

Comments from Hydro One

(a) DAM Settlement Timelines

The proposed timeline for the First Settlement Process requires that it be completed four business days after the trade day. The existing timelines for Preliminary Settlement Statements, NODs and Final Settlement Statements are proposed to continue except that Preliminary and Final Settlement Statements will encompass DAM and RTEM. NODs will continue to be based on data in the Preliminary Settlement Statements, i.e., no NODs for the First Settlement process.

The proposed timeline for the First Settlement Process and NODs based on Preliminary Settlement Statements only, i.e., no NODs for the First Settlement Process, look reasonable. However, the proposed adoption of the four business days time window for launching NODs after receipt of the Preliminary Settlement Statement encompassing DAM and RTEM would likely prove challenging in view of the fact that more NODs are likely. It is therefore suggested that the four business days time window for NODs be increased to six business days after receipt of the Preliminary Settlement Statement. This change should go together with a two-business day delay for issuance of the Final Settlement Statement, i.e., twenty-two business days after the trade day for the Final Settlement statement. These changes do not necessarily translate into a two-business day delay for the invoices because invoices could still proceed at the current schedules with slightly higher number of Preliminary Settlement Statements and correspondingly lower number of Final Settlement Statements. This change should not impact the dollar amounts in the invoices in any significant way.

(b) Scope of Statement for First Settlement Process

All available information in the statements for the First Settlement Process on a level equal to the Settlement Statements in the Second Settlement Process should be made available. This would allow reconciliation of the DAM positions in advance of the Preliminary Settlement Statements. Also, this should not impose undue burden on the IMO as this information will be computed and passed on to the Second Settlement Process for preparation of the Preliminary Settlement Statements.