

# RE: OPG GA Sensitivity Analysis

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**From:** "Orsini, Steve (CAB)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=orsini, steve (cab)306">  
**To:** Alan Hibben <alan.hibben@rogers.com>  
**Cc:** "Clark, Ed (CAB)" <ed.clark@ontario.ca>  
**Date:** Mon, 27 Feb 2017 07:53:07 -0500

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Thanks Alan. I appreciated your report.

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**From:** Alan Hibben [mailto:alan.hibben@rogers.com]  
**Sent:** February-26-17 6:33 PM  
**To:** Orsini, Steve (CAB)  
**Cc:** Clark, Ed (CAB)  
**Subject:** Re: OPG GA Sensitivity Analysis

This is why it is so important to have a true-up mechanism that has a forward-looking process, as all the interest rate, currency and maturity risk must be borne by the ratepayer. Currency risk may be even more important as the Canadian market may not have the capacity here.

We can assume that all the US bonds are hedged, but that would have to be taken into account as the swaps would need cash collateral credit support.

All of this means that, other than in the first few years, you won't be able to predict what the impact on the bills might be.

I think the 10% proposed prospective limit on the recovery as a proportion of the retail bill will be quite important to reduce the inherent political risk in the scheme

Happy to discuss with either or both of you at your convenience

Alan Hibben  
ShakerHill Partners Ltd.  
416-417-5286

On Feb 26, 2017, at 3:12 PM, Orsini, Steve (CAB) <[Steve.Orsini@ontario.ca](mailto:Steve.Orsini@ontario.ca)> wrote:

Some very interesting analysis on interest rate risks.

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**From:** Imbrogno, Serge (ENERGY)  
**Sent:** February-26-17 2:58 PM  
**To:** Orsini, Steve (CAB); Davidson, Steven (CAB); Thompson, Scott (MOF); Angus, Helen (TBS)  
**Cc:** Bromm, William (CAB); Katona, Keley (ENERGY)  
**Subject:** OPG GA Sensitivity Analysis

OPG ran some sensitivities that we could walk through at Fiscal prep.

Serge

Sent from my BlackBerry 10 smartphone on the Rogers network.

<GA Smoothing Sensitivities 2017-02-24.pdf>