

SCOTT POLLOCK  
T 613.369.4755  
spollock@blg.com

Borden Ladner Gervais LLP  
World Exchange Plaza  
100 Queen St, Suite 1300  
Ottawa, ON, Canada K1P 1J9  
T 613.237.5160  
F 613.230.8842  
blg.com



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**By Email**

July 10, 2020

Christine E. Long  
Registrar and Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Long

**Re: Q3 Prescribed Interest Rates**

On June 16, 2020, the Board published its Q3 prescribed interest rates for deferral and variance accounts and construction work in progress. The methodology for determining the deferral and variance account interest rates departed from the Board's Approved Prescribed Rates Methodology.

Specifically, the Board departed from the three-month Bankers' Acceptance rate and calculated the Q3 interest rates by average the Q2 interest rate and Q3 interest rate. The Board's stated that the decision to deviate from the prescribed methodology was the result of sharp declines in key rates by the Bank of Canada and other central banks. The result of this deviation was to change the Q3 interest rate from .57% to 1.38%.

CME has reviewed the letters of comment from the School Energy Coalition, London Property Management Association, and others and agrees with the concerns outlined in their correspondence. The Board decision to alter the methodology for calculating the prescribed interest rates without consultation did not allow affected parties to meaningfully participate in what amounts to a rate setting exercise. CME agrees with other groups that the Board should vacate its June 16<sup>th</sup> letter, and use its longstanding Approved Prescribed Rates Methodology to calculate interest rates for Q3 2020.

Yours very truly

Scott Pollock

CC: Interested Parties  
Alex Greco (CME)