

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: (416) 440-7601
Facsimile: (416) 440-7700

Rosemarie T. Leclair
Chair & CEO

Commission de l'énergie de l'Ontario
CP. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4
Téléphone: (416) 440-7601
Télécopieur: (416) 440-7700

Rosemarie T. Leclair
Présidente et Directrice Générale



December 29, 2016

Honourable Glenn Thibeault
Minister
Ministry of Energy
4th 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, we considered a number of options and assessed them having regard for your letter and feedback from First Nations communities and affected stakeholders. Based on our 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 of licensed distributors who pay a blended rate;
- Automatically qualify on-reserve First Nations customers as recipients of the First Nations Rate;
- Enable greater information sharing 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 as many as 21,500 on-reserve First Nations residential electricity customers in Ontario, at a monthly cost of 11 cents for a typical residential electricity consumer.

Enclosed is a copy of a report from the Chiefs of Ontario, summarizing comments heard at the engagement sessions, along with the Chiefs of Ontario's suggested recommendations. 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