The discussion topics raised with the participants included:

- Challenges
- Productivity
- Financing and approach to regulation

Views and comments

- Mismatch between need to expectations wide – between need to invest and consumer comfort with historically low prices
- Are there alternatives to the way the rate-setting process can work such that it recognizes the need for a longer-term focus?
- Competition for capital will be a challenge
- Regardless of macroeconomic and policy swings, need to focus on long-term investment needs to deliver reliability
- A regional planning process with integration of different resources is important for efficiency
- Regulatory uncertainty is unfavourable to bond ratings (cost of service good; multi-year approaches raise uncertainty and risk)
  - Will there be downside protection in the framework?
- Cashflow-based ratios key in ratings criteria
  - Do not adjust depreciation to stretch out/defer recoveries (NTD: not done in Ontario to date)
  - Allowing CWIP into ratebase before asset in service an option. Resultant smoothing beneficial to ratepayers and cashflow ratios
- Concern that there is potential risk with current off-ramp "downside" (i.e., -300 basis points too high; however, it was acknowledged that returns under IR to date in Ontario have not eroded)
- Concern that any performance “consequences” not result in stranding
Potential outcome classifications identified:
- Financial
- Reliability
- Customer service/satisfaction
- Employee
- Environment (e.g., integration of renewables)

Focus on financial incentives to drive efficiencies disregards / discourages long-term thinking and innovation

Clarity of outcomes vis-à-vis Regional Planning are needed

Diversity of distributors: some may not be capable of doing what the Board appears to expect of them vis-à-vis infrastructure investment planning

Due to number of companies to regulate, suggest Board “start small” and perhaps try small scale tests of regulatory reforms before implementing broadly

Need performance outcomes to track whether companies are focusing appropriately on adequate sustainment capital to avoid in the future the situation we are in today (vis-à-vis aged infrastructure)