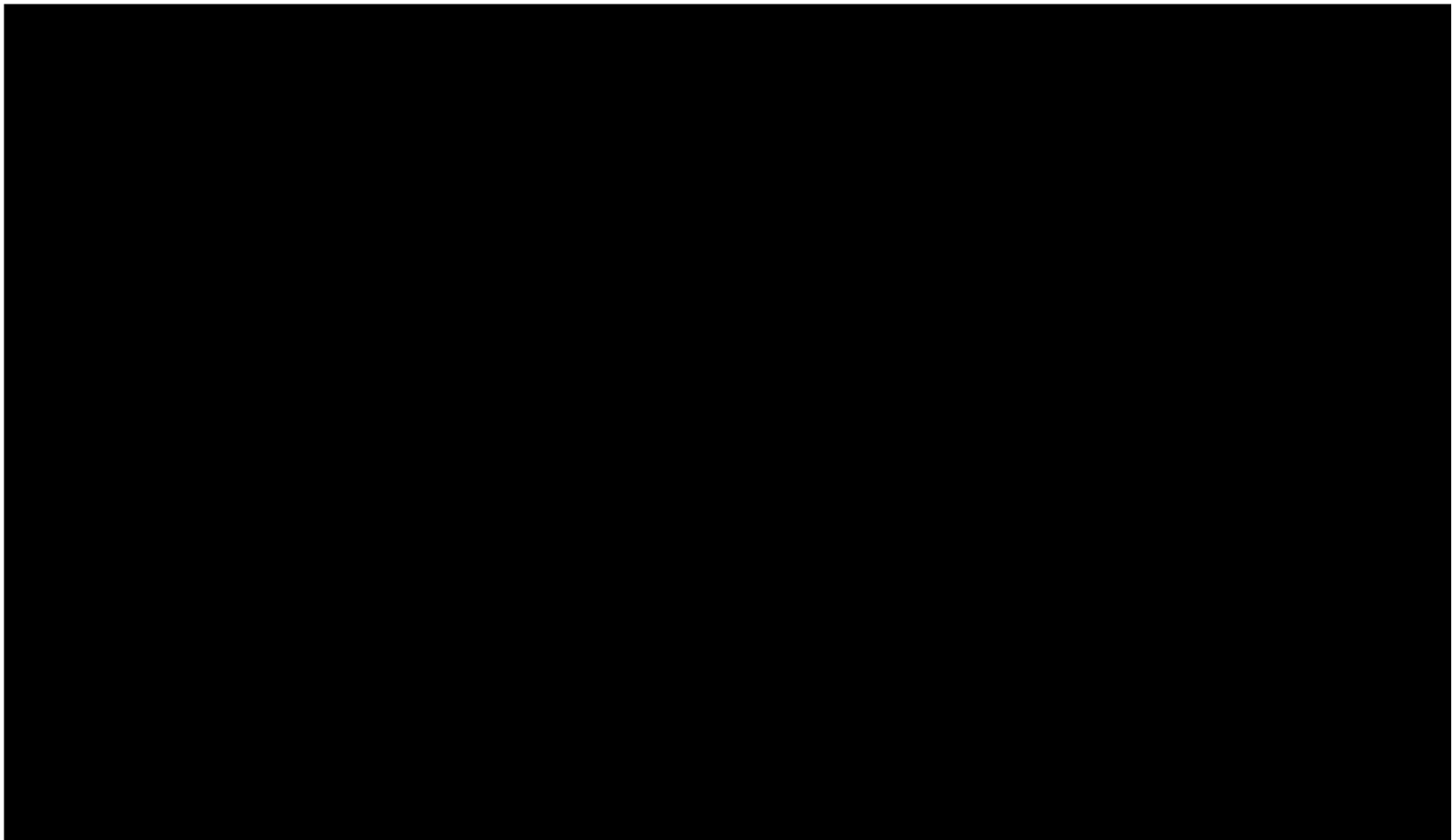


From: Ed Schwerdt [<mailto:eschwerdt@npcc.org>]
Sent: May 07, 2018 10:26 AM
To: Leonard Kula
Cc: Ed Schwerdt
Subject: IESO Cyber Security and NERC Budget



4. Are there other Canadian specific issues around the increases in the NERC budget that I should address?

Not sure if it's necessarily Canadian specific, but what we flagged last year (and still holds this year) is that ratepayers, regulators and government authorities in Ontario continue to expect 'rigorous fiscal discipline by the utility industry'. Rising electricity costs have been a significant public concern in Ontario and in response to these concerns, in 2017, the provincial government introduced its Fair Hydro Plan that included a commitment that certain electricity customers' bills would not increase beyond the rate of inflation for four years. Paying regulatory fees higher than the rate of inflation forces the IESO to make budget cuts that may negatively impact our ability to execute on our strategic priorities, including those that are designed to ensure the secure and reliable operation of the electricity grid.

Thanks.

Ed

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