Ontario

1) RPP Elig, who

2) Updated IESO forecast
→ annual hydro reset

→ refund
→ people opt out → commercial
customers

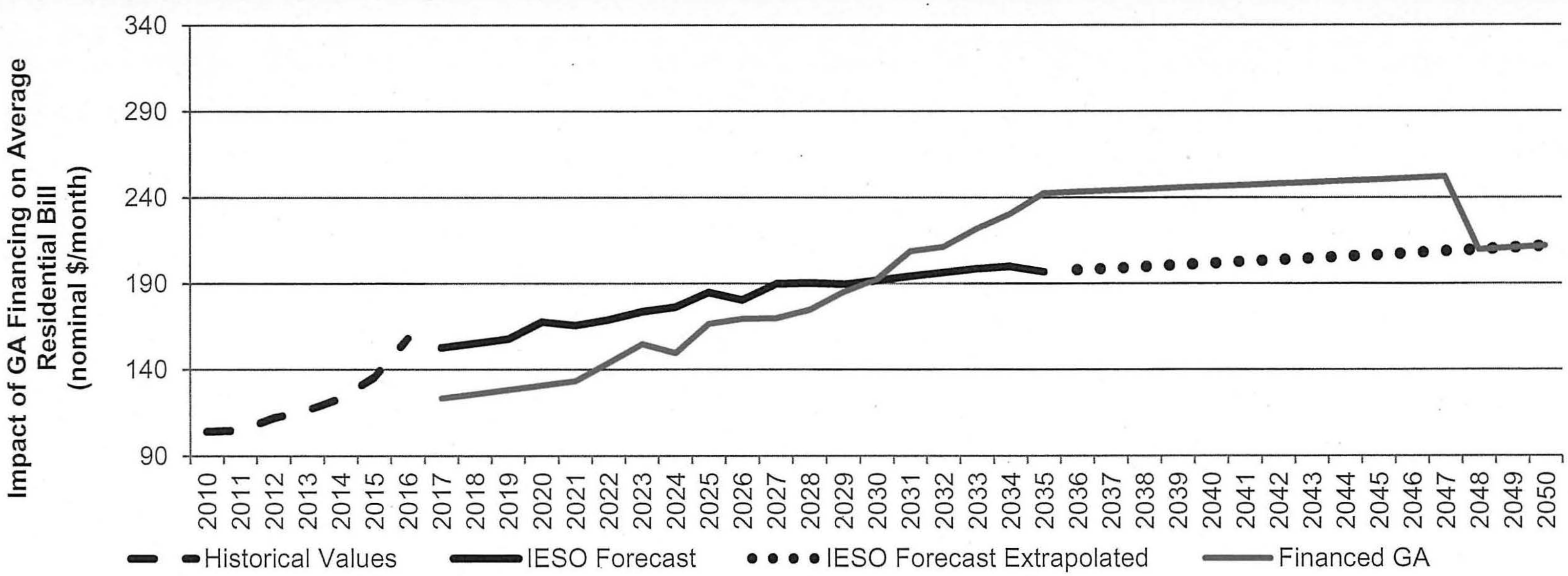
3)

→ Class B

GLOBAL ADJUSTMENT (GA) SMOOTHING FOR **RPP ELIGIBLE CUSTOMERS**

Ontario

B. Option 1a: GA Smoothing for RPP Eligible Only (Borrow $2.5 billion in 2017, Residential Bills Lowered 25%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Average Monthly Residential Bill Impact pre-tax *($/month)*	-26.1	-26.1	-26.2	-32.8	-28.7	-22.3	-16.9	-23.8	-16.3	-9.8	-17.8	-13.8	-4.1	0.6	12.8	13.0
Total Accumulated Debt *($ billion)*	2.5	5.1	7.9	11.4	14.6	17.7	20.3	23.8	26.7	29.0	32.3	35.4	37.6	39.5	40.2	40.9
Total Change in Accumulated Debt *($ billion)*	2.5	2.6	2.8	3.5	3.2	3.0	2.6	3.5	2.9	2.4	3.3	3.1	2.2	1.9	0.7	0.7

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	20.4	26.8	40.2	40.0	39.9	39.7	39.5	39.4	39.2	39.1	38.9	38.7	38.6	38.4	38.3	0.0
Total Accumulated Debt *($ billion)*	40.8	40.1	37.9	35.5	33.0	30.4	27.7	24.8	21.7	18.6	15.2	11.7	8.0	4.1	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	0.0	-0.7	-2.2	-2.4	-2.5	-2.6	-2.7	-2.9	-3.0	-3.2	-3.4	-3.5	-3.7	-3.9	-4.1	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation with a limit of $4.3 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer.

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Ontario

B. Option 1a: GA Smoothing for RPP Eligible Only (Borrow $2.5 billion in 2017, Residential Bills Lowered 25%)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

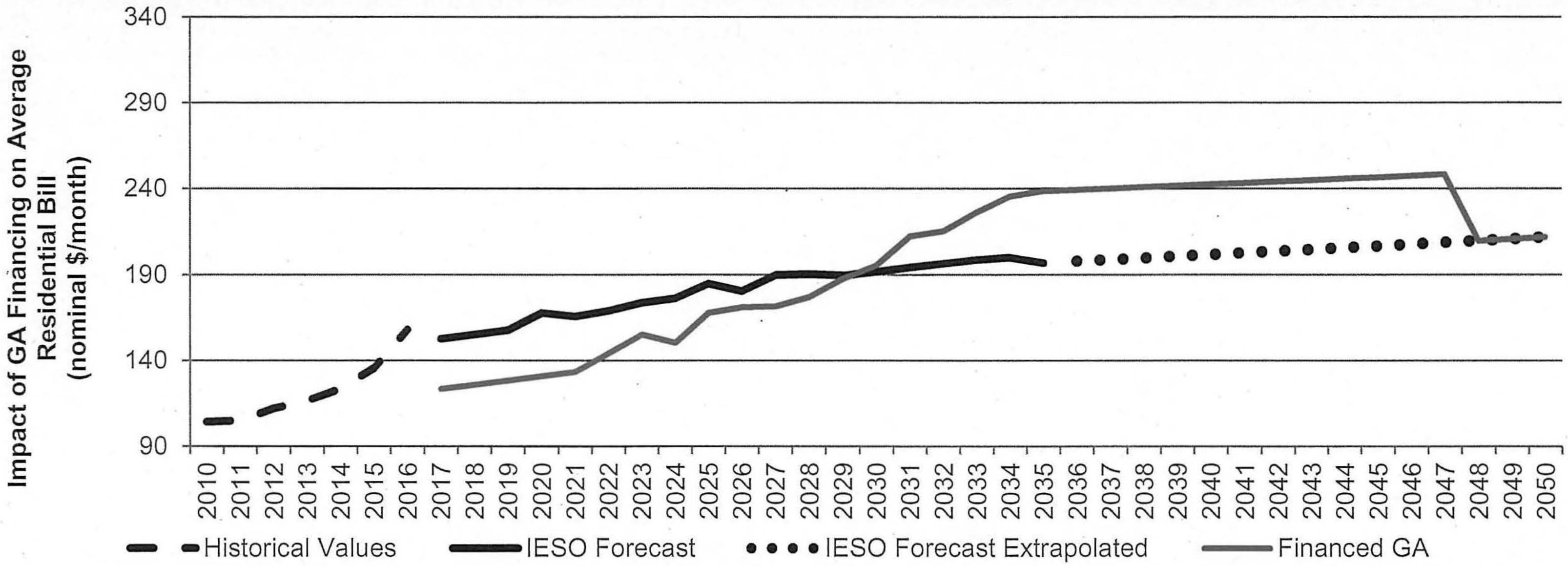
Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-26	-26	-26	-32	-28
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		117	120	122	125	127
8% rebate		-9	-10	-10	-10	-10
HST		15	16	16	16	17
Revised Bill (includes HST)	**158**	**123**	**126**	**128**	**131**	**133**
Year-over-Year Change		-22%	2%	2%	2%	2%
Change from Forecast		**-25%**	**-25%**	**-25%**	**-28%**	**-25%**

Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing.

B. Option 1b: GA Smoothing for RPP Eligible Only (Borrow $2.5 billion in 2017, Residential Bills Lowered 25%, accelerated debt payback)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-26.1	-26.1	-26.2	-32.8	-28.7	-22.0	-16.3	-23.0	-15.2	-8.4	-16.1	-11.8	-1.7	3.3	15.9	16.5	24.3	31.1	36.7	36.5	36.4	36.2	36.1	35.9	35.8	35.6	35.5	35.3	35.2	35.0	34.9	0.0
Total Accumulated Debt *($ billion)*	2.5	5.1	7.9	11.4	14.6	17.6	20.2	23.6	26.4	28.6	31.7	34.5	36.4	38.0	38.3	38.5	37.9	36.6	34.5	32.4	30.1	27.7	25.2	22.6	19.8	16.9	13.9	10.7	7.3	3.7	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	2.5	2.6	2.8	3.5	3.2	3.0	2.6	3.4	2.8	2.2	3.1	2.8	1.9	1.5	0.3	0.2	-0.6	-1.3	-2.1	-2.2	-2.3	-2.4	-2.5	-2.6	-2.8	-2.9	-3.1	-3.2	-3.4	-3.5	-3.7	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation plus 0.3 percentage points with a limit of $3.9 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer.

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→ 22 → accelerate

after year 4 → cap @ 22%, → accelerate rate $\boxed{24}$ →

Ontario

B. Option 1b: GA Smoothing for RPP Eligible Only (Borrow $2.5 billion in 2017, Residential Bills Lowered 25%, accelerated debt payback)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-26	-26	-26	-32	-28
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		117	120	122	125	127
8% rebate		-9	-10	-10	-10	-10
HST		15	16	16	16	17
Revised Bill (includes HST)	**158**	**123**	**126**	**128**	**131**	**133**
Year-over-Year Change		-22%	2%	2%	2%	2%
Change from Forecast		**-25%**	**-25%**	**-25%**	**-28%**	**-25%**

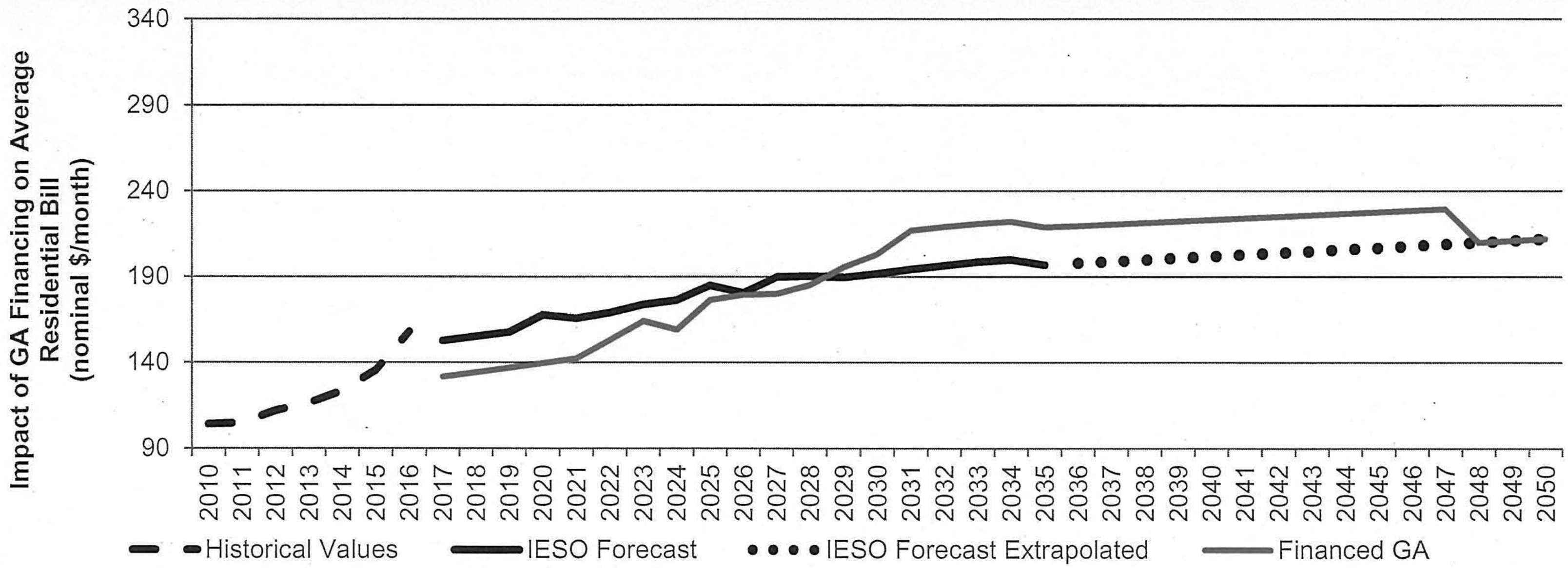
Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing.

Ontario

B. Option 2a: GA Smoothing for RPP Eligible Only (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-18.8	-18.7	-18.7	-25.0	-20.8	-14.3	-8.7	-15.5	-7.7	-1.0	-8.9	-4.8	5.1	9.9	19.9	19.7	19.6	19.4	19.2	19.1	19.0	18.9	18.9	18.8	18.7	18.6	18.6	18.5	18.4	18.3	18.2	0.0
Total Accumulated Debt *($ billion)*	1.7	3.6	5.5	8.1	10.3	12.3	13.8	16.1	17.7	18.8	20.6	22.2	22.8	22.9	22.0	21.1	20.2	19.1	18.1	16.9	15.7	14.5	13.2	11.8	10.4	8.9	7.3	5.6	3.8	2.0	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	1.7	1.8	1.9	2.6	2.3	2.0	1.5	2.3	1.6	1.0	1.9	1.5	0.6	0.1	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-1.7	-1.8	-1.9	-2.0	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation with a limit of $2.1 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer.

→ partial increase in the
until paid → 25%
after → CIT
Li → 23

Ontario

B. Option 2a: GA Smoothing for <u>RPP Eligible Only</u> (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167.**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-18	-18	-18	-24	-19
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		125	128	130	133	136
8% rebate		-10	-10	-10	-11	-11
HST		16	17	17	17	18
Revised Bill (includes HST)	**158**	**131**	**134**	**137**	**140**	**142**
Year-over-Year Change		-17%	2%	2%	2%	2%
Change from Forecast		**-20%**	**-20%**	**-19%**	**-23%**	**-20%**

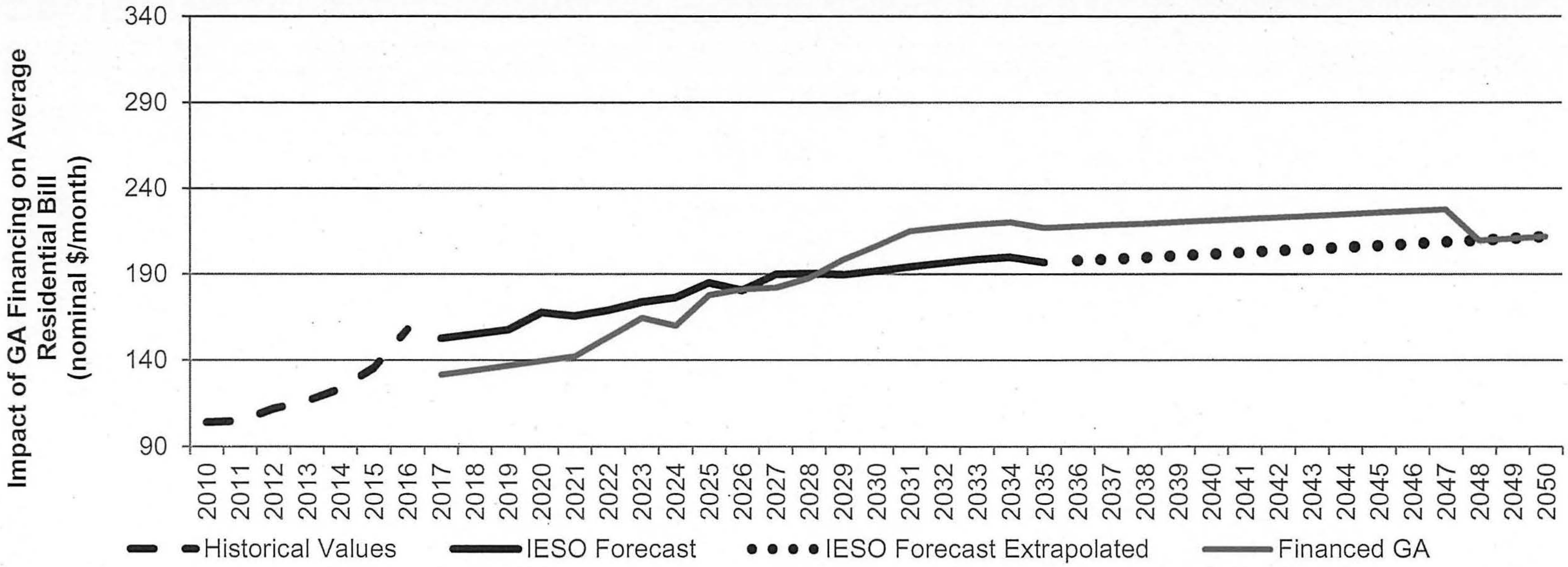
Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing. RPP does not include customers on retail contracts.

Ontario

B. Option 2b: GA Smoothing for RPP Eligible Only (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%, accelerated debt payback)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-18.8	-18.7	-18.7	-25.0	-20.8	-14.0	-8.1	-14.6	-6.5	0.5	-7.0	-2.5	7.8	12.9	18.4	18.3	18.1	18.0	17.8	17.7	17.6	17.6	17.5	17.4	17.3	17.3	17.2	17.1	17.0	17.0	16.9	0.0
Total Accumulated Debt *($ billion)*	1.7	3.6	5.5	8.1	10.3	12.3	13.7	15.9	17.4	18.3	19.9	21.2	21.5	21.2	20.4	19.6	18.7	17.7	16.7	15.7	14.6	13.4	12.2	10.9	9.6	8.2	6.7	5.2	3.5	1.8	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	1.7	1.8	1.9	2.6	2.3	2.0	1.5	2.2	1.5	0.8	1.7	1.3	0.3	-0.2	-0.8	-0.9	-0.9	-0.9	-1.0	-1.0	-1.1	-1.2	-1.2	-1.3	-1.3	-1.4	-1.5	-1.6	-1.6	-1.7	-1.8	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation plus 0.3 percentage points with a limit of $1.9 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer.

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Ontario

B. Option 2b: GA Smoothing for RPP Eligible Only (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%, accelerated payback)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-18	-18	-18	-24	-19
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		125	128	130	133	136
8% rebate		-10	-10	-10	-11	-11
HST		16	17	17	17	18
Revised Bill (includes HST)	**158**	**131**	**134**	**137**	**140**	**142**
Year-over-Year Change		-17%	2%	2%	2%	2%
Change from Forecast		**-20%**	**-20%**	**-19%**	**-23%**	**-20%**

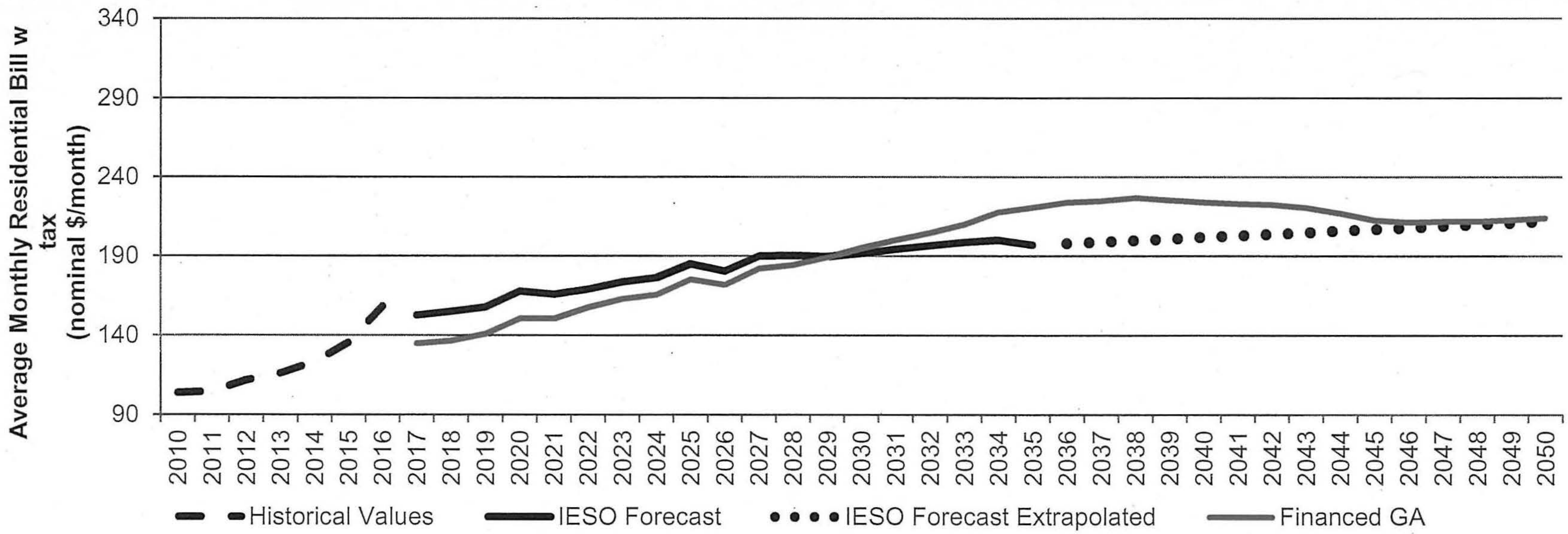
Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing. RPP does not include customers on retail contracts.

Ontario

B. Option 3: GA Smoothing for <u>RPP Eligible Only</u> (Borrow $1.4 billion in 2017, Residential Bills Lowered 18%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Average Monthly Residential Bill Impact pre-tax *($/month)*	-15.9	-16.7	-15.2	-15.4	-13.6	-10.3	-9.8	-9.7	-8.8	-7.8	-7.1	-5.5	-0.5	2.8	5.0	6.9
Total Accumulated Debt *($ billion)*	1.4	3.1	4.6	6.1	7.5	9.0	10.4	12.0	13.5	15.0	16.5	17.9	18.8	19.5	20.0	20.3
Total Change in Accumulated Debt *($ billion)*	1.4	1.6	1.5	1.5	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.0	0.7	0.5	0.3

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	9.8	15.3	20.7	22.8	22.8	23.6	21.5	19.4	17.8	16.4	13.9	9.8	5.0	3.0	2.7	1.6
Total Accumulated Debt *($ billion)*	20.3	19.8	18.5	17.0	15.5	13.7	12.1	10.6	9.1	7.8	6.7	5.9	5.7	5.6	5.6	5.7
Total Change in Accumulated Debt *($ billion)*	0.0	-0.6	-1.2	-1.5	-1.6	-1.8	-1.6	-1.5	-1.4	-1.3	-1.1	-0.7	-0.3	-0.0	-0.0	0.1

Notes: Assumes financing of all non-nuclear IESO contracts for an additional 10 years beyond the life of each contract and 15 year financing of the conservation cost in any given year. Assumes a a nominal interest rate of 5% (compounded monthly). IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer.

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3 daily Coded – loss →

Ontario

B. Option 3: GA Smoothing for RPP Eligible Only – Residential Bills Lowered 18% (with Tax-Base Funded 8% Rebate and Social Programs)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-15	-16	-14	-14	-12
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		128	130	134	143	143
8% rebate		-10	-10	-11	-11	-11
HST		17	17	17	19	19
Revised Bill (includes HST)	**158**	**135**	**136**	**141**	**150**	**150**
Year-over-Year Change		-15%	1%	3%	7%	0%
Change from Forecast		-18%	-18%	-17%	-17%	-16%

Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing.

GA Smoothing – Fiscal Considerations

- If the proposed legal and accounting treatment of the GA financing smoothing proposal is not implemented, there could be a negative impact on the province's fiscal plan, as shown below.

- The table below shows the projected fiscal savings /costs related to the GA smoothing options considered.

Fiscal Impact ($M)	2017-18	2018-19	2019-20	2020-21	2021-22
Without Proposed Legal/Accounting Treatment					
Option 1a - Bills Lowered by 25%, RPP-Eligible Only*	2,534	2,668	2,942	3,420	3,190
Option 1b - Bills Lowered by 25%, accelerated payback, RPP-Eligible Only*	2,534	2,668	2,942	3,420	3,183
Option 2a - Bills Lowered by 20%, RPP-Eligible Only*	1,770	1,850	2,072	2,489	2,196
Option 2b - Bills Lowered by 20%, accelerated payback, RPP-Eligible Only*	1,770	1,850	2,072	2,489	2,188
Option 3 - Bills Lowered by 18%, RPP-Eligible Only*	1,487	1,585	1,524	1,503	1,429

*Numerical values represent amount borrowed in indicated fiscal year plus accumulated interest from previous year's accumulated debt

Source: Ministry of Energy

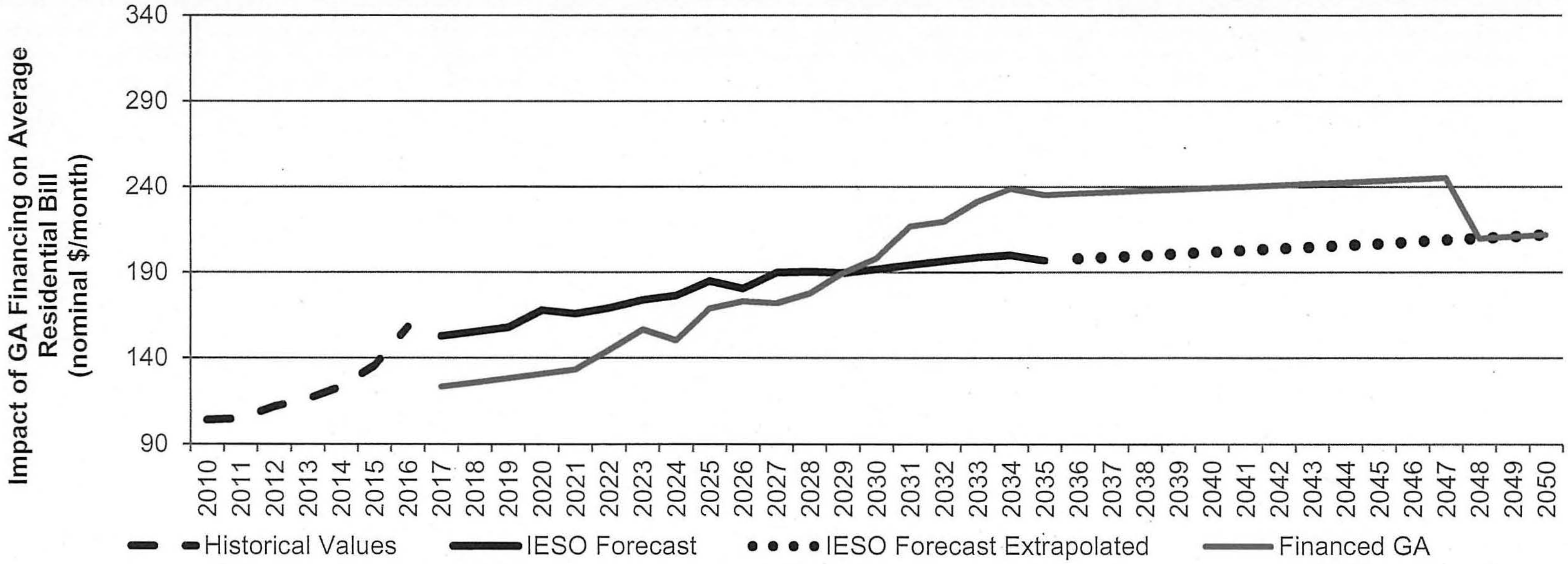
Ontario

GLOBAL ADJUSTMENT (GA) SMOOTHING FOR **RPP CUSTOMERS* ONLY**

*Assumes proportion of RPP customers remains constant over time

Ontario

B. Option 1a: GA Smoothing for RPP Only (Borrow $2.2 billion in 2017, Residential Bills Lowered 25%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-26.1	-26.1	-26.2	-32.8	-28.7	-21.6	-15.2	-23.2	-14.4	-6.8	-16.0	-11.3	0.1	5.5	19.8	20.1	28.8	34.2	33.8	33.6	33.5	33.4	33.2	33.1	32.9	32.8	32.7	32.5	32.4	32.3	32.1	0.0
Total Accumulated Debt *($ billion)*	2.2	4.4	6.8	9.8	12.6	15.2	17.3	20.3	22.6	24.3	27.0	29.4	30.8	31.9	31.8	31.6	30.6	29.1	27.5	25.7	23.9	22.0	20.1	18.0	15.8	13.5	11.0	8.5	5.8	3.0	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	2.2	2.3	2.4	3.0	2.8	2.6	2.1	2.9	2.3	1.8	2.7	2.4	1.5	1.1	-0.1	-0.2	-1.0	-1.6	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-2.2	-2.3	-2.4	-2.6	-2.7	-2.8	-3.0	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation with a limit of $3.1 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. RPP does not include customers on retail contracts

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B. Option 1a: GA Smoothing for RPP Only (Borrow $2.2 billion in 2017, Residential Bills Lowered 25%)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-26	-26	-26	-32	-28
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		117	120	122	125	127
8% rebate		-9	-10	-10	-10	-10
HST		15	16	16	16	17
Revised Bill (includes HST)	**158**	**123**	**126**	**128**	**131**	**133**
Year-over-Year Change		-22%	2%	2%	2%	2%
Change from Forecast		**-25%**	**-25%**	**-25%**	**-28%**	**-25%**

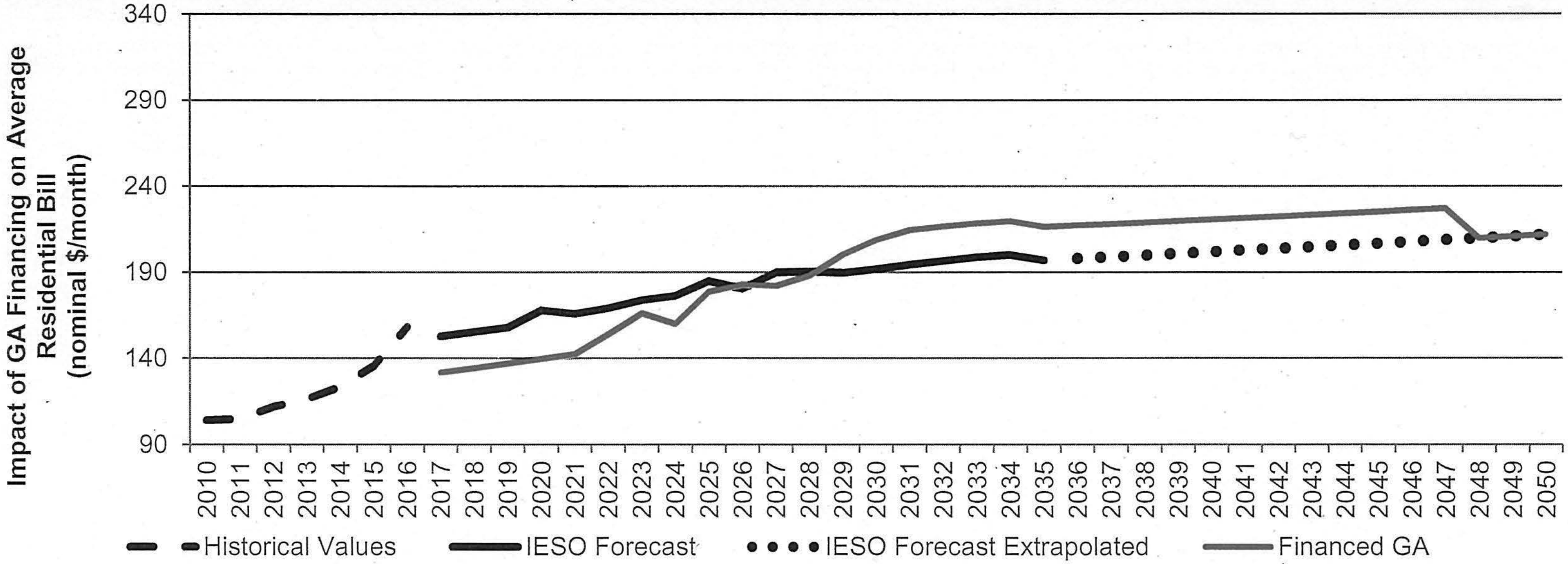
Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing. RPP does not include customers on retail contracts

Ontario

B. Option 2a: GA Smoothing for RPP Only (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-18.8	-18.7	-18.7	-25.0	-20.8	-13.6	-7.1	-14.9	-5.9	2.0	-7.1	-2.3	9.3	14.9	17.7	17.6	17.4	17.3	17.1	17.0	16.9	16.9	16.8	16.7	16.7	16.6	16.5	16.5	16.4	16.3	16.3	0.0
Total Accumulated Debt *($ billion)*	1.5	3.1	4.7	7.0	8.9	10.6	11.7	13.6	14.9	15.5	16.9	17.9	18.0	17.6	17.0	16.2	15.5	14.7	13.9	13.0	12.1	11.2	10.1	9.1	8.0	6.8	5.6	4.3	2.9	1.5	0.0	0.0
Total Change in Accumulated Debt *($ billion)*	1.5	1.6	1.6	2.2	2.0	1.7	1.2	1.9	1.2	0.6	1.4	1.1	0.1	-0.4	-0.7	-0.7	-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.3	-1.4	-1.4	-1.5	0.0

Notes: Assumes 30 year financing period and a nominal interest rate of 5% (compounded monthly). Ratepayer GA payments increase annually beyond 2021 at the rate of inflation with a limit of $1.6 billion above the true cost of GA in any given year. IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. RPP does not include customers on retail contracts

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Ontario

B. Option 2a: GA Smoothing for RPP Only (Borrow $1.7 billion in 2017, Residential Bills Lowered 20%)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

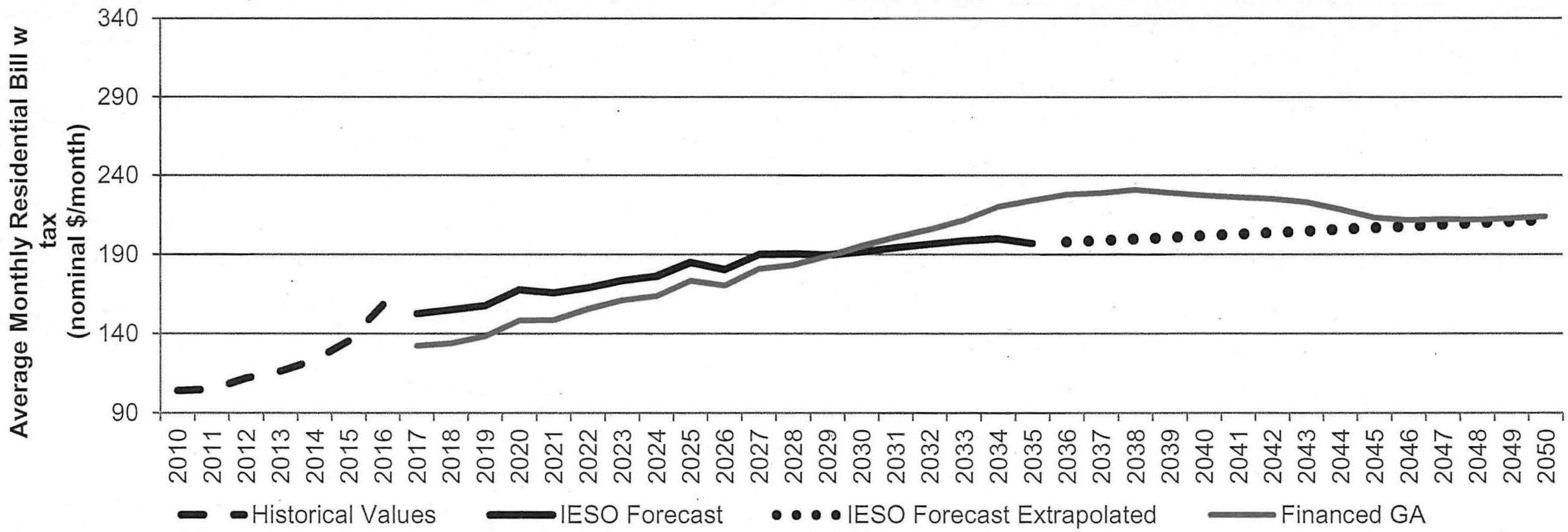
Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-18	-18	-18	-24	-19
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		125	128	130	133	136
8% rebate		-10	-10	-10	-11	-11
HST		16	17	17	17	18
Revised Bill (includes HST)	**158**	**131**	**134**	**137**	**140**	**142**
Year-over-Year Change		-17%	2%	2%	2%	2%
Change from Forecast		**-20%**	**-20%**	**-19%**	**-23%**	**-20%**

Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing. RPP does not include customers on retail contracts. RPP does not include customers on retail contracts

B. Option 3: GA Smoothing for RPP Only (Borrow $1.4 billion in 2017, Residential Bills Lowered 20%)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Average Monthly Residential Bill Impact pre-tax *($/month)*	-18.1	-19.0	-17.3	-17.4	-15.3	-12.0	-11.3	-11.3	-10.2	-9.0	-8.2	-6.4	-0.6	3.2	5.8	8.0	11.3	17.7	24.0	26.4	26.4	27.4	24.9	22.5	20.6	19.0	16.1	11.3	5.8	3.5	3.1	1.9
Total Accumulated Debt *($ billion)*	1.4	3.1	4.6	6.1	7.5	9.0	10.4	12.0	13.5	15.0	16.5	17.9	18.8	19.5	20.0	20.3	20.3	19.8	18.5	17.0	15.5	13.7	12.1	10.6	9.1	7.8	6.7	5.9	5.7	5.6	5.6	5.7
Total Change in Accumulated Debt *($ billion)*	1.4	1.6	1.5	1.5	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.0	0.7	0.5	0.3	0.0	-0.6	-1.2	-1.5	-1.6	-1.8	-1.6	-1.5	-1.4	-1.3	-1.1	-0.7	-0.3	-0.0	-0.0	0.1

Notes: Assumes financing of all non-nuclear IESO contracts for an additional 10 years beyond the life of each contract and 15 year financing of the conservation cost in any given year. Assumes a a nominal interest rate of 5% (compounded monthly). IESO forecast is based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. RPP does not include customers on retail contracts

Ontario

B. Option 3: GA Smoothing for RPP Only – Residential Bills Lowered 20% (with Tax-Base Funded 8% Rebate and Social Programs)

- Total bill below is based on a revised IESO forecast. See footnotes for more information.

Residential (750 kWh/month)	Actual 2016	2017	2018	2019	2020	2021
Total Bill (includes HST)	**158**	**164**	**167**	**170**	**181**	**178**
Total Bill (excludes HST)	140	145	148	150	160	158
Impact of GA Financing		-17	-18	-17	-16	-13
Impact of Tax-Basing Social Programs		-2	-2	-2	-3	-3
Subtotal		126	127	132	141	141
8% rebate		-10	-10	-11	-11	-11
HST		16	17	17	18	18
Revised Bill (includes HST)	**158**	**132**	**134**	**138**	**148**	**149**
Year-over-Year Change		-16%	1%	3%	7%	0%
Change from Forecast		-20%	-20%	-19%	-18%	-17%

Commercial & Small Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class B Total (excludes HST)	**160**	**165**	**160**	**162**	**173**	**169**
Class B Revised Total (excludes HST)	**160**	**162**	**157**	**159**	**170**	**166**
Year-over-Year Change		1%	-3%	1%	7%	-2%
Change from Forecast		-2%	-2%	-2%	-2%	-2%

Large Industrial ($/MWh)	Actual 2016	2017	2018	2019	2020	2021
Class A Total (excludes HST)	**90**	**91**	**93**	**88**	**95**	**96**
Class A Revised Total (excludes HST)	**90**	**88**	**90**	**84**	**92**	**93**
Year-over-Year Change		-2%	2%	-6%	9%	1%
Change from Forecast		-4%	-4%	-4%	-4%	-4%

Notes: Based on IESO's revised OPO forecast as of December 2016. Includes the cancellation of LRP II and EFW, expansion of ICI. Does not include smoothed OPG rates. Above residential bill is based on a 750 kWh per month Toronto Hydro customer. Above Class B estimate based on a 1 MW customer connected to Toronto Hydro, assumes delivery charge escalates as per residential forecast. "Social programs" refers to existing RRRP and OESP. While initiatives would take several months to implement, the above estimate for 2017 reflects a full-year impact. The 8% rebate above represents savings compared to status quo due to the reduction in the sub-total from GA financing. RPP does not include customers on retail contracts

Ontario

GA Smoothing – Fiscal Considerations

- If the proposed legal and accounting treatment of the GA financing smoothing proposal is not implemented, there could be a negative impact on the province's fiscal plan, as shown below.
- The table below shows the projected fiscal savings /costs related to the GA smoothing options considered.

Fiscal Impact ($M)	2017-18	2018-19	2019-20	2020-21	2021-22
Without Proposed Legal/Accounting Treatment					
Option 1a - Bills Lowered by 25%, RPP Only*	2,188	2,303	2,540	2,952	2,739
Option 2a - Bills Lowered by 20%, RPP Only*	1,528	1,597	1,788	2,148	1,881
Option 3 - Bills Lowered by 20%, RPP Only*	1,487	1,585	1,524	1,503	1,429

*Numerical values represent amount borrowed in indicated fiscal year plus accumulated interest from previous year's accumulated debt

Source: Ministry of Energy