# FW: EXTERNAL - GA Financing

**From:** "Orsini, Steve (CAB)" <steve.orsini@ontario.ca>
**To:** "Bromm, William (CAB)" <william.bromm2@ontario.ca>, "Corluka, Marijana (CAB)" <marijana.corluka@ontario.ca>, "Matela, Angelo (CAB)" <angelo.matela@ontario.ca>, "Kwamena, Boafoa (CAB)" <boafoa.kwamena@ontario.ca>
**Date:** Sun, 12 Feb 2017 14:53:16 -0500

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**From:** Imbrogno, Serge (ENERGY)
**Sent:** Sunday, February 12, 2017 2:53:16 PM (UTC-05:00) Eastern Time (US & Canada)
**To:** Orsini, Steve (CAB)
**Subject:** Fw: EXTERNAL - GA Financing

Latest on the accounting per our discussion.

Sent from my BlackBerry 10 smartphone on the Rogers network.

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**From:** Nelms, Scott (ENERGY) <Scott.Nelms@ontario.ca>
**Sent:** Sunday, February 12, 2017 1:54 PM
**To:** Imbrogno, Serge (ENERGY)
**Subject:** FW: EXTERNAL - GA Financing

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**From:** MAUTI John -FIN & C CTRL [mailto:john.mauti@opg.com]
**Sent:** February-12-17 1:54 PM
**To:** Nelms, Scott (ENERGY)
**Cc:** MAUTI John -FIN & C CTRL
**Subject:** RE: EXTERNAL - GA Financing

Met with Pwc late Friday.  Not a reg asset but they think OPG Finance Co could set up an asset similar to a royalty or franchise fee concept where OPG has the rights to a portion of future cash flows.  May be an intangible asset rather than a financial one.

Problem is whether such legislation would have that asset survive on consolidation since it's that legislation that gave rise to this future right and it's the Province enacting this legislation.  Relayed this onto the Provincial controllers office and I think they have EY looking into it.

We're pulling out all the stops to try to make this work.

We'll circle back with Pwc who is following up with their government accounting expert.

Ken fully in the loop as I know there's a meeting Monday afternoon to discuss.

Thanks

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**From:** Nelms, Scott (ENERGY) [mailto:Scott.Nelms@ontario.ca]
**Sent:** Sunday, February 12, 2017 1:25 PM
**To:** MAUTI John -FIN & C CTRL
**Subject:** EXTERNAL – GA Financing

Hi John,

I wanted to circle back on the accounting issue from Friday.  My sense is that creating a regulatory asset for OPG is going to be difficult.  Have you heard any progress?  I am going to get asked tomorrow, how things are going, so if you hear anything please let me know.  Is anything the Province can do in legislation to bolster the case that this is OPG's cost?

IIs there any way OPG could finance all of its portion of GA, thereby reducing its annual revenue requirement (akin to nuclear smoothing but on a larger scale)?  I realize this would impact OPG's liquidity and solvency ratios.  If all borrowing comes from OFA, does the accounting even work?  This is a long shot, but I want to make sure we have turned over every stone.

Thanks,
Scott

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