



**Ontario Energy  
Board**

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**Commission de l'énergie  
de l'Ontario**

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December XX, 2016

Honourable Glenn Thibeault  
Minister  
Ministry of Energy  
4<sup>th</sup> Floor, Hearst Block  
900 Bay Street  
Toronto, ON M7A 2E1

Dear Minister Thibeault:

**Re: The Ontario Energy Board's Report on Options for an Appropriate Rate Assistance Program for On-Reserve First Nations Electricity Consumers**

On June 27, 2016, I received a letter from you seeking the Ontario Energy Board's advice on options for an appropriate electricity rate (or rate assistance) for on-reserve First Nations electricity consumers ("First Nations Rate"). In developing its report, you asked the OEB to:

- Identify eligible on-reserve First Nations consumers, including those who may live on reserves not connected to the IESO grid and those served by power systems not regulated by the OEB;
- Consider impacts on existing electricity consumers, as well as distribution and transmission utilities and other stakeholders;
- Consider program funding and administration;
- Consider interactions with existing programs such as the Ontario Electricity Support Program (OESP); and
- Report back by January 1, 2017.

In developing our report, the OEB considered a number of options and assessed them having regard for your letter and feedback from First Nations communities and affected stakeholders. Based on the OEB's analysis, a preferred option was identified:

- Eliminate the delivery charge for all on-reserve First Nations residential customers and eliminate the monthly service charge for customers who pay a blended rate;
- Automatically qualify on-reserve First Nations customers as recipients of the First Nations Rate;
- Require partnerships between distributors and band councils to identify all on-reserve First Nations customers;
- If costs are to be recovered through the electricity system, use a province-wide charge to collect the costs from all ratepayers; and
- Continue to provide assistance through OESP and LEAP to eligible on-reserve First Nations customers.

This approach would provide a meaningful benefit, estimated to be an average of \$85 monthly, to an estimated 20,000 on-reserve First Nations residential electricity customers in Ontario, at a monthly cost of less than 12 cents for the typical residential electricity consumer.

The Ontario Energy Board is pleased to provide any additional information and context that would contribute to the government's decision making.

Sincerely,

Rosemarie T. Leclair  
Chair and Chief Executive Officer  
Ontario Energy Board

c: Hon. David Zimmer, Minister of Indigenous Relations and Reconciliation  
Deborah Richardson, Deputy Minister, Ministry of Indigenous Relations and Reconciliation  
Serge Imbrogno, Deputy Minister, Ministry of Energy  
Carolyn Calwell, Director, Legal Services Branch, Ministries of Energy, Economic Development and Growth, Infrastructure, and Research, Innovation and Science