Re: Media Request re: Ontario's capacity to borrow to finance electricity relief - time sensitive

From: Gadi Mayman <gadi.mayman@ofina.on.ca>
To: "Thompson, Scott (MOF)" <scott.thompson@ontario.ca>
Cc: "McLean, David (MOF)" <david.mclean@ontario.ca>, "Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>, "Birks, Ryan (MOF)" <ryan.birks@ontario.ca>, "Young, Gwendolynne (MOF)" <gwendolynne.young@ontario.ca>, "Zhang, Christina (OFA)" <christina.zhang@ofina.on.ca>, "Pearce, Christopher (MOF)" <christopher.pearce@ontario.ca>
Date: Sun, 05 Mar 2017 19:35:47 -0500

I just spoke to Kelly. She'd already passed wording on to the PO that she took out of our borrowing and debt note, and the PO was going to reference a quote out of Friday's DBRS report. I told her about the concerns we have about mixing up OPG and provincial borrowing and the questions that it might raise about the accounting treatment. She understood and wants to have a further discussion tomorrow about how we move forward with this over the coming days, but given that she just used language that was already in the public domain, she was OK with what she'd said for tonight.

Original Message
From: Gadi Mayman
Sent: Sunday, March 5, 2017 7:07 PM
To: Scott Thompson (CAB)
Cc: David McLean (MOF); Tim Schuurman (MOF); Birks, Ryan (MOF); Gwendolynne Young (ENE); Christina Zhang; Christopher Pearce (MOI)
Subject: Re: Media Request re: Ontario's capacity to borrow to finance electricity relief - time sensitive

Yes, we can talk about the 44% that we are going to borrow, but that part of the structure hasn't been made public yet, and I don't know whether we want to use this media response to start explaining the equity injection, and the breakdown between our borrowing and OPG's. The idea is that it is the ratepayers that will ultimately pay for this, not the tax base, and that's been a pretty clear and consistent message from the Premier. Talking about our borrowing capacity would blur that line pretty substantially.

How would you like me to respond to Kelly?

Gadi

\> On Mar 5, 2017, at 5:59 PM, Thompson, Scott (MOF) <Scott.Thompson@ontario.ca> wrote:
\>
\> Thanks for forwarding, Dave.
\> Gadi - don't we have to be careful about being too positive about the province's strong borrowing ability, since it's not the Province doing the bulk of the borrowing? And we'll have to continue to stress the independence of the Trust in carrying out these efforts.
\> Scott
\>
\> Sent from my iPad
\>
\> On Mar 5, 2017, at 5:39 PM, McLean, David (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>> wrote:
\>
\> FYI
\>
\> Sent from my BlackBerry 10 smartphone on the Rogers network.
\> From: Jackson, Kelly (MOF) <Kelly.Jackson2@ontario.ca<mailto:Kelly.Jackson2@ontario.ca>>
\> Sent: Sunday, March 5, 2017 5:01 PM

> To: Mayman, Gadi (OFA)
> Cc: McLean, David (MOF); Martin, Jessica (MOF); Nguyen, Marianne (MOF); Moore, Brynne (MOF)
> Subject: Media Request re: Ontario's capacity to borrow to finance electricity relief - time sensitive
>
>
>
> Hi Gadi,
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> Hope you’ve been having a great weekend.
>
> Premier’s Office has asked us to provide them with some language for a media request they have to respond to today. The PCs are sending a letter to the FAO tonight asking him to look into the costing behind the electricity relief announcement, and specifically the projection that we have shared re: the cost to carry out the GA smoothing - $25B over 30 years.
>
> Right now the draft response looks as follows:
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> The GA refinancing will add new borrowing costs. Year by year the impact will vary based on interest rates and other factors. Based on a conservative estimates of an annual 5% interest rate, we project that it will cost $25B over 30 years. We will be working with OPG and others with the experience and expertise to ensure that the approach to refinancing will result in the best deal for Ontarians.
>
>
> We would like to be able to add some language that would speak to our capacity to borrow – i.e. given the province's strong borrowing ability, we're confident this is a reasonable projection.
>
> Could you help with some language that speaks to our ability to borrow at competitive rates etc?
>
> I’m in the office, if you would like to chat.
>
> Best,
> Kelly
>
> Kelly Jackson
> Director of Communications
> Office of the Hon. Charles Sousa, Minister of Finance
> O: 416 325 8679
> C: 416 476 8131
>
