

Fwd: Update Confidential Advice to Cabinet

From: "Orsini, Steve (CAB)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=orsini, steve (cab)306">
To: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
Date: Thu, 02 Feb 2017 13:26:37 -0500

Folks are still kicking the tires on creating a regulatory asset. Here is an update.

Steve Orsini

Sent from my BlackBerry Priv

From: "Angus, Helen (TBS)" <Helen.Angus@ontario.ca>
Sent: Feb 2, 2017 1:23 PM
To: "Orsini, Steve (CAB)" <Steve.Orsini@ontario.ca>, "Thompson, Scott (MOF)" <Scott.Thompson@ontario.ca>
Subject: Fw: Update

Keeping you posted.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Sent: Thursday, February 2, 2017 1:21 PM
To: Hughes, Karen (TBS); Angus, Helen (TBS)
Cc: Laughton, Patrick (TBS); MacIntyre, Kyle (TBS); Hosick, Sarah (TBS)
Subject: Re: Update

We spent quite a bit of time speaking about the LDC receivable idea that I sent the summary on last night. The most significant issue raised is the ability to forecast future consumption such that a minimum floor for the fixed amount/fixed term receivable from the LDCs could be set. The idea of having a receivable from the "group" of LDCs was raised as that could enable re-distribution among the LDCs, however that would likely entail setting up a new entity. We also spoke about the need for OEB involvement re the LDCs being able to set up a regulatory asset in their books.

We spent time on the new entity idea as well. Energy is exploring what OEB's role could be re the concern of "setting it and forgetting it". I asked that KPMG put something on paper with Energy that we can evaluate.

KPMG is also going to put their views on paper re whether/how a regulatory asset could be supported under PSAB. I personally think this is a long-shot from an accounting perspective, however if it could be supported it is the simplest of all the ideas.

The last idea is to involve a 3rd part financier and securitize the future cash flows from the

ratepayers. This would be expensive. No immediate work is being done on the option.

Cindy

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hughes, Karen (TBS)
Sent: Thursday, February 2, 2017 10:11 AM
To: Veinot, Cindy (TBS)
Cc: Laughton, Patrick (TBS)
Subject: Update

Hi, can you send Helen and I a quick update on the Energy file once you are done the 11 a.m. meeting.

Thanks

Karen