# RUSH Request (confirmation of fiscal impact of Electicity Rate Mitigation)

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| **From:** | "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca> |
| **To:** | "Kandeepan, Ken (OFA)" <ken.kandeepan@ofina.on.ca>, "John Psinas (John.Psinas@ofina.on.ca)" <john.psinas@ofina.on.ca>, "Kim, John (OFA)" <john.kim@ofina.on.ca> |
| **Cc:** | "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca> |
| **Date:** | Fri, 24 Feb 2017 11:09:57 -0500 |
| **Attachments:** | Electricity rate mitigation model Feb 24.xlsx (16.7 kB) |

Ken/John/John,

We have an urgent request to be completed by end of day today. Specifically, we need your help to complete and validate the attached summary which is intended to summarize the transaction(s) through IESO, OFA, OPG Trust, OPG, and the Province.
One of the objectives is to ensure that we have a good grasp on the impact of the scenario on IOD. For purposes of this exercise, a 5% interest rate was used and a half-year for interest (e.g. $30 is deferred in even amounts each month). See the bottom right of the spreadsheet for the impact calculation. We also need to consider how the Trust would recognize interest income that they will receive in connection with the payback. Apparently you can't recognize interest on an intangible which may not be addressed in OPG's analysis?

Also, Cindy would also like us to consider the impact if OFA were to finance all of the debt and loan it to the Trust – to assess the overall impact to the fiscal plan.

(For purposes of this exercise, the following numbers have been applied 100 paid to generators, 70 collected from LDCs and 30 deferred with 5% interest. The needs to be run for a period of time -- not 30 years – but assume 5 years or something short, including a build up (e.g. 2 years) and repayment (e.g. 3 years).

Please let me know your thoughts on the best plan to address this urgent item. Thanks in advance.

Nadine