

RE: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

From: "Veinot, Cindy (TBS)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Kandeepan, Ken (OFA)" <ken.kandeepan@ofina.on.ca>
Date: Tue, 02 May 2017 17:47:38 -0400

Thanks – just looking at it now

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: May-02-17 5:42 PM
To: Veinot, Cindy (TBS)
Subject: Fwd: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

Hi Cindy

I am sure the Energy slide deck for tomorrow's FPC has been shared with you. Pls see my comments below.

Thanks

Ken k

Begin forwarded message:

From: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Date: May 2, 2017 at 4:39:25 PM EDT
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>, Deena Padamadan <Deena.Padamadan@ofina.on.ca>, Ronald Kwan <Ronald.Kwan@ofina.on.ca>, Mike Manning <Mike.Manning@ofina.on.ca>
Subject: RE: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

Hi Gadi

I am ok up to page 7, have few comments thereafter, mostly on the lack of clarity with regard to interest costs incurred by the Trust over the first 5 years and how these costs are to be funded. I have limited my comments to the Fair Hydro portion of the slides.

Page 8: last bullet; further detail is required. As it stands no distinction between the first five years where the interest costs incurred by the Trust in financing the regulatory/investment assets have to be recovered from ratepayers(my understanding of the model) against future years when the ratepayers are responsible for repayment of the debt of the Trust.

In essence, the principle is whether the interest costs are incurred by the Trust or by IESO (because of a delay in the Trust purchasing the investment asset) my understanding is they will be capitalized. This ensures that a fiscally neutral program and should be if possible in the legislation.

Page 9 second bullet; mentions financing costs with no further detail.

Page 14 second bullet; the new rate is to be 25% less than the comparison rate, the latter to be established by the OEB. I was under the impression that the 25% is composed of the 8% HST relief plus another 17% reduction in the GA. So will the comparison rate established by the OEB include an HST amount equal to 8%. If so this seems rather convoluted, there are easier ways of proving that the total reduction equals 25%.

Page 16 first and last bullet; not all of the acquisition of the investment asset is funded by the capital markets, 44% is via the equity injection. That point should be made and so should the concept of fiscal neutrality from the perspective of the Province. the Province should be made whole from a fiscal and cash flow perspective re the debt it incurs for the equity injection.

Page 17 last bullet; it may be useful to indicate that the objective of the Government is to provide a guarantee that is limited as possible within the twin objectives of the preferred accounting model and adequate market access.

Slide 18; the rules should include some detail on how the interest incurred by the Trust over the first 5 years is to be funded.

Slide 23, last two bullets; again further clarity is required as to the composition of the clean energy adjustments in the first 5 years. Last bullet, how will the IESO fund the interest costs and expenses of the Trust, requires detail.

Thanks

Ken k

From: Gadi Mayman
Sent: Tuesday, May 02, 2017 10:10 AM
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Deena Padamadan <Deena.Padamadan@ofina.on.ca>
Subject: FW: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

Any thoughts?

From: Anna Strathy
Sent: Tuesday, May 02, 2017 9:16 AM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Cc: Hresa Gavaris <Hresa.Gavaris@ofina.on.ca>
Subject: FW: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

FYI, materials for FPC tomorrow attached.

From: Young, Gwendolynne (MOF) [<mailto:Gwendolynne.Young@ontario.ca>]
Sent: Tuesday, May 02, 2017 9:12 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Colleen Waddell (ENERGY) <Colleen.Waddell@ontario.ca>
Cc: Vivienne Skoberne (MOHLTC) <Vivienne.Skoberne@ontario.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>
Subject: FW: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

Hi Anna and Colleen,

Tomorrow at Fiscal Prep (1015-1145), ENERGY is presenting on their submission for the Fair Hydro Plan Act. Attached is the agenda and deck.

Could you please line up Gadi and Scott to attend with the Deputy? Please let me know if there are any issues.

Thanks!
Gwen.

Gwen Young
p: 416.325.0741 | bb: 647.982.2419

From: McLean, David (MOF)
Sent: May 2, 2017 8:37 AM
To: Kim, Minzi (MOF); Clarke-Darshanand, Jamille (MOF); Young, Gwendolynne (MOF); Tekle, Jonathan (MOF)
Subject: FW: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

FYI

From: Bosco, Pina (CAB)
Sent: May 2, 2017 8:36 AM
To: Angus, Helen (TBS); Betzner, Lynn (CAB); Bevan, Andrew (OPO); Bossin, Bryan (OPO); Bromm, William (CAB); Davidson, Steven (CAB); Ghiassi, Ali (MOF); Greenberg, Martha (CAB); Hughes, Karen (TBS); Jackson, Kelly (MOF); Jancik, Mike (TBS); MacKenzie, Rebecca (OPO); Madhany, Shamira (CAB); McEachern, Gillian (OPO); McIntyre, Moira (OPO); Mendes, Elizabeth (MOF); Mksyartinian, Jacob (OPO); Orsini, Steve (CAB); Pichelli, Jason (TBS); Rowe, Mary (OPO); Schuurman, Tim (MOF); Thompson, Scott (MOF); Tomney, Genevieve (OPO); Zegarac, George (MOI)
Cc: An, Derrick (OPO); Baird, Natasha (MOF); Borges, Judy (OPO); Bosco, Pina (CAB); Corluka, Marijana (CAB); Farrow, Alicia (CAB); Foster, Robert (CAB); Hartog, Erika (TBS); Kwamena, Boafoa (CAB); Laughton, Patrick (TBS); MacIntyre, Kyle (TBS); Marangoni, Emily (OPO); Matela, Angelo (CAB); McLean, David (MOF); Noursi-Scott, Diana (OPO); Roach, Jackie (CAB); Tinkler, Tanya (CAB)
Subject: AGENDA & MATERIAL: Fiscal Prep Committee, May 3, 2017

Good morning everyone,

Attached is the agenda and resending the material for tomorrow's Fiscal Prep Committee meeting.

Have a good day,

Pina

Pina Bosco
Executive Advisor (Acting)
Office of the Secretary of the Cabinet
416-325-7641

From: Bosco, Pina (CAB)
Sent: May-01-17 9:06 PM
To: Angus, Helen (TBS); Betzner, Lynn (CAB); Bevan, Andrew (OPO); Bossin, Bryan (OPO); Bromm, William (CAB); Davidson, Steven (CAB); Ghiassi, Ali (MOF); Greenberg, Martha (CAB); Hughes, Karen (TBS); Jackson, Kelly (MOF); Jancik, Mike (TBS); MacKenzie, Rebecca (OPO); Madhany, Shamira (CAB); McEachern, Gillian (OPO); McIntyre, Moira (OPO); Mendes, Elizabeth (MOF); Mksyartinian, Jacob (OPO); Orsini, Steve (CAB); Pichelli, Jason (TBS); Rowe, Mary (OPO); Schuurman, Tim (MOF); Thompson, Scott (MOF); Tomney, Genevieve (OPO); Zegarac, George (MOI)
Cc: An, Derrick (OPO); Baird, Natasha (MOF); Borges, Judy (OPO); Bosco, Pina (CAB); Corluka, Marijana (CAB); Farrow, Alicia (CAB); Foster, Robert (CAB); Hartog, Erika (TBS); Kwamena, Boafoa

(CAB); Laughton, Patrick (TBS); MacIntyre, Kyle (TBS); Marangoni, Emily (OPO); Matela, Angelo (CAB); McLean, David (MOF); Noursi-Scott, Diana (OPO); Roach, Jackie (CAB); Tinkler, Tanya (CAB)
Subject: MATERIAL: Fiscal Prep Committee, May 3, 2017

Hello everyone,

Attached is material for this week's Fiscal Prep Committee mtg which is scheduled to take place on Wednesday, May 3rd from 10:15 – 11:45 in Boardroom 6501.

Thank you,

Pina

Pina Bosco
Executive Advisor (Acting)
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