RE: I am at a conference all day on Wednesday so let me know if you have any questions

From: Ken Kandeepan <ken.kandeepan@ofina.on.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc: "Lemcke, Bonnie (OFA)" <bonnie.lemcke@ofina.on.ca>, John Psinas <john.psinas@ofina.on.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Date: Thu, 15 Jun 2017 08:21:10 -0400

Thanks Cindy

Ken k

-----Original Message-----
From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Thursday, June 15, 2017 7:22 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Nadine Petsche (MOF) <Nadine.Petsche@ontario.ca>
Subject: Re: I am at a conference all day on Wednesday so let me know if you have any questions

See my suggestion below. Nadine - this is a response to the highlighted question below. Anything else to add?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, June 14, 2017 8:47 AM

To: Veinot, Cindy (TBS)

Cc: Lemcke, Bonnie (OFA); John Psinas; Petsche, Nadine (TBS)

Subject: FW: I am at a conference all day on Wednesday so let me know if you have any questions

Hi Cindy

As discussed yesterday the question from Fitch is highlighted below, pls see my suggested response for your review:

The Auditor General, in her issuance of an opinion on the annual Public Accounts of the Province, will implicitly provide her view on the various elements of the Fair Hydro Plan. Specifically with respect to the Global Adjustment Refinancing, the Auditor General appeared before the xxx Committee and issued a statement, the link to which is attached below. The province continues to work through the accounting for this Plan, as the regulations, commercial agreements and financing arrangements are finalized. Most of the elements of the Plan are effective July 1, 2017, and will be reflected in the Public Accounts for the first time in 2017-18.

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.auditor.on.ca_en_content_news_remarks-5Fstanding-2520committee-2520on-2520justice-2520policy.pdf&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwlN5Soa0mhVrZmimM&m=Xtd4FrU_0EYtXPSc9Jc40fdSIj4l_1wecAv3TJ1jUNE&s=E0qil1_LLKGkaqthWqVEfii-WWHzCzyEdm2fTWVcxdM&e=

thanks

ken k

From: Bonnie Lemcke

Sent: Tuesday, June 13, 2017 1:33 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>

Subject: FW: I am at a conference all day on Wednesday so let me know if you have any questions

Hi Ken,

Can you provide an answer to the question that is highlighted in yellow. I need to send back by Thursday am.

Thanks,

Bonnie

From: Block, Marcy [mailto:marcy.block@fitchratings.com]

Sent: Tuesday, June 13, 2017 11:41 AM

To: Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca<mailto:Bonnie.Lemcke@ofina.on.ca>>

Subject: RE: I am at a conference all day on Wednesday so let me know if you have any questions

Thank you for letting me know. I have a few questions at the moment and likely to have some additional ones by the end of today or early tomorrow that I will send your way for distribution. In all cases, I will need to receive answers by early to mid-afternoon on Thursday. The current ones are as follows:

1. Can you please confirm the total amount of proceeds brought in by the Hydro One sales? One report that I have read places the value at C$9.8 billion as compared to the C$9 billion target.

2. Can you please relate the current plans for additional asset optimization over the next one to two years?

3. C$5 billion from the Hydro One share sales is to be dedicated to paying down outstanding debt. Can you please relate how much debt has been retired at this time from the share sales?

4. Understanding that there has been dissatisfaction with electricity rates in the province, were other methods to reduce rates considered aside from the Fair Hydro Plan? Does the province agree with the FAO's assessment that electricity bills will escalate after 2027 under this plan? If yes, how does the province expect to address this escalation?

5. The FAO recommended that the province obtain assurance from the office of the Auditor General that the province's proposed accounting treatment for the electricity cost refinancing initiative would not increase the province's annual surplus/deficit and net debt. Did the province seek and obtain this assurance?

6. The Fair Hydro Plan creates additional expense for the provincial budget over multiple fiscal years. How does the province expect to fund this increased annual expense?

7. Acknowledging that it has been a very short time since the Fair Housing Plan was introduced, what impact, if any, has the province seen on housing values or on the general economy that it would directly attribute to the Plan?

Thanks, Bonnie. I will get back to you soon with any remaining questions.

Marcy S. Block

Senior Director

Fitch Ratings – U.S. Public Finance

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New York, NY 10004

212-908-0239

From: Bonnie Lemcke [mailto:Bonnie.Lemcke@ofina.on.ca]

Sent: Tuesday, June 13, 2017 8:43 AM

To: Block, Marcy <marcy.block@fitchratings.com<mailto:marcy.block@fitchratings.com>>

Subject: I am at a conference all day on Wednesday so let me know if you have any questions

I will be checking my phone for e-mails but I thought I would let you know now in case you have some questions you need answered.

Bonnie Lemcke

Manager, Credit Analysis and Rating Relations

Ontario Financing Authority

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