

Ministry of Energy,
Northern Development
and Mines

Ministère de l'Énergie,
du Développement du Nord
et des Mines



Office of the Minister

Bureau du ministre

77 Grenville Street, 10th Floor
Toronto ON M7A 2C1
Tel.: 416-327-6758

77, rue Grenville, 10^e étage
Toronto ON M7A 2C1
Tél. : 416 327-6758

APR 17 2019

MC-994-2019-315

Ms Rosemarie Leclair
Chair and Chief Executive Officer
Ontario Energy Board
2700–2300 Yonge Street
PO Box 2319
Toronto ON M4P 1E4

Dear Ms Leclair: *Rosemarie*

Thank you for submitting the Ontario Energy Board's (OEB) Business Plan for 2019-22. This letter constitutes my consent to the OEB's business plan for fiscal year 2019-20, including the proposed budget envelope of \$44.3M, subject to the direction below.

As you are aware, the government recently introduced Bill 87, Fixing the Hydro Mess Act, 2019. If this proposed legislation is passed, the governance structure of the OEB would be reformed. I recognize that the proposed legislation, if passed, may impact the OEB's proposed programs and activities. I ask that the OEB act with prudence and caution in implementing this business plan as it prepares to, if the legislation is passed, transition to the new governance structure.

On March 21, 2019, the Deputy Minister of Energy wrote to the OEB's Chief Operating Officer with details of my expectations of the OEB in order to facilitate transition if the proposed legislation is passed. This included a request for an assessment of which activities are business critical and which can be paused pending the development of a new strategic vision. I expect the OEB to work closely with Ministry staff to identify these business-critical items as well as determine how they can be most effectively advanced during this transitional period.

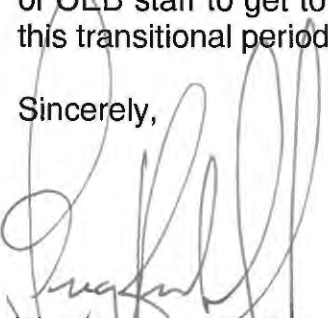
The approval of the 2019-20 plan and budget envelope is intended to facilitate the OEB's transition to a new governance structure in the event that the proposed legislation is passed and provide some certainty during this process. Nevertheless, the government expects prudent use of funding by all provincial agencies. I ask that you provide the Ministry with quarterly updates on actual expenditures compared to the budget and the status of the Operating Reserve. I also request detailed information regarding assessments to regulated entities, as soon as this information is available. Although I approve the budget envelope of \$44.3M for the fiscal year of 2019-20, underspending during this period would be a positive indication of the OEB's ability to reduce expenditures.

.../cont'd

I expect to see significant cost savings in the Business Plan for 2020-23 starting with the budget for 2020-21. As recommended by the OEB Modernization Review Panel, if the legislation is passed, I will be asking the OEB to conduct a full financial review. I ask that you work with Ministry staff during this time to identify potential sources of savings. This process will include providing the Ministry with any information required to undertake this work.

I recognize that this is a time of potential change and uncertainty for the OEB. I am confident that this transition, if the proposed legislation is passed, will lead the OEB to be a best-in-class regulator and I know that I can count on the professionalism and expertise of OEB staff to get to this result. Thank you for your diligence and commitment during this transitional period.

Sincerely,



The Honourable Greg Rickford
Minister of Energy, Northern Development and Mines

c: Stephen Rhodes, Deputy Minister of Energy
Carolyn Calwell, Assistant Deputy Minister, Ministry of Energy, Northern
Development and Mines
Mary Anne Aldred, Chief Operating Officer, Ontario Energy Board