

1. What took so long?

- Brought in 8%, OESP, know it wasn't enough
- If this was easy, would have done it already
- This is about correcting structural problems in how we pay for our assets – burden too heavy on current ratepayers

People want to know three things:

- Substantial relief on its way. Relief will go to everyone. Relief will be lasting because it's built on real change, bills won't jump up again next month or next year

2. How is this different from the past?

- Significant structural change: it's about fairness
- Not a temporary solution, it's changing the way we pay for our assets and moving social programs off of hydro bills

3. Is this a rate freeze?

- NOT a freeze – it's about fairness, paying for our assets over their full lifetimes
- Already invested \$50 B in badly needed infrastructure
- Have adequate supply to meet needs, don't need new infrastructure now

4. Why not renegotiate renewable contracts?

- We wanted a realistic solution that was fair
- Received independent advice that the benefits of this would be negligible, if any at all
- We are not going to tear up contracts that the government has signed, would be huge costs

5. Why not just reign in salaries?

- Froze salaries in 2012, have new framework to cap executive compensation
- Need best and brightest operating our nuclear plants and electricity system, ensuring safety and reliability
- Salaries are small fraction of system costs

6. Why not stop the sale of Hydro One?

- Despite misinformation from opposition, sale of Hydro One has no impact on rates
- Hydro One's rates are set by the OEB, and the change in ownership has no effect

7. The NDP has a strategy that doesn't require borrowing \$27.7B

- Their plan offers no immediate relief, relies heavily on negotiations with Feds
- Buying back shares of Hydro One: costly and nothing to do with rates – won't lower them
- Plan is anti-conservation and provides nothing for low-income Ontarians

8. Impact on government's ability to borrow for healthcare and education?

- Confident that will not be impacted.

9. Why are you saddling our kids with billions of dollars of debt?

- Invested \$50 B in clean and reliable system, will benefit Ontarians for decades to come
- But front-loaded the costs onto today's ratepayers, they're covering full cost now
- Made decision to spread the costs more fairly, so benefits and the costs are shared by ratepayers now and in the future

10. Unfair that rich receive big discount?

- We are bringing in broad relief: an average of 25% off for everybody household
- Exact benefit may differ slightly based on consumption: generally between 23-28%
- Have programs targeted to low-income, rural

11. Using tax dollars to fix your mistakes?

- Years of under investment by all parties
- Plan is structural change for a fair solution

12. Will you balance budget?

- Yes, we will still balance budget

13. 2% / year increase means 8% in 4 years

- Realize \$ increases have impacted Ontarians
- Lowering by 25% and holding at inflation allows families to adjust and plan ahead
- Comfort knowing big increase is not coming soon, while we work to lower costs long-term

14. What happens after 4th year?

- LTTP published later this Spring will deal with long-term cost projections

15. What about industrials, businesses, hospitals, schools, arenas?

- Focus was on families, farms and small biz
- These consumers will still see modest reduction in prices (if pressed: \$3/MWH)
- Newly expanded ICI will benefit many more

16. Has this been done before?

- This mechanism has been used in 18 US states, to spread costs more appropriately

17. High delivery charges for rural Ontario?

- Assistance program now for 800,000 families who pay the highest distribution rates
- Will cap their distribution cost = large benefit

18. Will you negotiate for 5% off with Feds?

- This is Fed decision, we're focused on things we can do, that will make a real difference

19. Will AG agree with this accounting?

- Worked with independent external auditors, believe structure is appropriate
- Can't presuppose what the AG will say

20. When will people see relief?

- Major undertaking that requires coordination with OEB, IESO, OPG, LDCs
- Significant legislation required to support, will be forthcoming within weeks
- When bill comes before house, would expect opposition to support

21. How much will this cost?

- Social programs on taxbase is \$2.5B over 3 years, no impact from GA

22. Reduction based on usage?

- 750kwh = 25%
- 2,000 kwh = 28%
- 400 kwh = 23%

23. Cost of borrowing?

- Under a \$1B on an average yearly basis
- Made conservative estimates about interest rates