Pension Asset -- Considerations for FES

1. Use the amounts set out in the 2016-17 budget
   - Those amounts are consistent with the professional accounting staff's current interpretation of PSAS
   - Refer to the use of a time-limited regulation in the Public Accounts and that impact in the narrative, along with the expert panel review that is to be completed by the end of December

2. Use the amounts forecast by OPCD using the Auditor General's interpretation
   - Using those amounts signals a cautious approach, the same basis upon which the 2015-16 Public Accounts were presented
   - The Auditor General's approach results in a reversal of the valuation allowance when an agreement is reached with the co-sponsor re: a reduction in contributions; it would be difficult to assume there will be an agreement without one currently in place
   - Additional fiscal impact assuming NIL asset value -- 2016-17 -- $2.24B, 2017-18 -- $2.78B; 2018-19 - $3.74B]

3. Use the impact from 2015-16
   - $1.5 billion is a calculated amount (not an estimate) – it is the amount of the change in the asset from the prior year
   - There is no evidence to support using that same amount for 2016-17
   - OPCD has estimated the amount for 2016-17 – which is $2.24 billion