

Lynne Anderson

From: Lynne Anderson
Sent: October 19, 2016 4:13 PM
To: 'Chander, Sunita (ENERGY)'
Subject: RE: Process Q

I should have added that if we don't get the RRRP number until after our Jan 1 rate decisions go out we would need to approve everything based on the current \$127M number and Hydro One would have to file a new application to change the credit amount. The concern would be whether the wording in the Reg permits us to update the RRRP more than once a year. Has the draft reg been posted?

From: Lynne Anderson
Sent: Wednesday, October 19, 2016 3:51 PM
To: 'Chander, Sunita (ENERGY)'
Subject: RE: Process Q

Our math to set the RRRP rate is simple (assuming it is just an increase to the \$127M not a structural change of some kind). We don't need much lead time but would want to get the number on rate tariffs being issued early December for Jan 1 rates. Hydro One would need to recalculate the new credit, but that appears to be straightforward based on the excerpt from their current application below. We will have to review that new calculation and get it on Hydro One's Jan 1 tariff in December. Hydro One would need to file an update to their current application.

7.0 RRRP Credit

The Ontario government has recently announced its intention to introduce further funding for the Rural or Remote Electricity Rate Protection (RRRP) program. Through regulation, the current funding of \$125.4 million for Hydro One's R2 customers (per O.Reg 442/01) will increase by \$110 million. This additional funding will increase the monthly RRRP fixed charge credit for R2 customers from \$31.50 to \$58.90. The additional credit amount of \$27.40 is based on the additional funding of \$110 million divided by the forecast number of R2 customers in 2017 of 334,551 ($\$110 \text{ million} / 334,551 / 12 = \27.40).

While the RRRP credit for R2 customers has been revised to \$58.90 in this draft rate order, the RRRP charge for all customers remains at the current approved value of \$0.0013 per kWh. Hydro One will revise this RRRP charge after the Board releases its Decision and Order on 2017 Regulatory Charges.

From: Chander, Sunita (ENERGY) [<mailto:Sunita.Chander@ontario.ca>]
Sent: Wednesday, October 19, 2016 3:18 PM
To: Lynne Anderson
Subject: Process Q

Hi Lynne – hope this finds you well. I wanted to ask you a quick process related question....if there was a potential change in the amount to the RRRP, what does that mean on your end? (e.g. does H1 have to resubmit the whole order...can they amend it only? Does it stall the work you do or can you still accomplish it in the timeframes etc)....

Thanks!

Sunita Chander
A/Director, Agency and Distribution Branch
Strategic, Network and Agency Policy Division
Ministry of Energy

77 Grenville St., 6th Floor
Toronto ON M7A 2C1
Tel: 416-325-6594
Email: sunita.chander@ontario.ca