Slide	Key Point	Who
4	There are numerous sections of Legislation and associate regulations that relate to the OEB's approval or setting of rates	Lynne
11	There are 82 entities for which we approve rates • For electricity distribution and transmission and natural gas distributors we have complete oversight of rates • For OPG we only have oversight over certain of OPG's generation (called prescribed assets) • For IESO, we only set the Admin Fee and that is based on a budget already approved by the Minister. We don't have oversight of supply contracts or conservation	Lynne
12	So when looking at the bill, we have full oversight to approve the Delivery line on the bills. We only have oversight of about 1/3 of the Electricity line (through the OPG of the Regulated Price Plan) and 1/5 of the Regulatory Line. The OEB does not have oversight on the format of the electricity bill	Lynne
13	This slide breaks down what areas of the electricity bill have full OEB oversight (54%) and those for which we only set the rate but have no oversight of the underlying costs (35%) plus HST. For natural gas we have full oversight of about 50% of the bill. The rest is either market based (commodity) or the costs are set by other regulators such as the NEB (transportation)	Lynne

Slide	Key Point	Who
15	On this slide you see the breakdown of the bill by each item. We regularly produce this pie chart and this has the most up to date rates in it. As you can see, the commodity (electricity line) makes up close to 60% of the bill. The Delivery line is Transmission and Distribution combined, which is a little under 1/3. Now Ceiran will walk through some of the numbers.	Lynne
16	This slide shows both the Electricity Charge and the total bill. The prices for the Electricity Line come through the Regulated Price Plan for residential customers. This RPP has gone up about 12% per year since 2009. This is what is driving most of the increase in the total bill.	Ceiran
20	OPG set by the OEB used to be about 44% of the prices for the Regulated Price Plan. Because of the higher costs for renewable generators over the last few years, OPG now is only about 1/3 of the RPP.	Ceiran
21	Slide 21 shows the how the rates for electricity distribution have gone up by about 2% per year since 2009. This is the average rates for the 72 distributors we regulate. The blue line at the bottom show the consumer price index over that same time, so distribution rates approved by the OEB have been roughly paced with inflation.	Ceiran
23	This shows a comparison of bills across Ontario. As you can see, the Electricity Line is the same. It is the red bars that show the difference in Delivery costs. Rural customers are in Hydro One's R2 class and these customers receive rural rate assistance of $31.50 already included in these numbers	Ceiran

Slide	Key Point	Who
27	For natural gas the bill is made up of the Customer Charge and Delivery approved by the OEB. The other components of the bill Gas Supply and Transportation are set by the OEB to pass-through the market cost of gas and the Transportation of gas to the distributor's system. We have a number of slides that break down the gas bill as we did the electricity bill but in the interest of time I will just note that because the market price of natural gas has dropped by nearly 7% since 2009, natural gas bills are actually lower today than they were in 2009 by nearly 2%.	Lynne
33	As you know, there are a number of programs that provide relief including the Ontario Electricity Savings Program and the Rural and Remote Rate Protection (RRRP discussed earlier). OESP is for low income. RRRP is based on the density i.e. how rural are you. There is also emergency assistance through the LEAP program.	Lynne
38 (included because we understand this is what the Minister wants to know. But if not, we can skip slides 38 and 39)	So for those utilities where we have complete oversight, we review their forecasted costs and set what is called a revenue requirement – the revenue they need to run their system. We also look at whether they have revenue sources other than distribution rates that can decrease distribution rates e.g. pole attachments by cable companies. This revenue requirement is then divided amongst the different types of customers and then this is divided by how many customers there are and how much electricity they will use to calculate rates. We then look at the bill impacts and determine if they are reasonable.	Lynne

Slide	Key Point	Who
39 (see above)	This slide shows how we come up with the revenue requirement. A utility will have capital costs to build their system and operating/Admin costs to run their operations. The capital costs form the rate base which is split into debt and equity. Debt covers the interest costs to borrow money to finance new assets. Return on Equity (ROE) is the net income the utility will receive. We then build up the revenue requirement by adding up all of the costs: ROE, interest costs, operating costs, depreciation and taxes.	Lynne
41 and 42 (if time)	These slides show a summary of all of the components of electricity and gas bills since 2009. The Total Electricity Bill has gone up about 8% per year in that time. The Natural Gas Bill has decreased by about 2% in that time.	Ceiran
44	Finally, we are working on a comparison across North America based on a survey done by Quebec Hydro. Unfortunately we don’t have the 2016 numbers for other jurisdictions yet. This slide (which we will circulate) show the comparison from 2015. We expect to have the 2016 numbers this Fall.	Ceiran