RE: Meeting tomorrow

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Wed, 01 Feb 2017 19:04:26 -0500

Hi Cindy.
I can't really offer any advice on this suggestion. I'm sure that Steen will want to reach out to others in MOE on the option.
Nadine

From: Veinot, Cindy (TBS)
Sent: February-01-17 7:02 PM
To: Hume, Steen (ENERGY); Picard, Michel; Ouellette, Lois A; Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: Meeting tomorrow

Hi all,

A while back we dropped the idea of having the LDCs take on the responsibility of a long-term payable due to the Province because the amount collected from the LDCs will be dependent on future rates and future energy consumption.

I've been asked to think about whether this option would work if we chose a percentage of the amount to be due from the LDCs that is reflective of the "minimum known amount".

Example:

GA = 100
Amount to be deferred from the ratepayers bills = 30

Could a structure be set up so the LDCs agree to a longterm payable of a percentage of the 30 – 50% would be 15, 75% would be 22.5, etc. We would have to understand the potential for volatility in price and consumption.

This structure would be in place of a new separate stand-alone entity.

The expected fiscal impact to the Province would be the amount not billed to the LDCs – for example, if 75% were billed to the LDCs (or 22.5), then 7.5 would be the fiscal impact to the Province (assuming we could not support this amount as an asset.)

Could you give this some thought before we meet tomorrow.

Thanks all,

Cindy

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