2017 Document: Preliminary Fiscal Planning Scenarios

Current Planning Scenario

$ Millions	2017-18	2018-19	2019-20	Avg. Ann Growth 2016-17 to 2019-20	Avg. Ann Growth 2017-18 to 2019-20
Current Revenue	**140,195**	**142,535**	**145,335**	**3.0%**	**1.8%**
Incl. High Yield Assumptions	*1,937*	*2,628*	*1,320*		
Aggressive Revenue Forecast	-	-	-		
Total Revenue	**140,195**	**142,535**	**145,335**	**3.0%**	**1.8%**
Program Spending					
Approved In Principle Outlook	**127,166**	**131,305**	**134,391**	**2.9%**	**2.8%**
Incl. Current Year-end Savings	*(1,200)*	*(1,225)*	*(1,275)*		
Additional Savings Target	-	(500)	(500)		
Additional Electricity Cost Relief	738	828	906		
Total Program Spending	**127,904**	**131,633**	**134,797**	**3.0%**	**2.7%**
Current Interest on Debt	11,700	12,400	12,600		
Total Expense	**139,604**	**144,033**	**147,397**	**3.1%**	**2.8%**
Current Reserve	700	800	1,000		
Planning Surplus/Deficit	***(109)***	***(2,298)***	***(3,063)***		
Fiscal Anchor	**-**	**-**	**-**		
Fiscal Room/(Hole)	**(109)**	**(2,298)**	**(3,063)**		

Scenario 1: Moderate Increase to Revenue Forecast

$ Millions	2017-18	2018-19	2019-20	Avg. Ann Growth 2016-17 to 2019-20	Avg. Ann Growth 2017-18 to 2019-20
Current Revenue	**140,195**	**142,535**	**145,335**	**3.0%**	**1.8%**
Incl. High Yield Assumptions	*1,937*	*2,628*	*1,320*		
Aggressive Revenue Forecast	500	1,000	1,000		
Total Revenue	**140,695**	**143,535**	**146,335**	**3.2%**	**2.0%**
Program Spending					
Approved In Principle Outlook	**127,166**	**131,305**	**134,391**	**2.9%**	**2.8%**
Incl. Current Year-end Savings	*(1,200)*	*(1,225)*	*(1,275)*		
Additional Savings Target	-	(500)	(500)		
Additional Electricity Cost Relief	738	828	906		
Total Program Spending	**127,904**	**131,633**	**134,797**	**3.0%**	**2.7%**
Current Interest on Debt	11,700	12,400	12,600		
Total Expense	**139,604**	**144,033**	**147,397**	**3.1%**	**2.8%**
Current Reserve	700	800	1,000		
Planning Surplus/Deficit	***391***	***(1,298)***	***(2,063)***		
Fiscal Anchor	**-**	**-**	**-**		
Fiscal Room/(Hole)	**391**	**(1,298)**	**(2,063)**		

Scenario 2: Aggressive Increase to Revenue Forecast and Additional Savings Targets

$ Millions	2017-18	2018-19	2019-20	Avg. Ann Growth 2016-17 to 2019-20	Avg. Ann Growth 2017-18 to 2019-20
Current Revenue	**140,195**	**142,535**	**145,335**	**3.0%**	**1.8%**
Incl. High Yield Assumptions	*1,937*	*2,628*	*1,320*		
Aggressive Revenue Forecast	1,000	1,500	1,500		
Total Revenue	**141,195**	**144,035**	**146,835**	**3.3%**	**2.0%**
Program Spending					
Approved In Principle Outlook	**127,166**	**131,305**	**134,391**	**2.9%**	**2.8%**
Incl. Current Year-end Savings	*(1,200)*	*(1,225)*	*(1,275)*		
Additional Savings Target	(500)	(1,000)	(1,000)		
Additional Electricity Cost Relief	738	828	906		
Total Program Spending	**127,404**	**131,133**	**134,297**	**2.9%**	**2.7%**
Current Interest on Debt	11,700	12,400	12,600		
Total Expense	**139,104**	**143,533**	**146,897**	**2.9%**	**2.8%**
Current Reserve	700	800	1,000		
Planning Surplus/Deficit	***1,391***	***(298)***	***(1,063)***		
Fiscal Anchor	**-**	**-**	**-**		
Fiscal Room/(Hole)	**1,391**	**(298)**	**(1,063)**		
Other Potential Changes					
Lower OPG Revenues	(173)	(42)	84		
Preliminary Pension Forecast Update	518	522	308		
Potential OMA Mandate Impact	377	616	742		
Potential Scalable Initiatives	874	1,452	1,753		
Additional Electricity (GA Smoothing)	2,534	2,668	2,942		
Acceptance of Federal CHT Offer	(134)	96	424		
Additional IOD Savings	(128)	(366)	(419)		
Total Other Potential Changes	**4,482**	**4,839**	**4,818**		
Revised Fiscal Room/(Hole)	**(3,091)**	**(5,137)**	**(5,881)**		

Additional Revenue Measures

- Determine the scope for revenue tools, including:
  - Targeted Tax Changes
  - Non-tax revenue
  - Federal tax measures
  - Use of Cap-and-Trade proceeds

Federal Revenue Strategy

- Engagement strategy with the federal government to maximize new federal funding, including:
  - Equalization Protection
  - Funding for climate change initiatives
  - Infrastructure
  - Health funding

Additional Expense Measures

- Determine the scope for expense measures, including:
  - Undertaking additional transformative initiatives
  - Revisiting in year approvals
  - Timing/scaling funding of mandate letter commitments
  - Additional savings targets
  - Program Review
- Further Interest on Debt Savings

Prudence

- What is the appropriate level of prudence to build into the fiscal plan?
  - Further reductions to the reserve or Contingency Fund, or
  - Pushing the revenue forecast or interest on debt forecast beyond current expectations, increases vulnerability to future downward forecast revisions

Other Impacts With No Estimates, Info to Come

	2017-18	2018-19	2019-20
Federal Budget Impacts	tbd	tbd	tbd
Grassy Narrows	tbd	tbd	tbd
Contaminated Sites	tbd	tbd	tbd
Consolidation Updates	tbd	tbd	tbd
Further updates to IFRS	tbd	tbd	tbd
Non-Tax Revenue Updates	tbd	tbd	tbd
Rebuild Contingency/Reserve	tbd	tbd	tbd
Updated Revenue Outlook	tbd	tbd	tbd
Updated Expense Outlook	tbd	tbd	tbd
Deferred PRRT Amounts	tbd	tbd	tbd
Other Document Initiatives	tbd	tbd	tbd
Further Updates to IOD Forecast	tbd	tbd	tbd
Total	**TBD**	**TBD**	**TBD**

Potential improvement to gap

Potential improvement or deterioration to gap

Potential deterioration to gap