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|---|---|
| **From:** | John Kim |
| **To:** | Francisco Chinchon |
| **Subject:** | 2017 04 11 OPG Business Plan Review v7_Markup.pptx |
| **Date:** | Sunday, April 23, 2017 8:28:33 AM |
| **Attachments:** | 2017 04 11 OPG Business Plan Review v7_Markup.pptx<br>2017 03 14 OPG concurrence letter v6.docx |

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Hi Francisco,

Hoping to get back to Scott Nelms group tomorrow. There is a slide on AO. Also, a mention of ONFA in the concurrence memo.

Take a quick look.

John

Ontario

MINISTRY OF
ENERGY

# OPG Business Plan

May 2017

# Context

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29, 2016 for concurrence
  - Note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence requires presentation of OPG's business plan before and acknowledgement by TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance and the Corporate and Electricity Finance Division of the Ontario Financing Authority
- The following presentation provides an overview of OPG's business plan, including:
  1. Business Plan Overview
  2. Other Considerations

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- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP and the timing of the receipt of the business plan in November 2016, these changes are not reflected in OPG's plan

  - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed partly by capital infusions from the Province, and majority by third-party lending

  - These changes are generally expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income

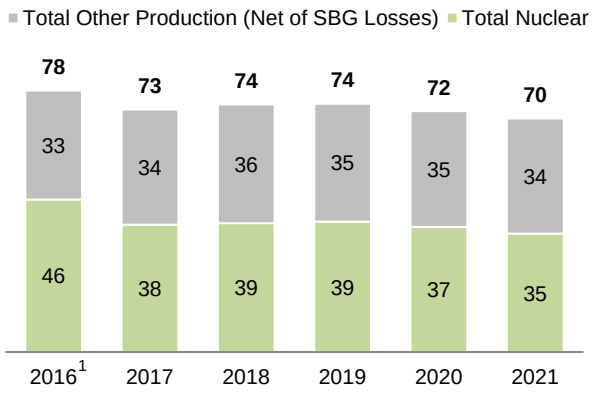
  - In addition, the Province's net debt position should remain unchanged

# 1. Business Plan Overview

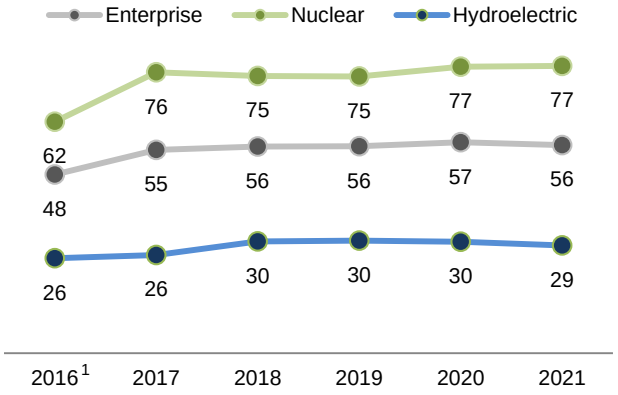
## *a) Production & Total Cost of Generation*

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While Operations, Maintenance and Administration (OM&A) remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

### Production (TWh)




### Total Generating Cost ($/MWh)




1. Actuals

*TGC = OM&A expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

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## *b) Operations, Maintenance and Administration (OM&A) Expenses*

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- Increases over 2016 are mainly attributable to:
  - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
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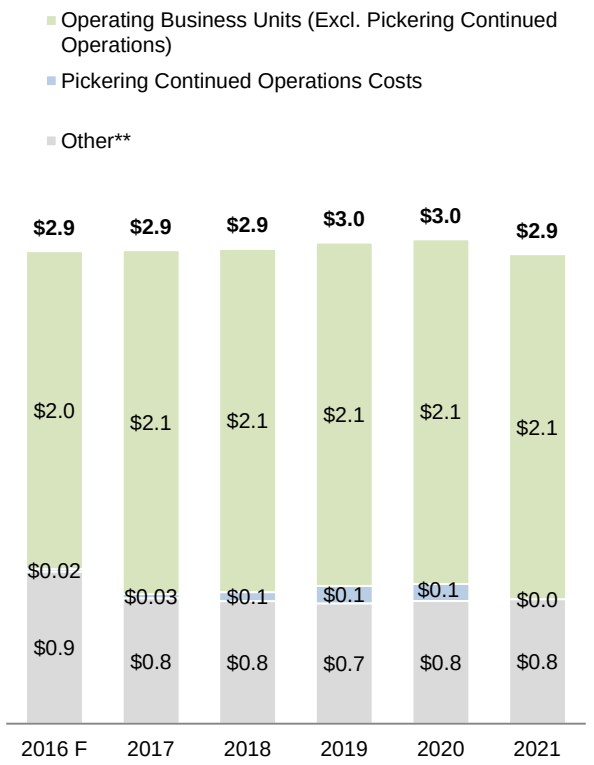
  - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

### OM&A from Ongoing Operations* ($B)




*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets
** Includes centrally held pension /OPEB costs and support services

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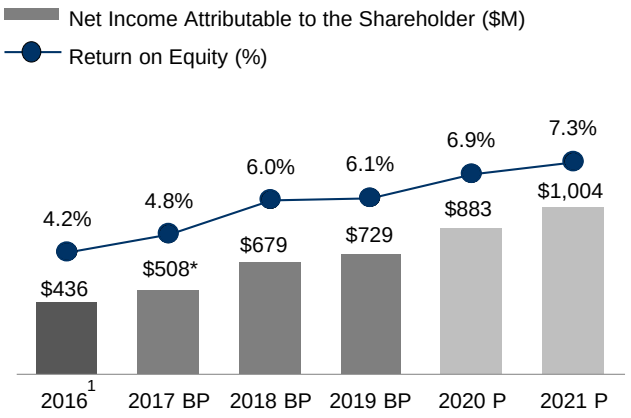
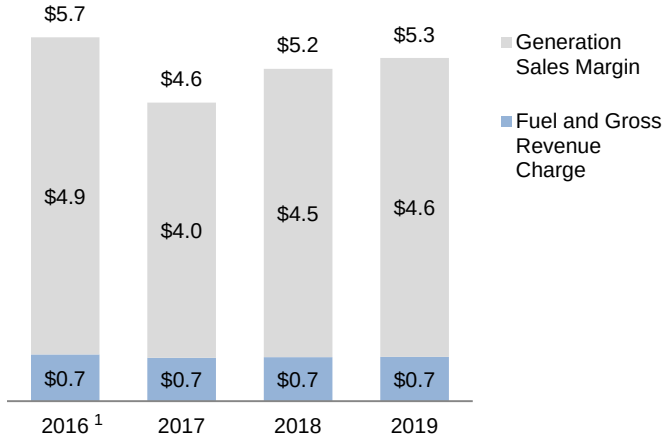
## *c) Financials*

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
  - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
  - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

### Net Income ($M) and ROE (%)




### Revenue Margin ($B)




*Includes extraordinary gain associated with the sale of OPG head office

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## *d) Shareholder Return*

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
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  - Completion of the first Darlington unit refurbishment
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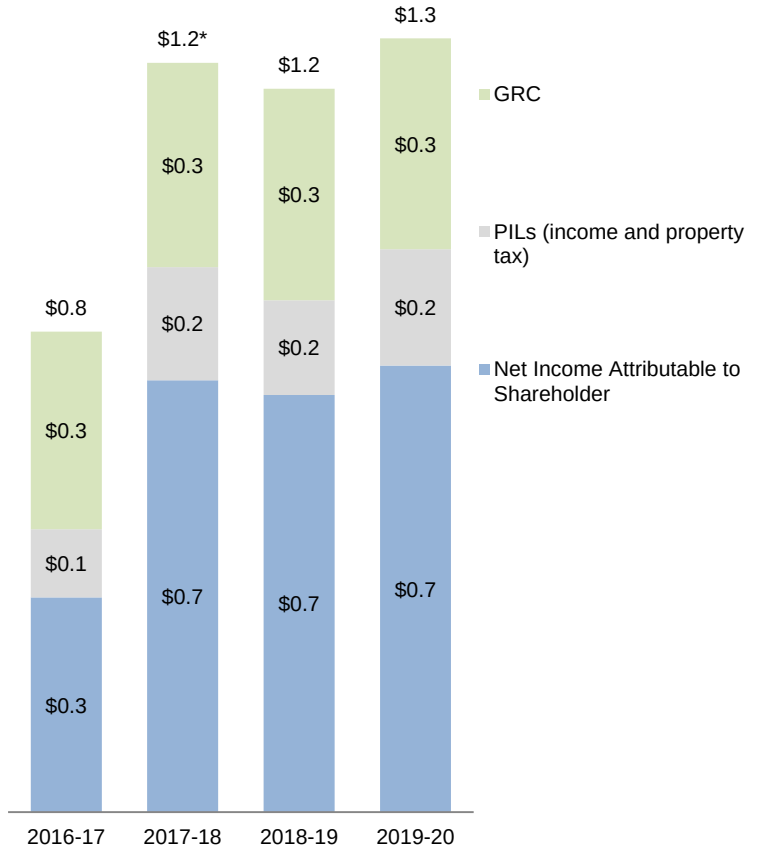
**Total Shareholder Return ($B)**

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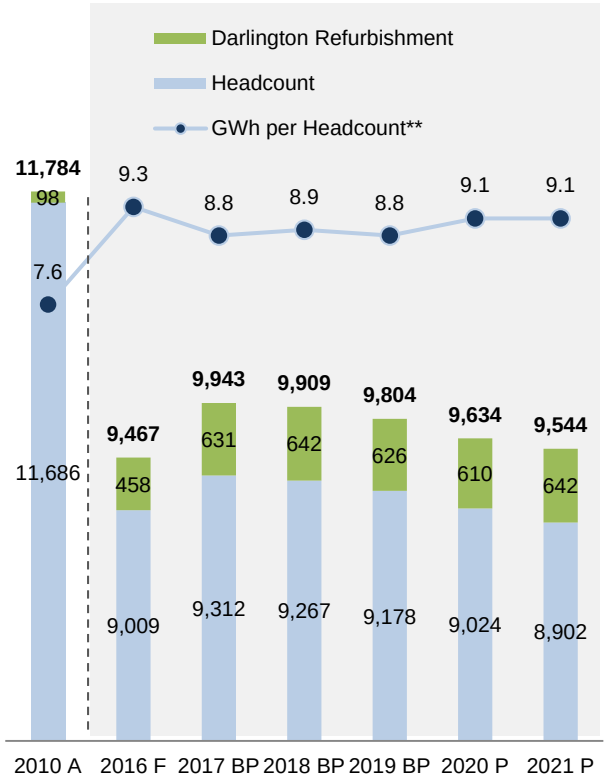
# 1. Business Plan Overview

## *e) Business Transformation Initiative & Labour Costs*

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



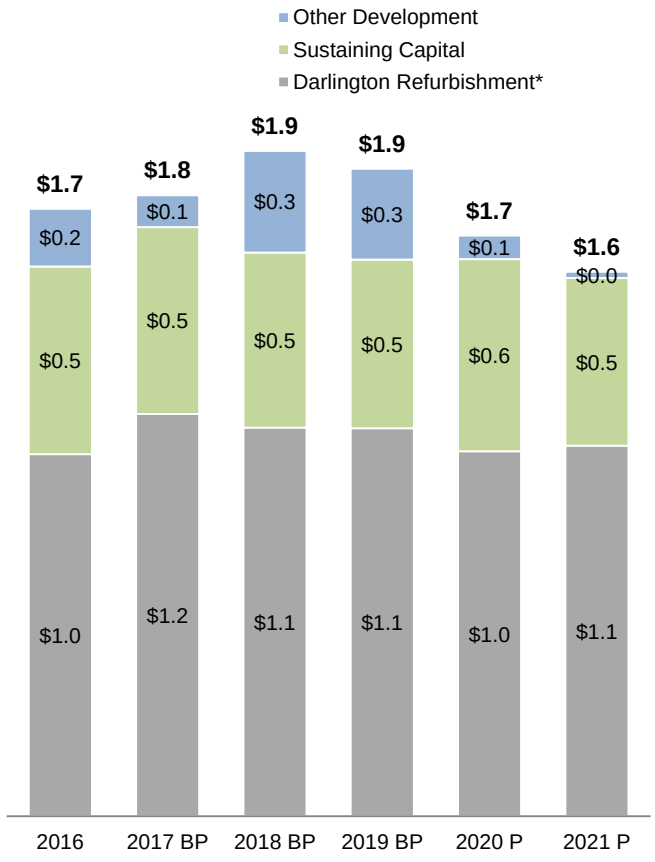

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew II
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

# 2. Other Considerations

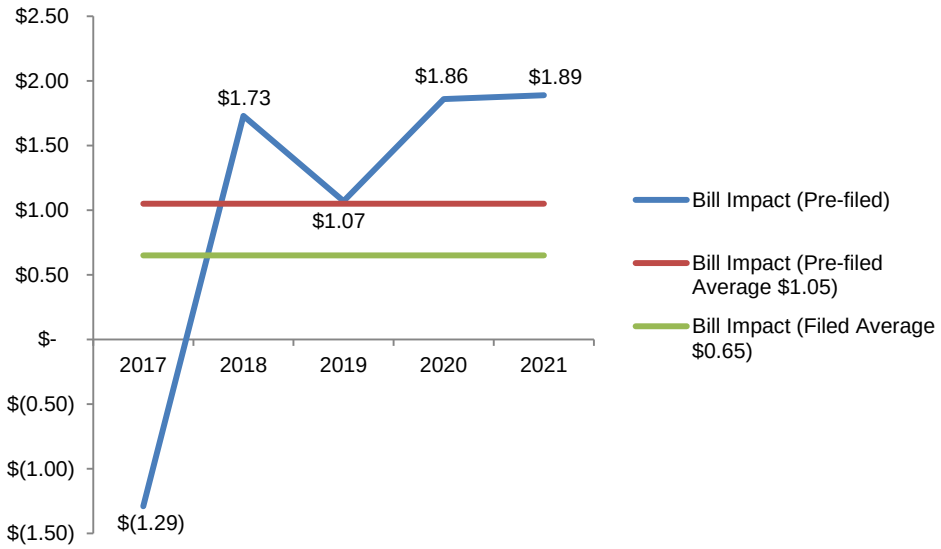
## *Rate Application*

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*

**Rate-Smoothing Proposal:**

- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

## *Special Status for OPG to Approve International Travel*

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
  - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
  - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
  - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

Mr. Bernard Lord
Chair
Ontario Power Generation
1900-700 University Avenue
Toronto ON M5G 1X6

Dear Mr. Lord,

Thank you for your submission of Ontario Power Generation's (OPG) 2017-2019 Business Plan ("the Plan"). We have reviewed the Plan and find it to be consistent with our government's expectations.

I support the operational and financial targets set by OPG in its business plan. We recognize the substantial cost reductions that OPG has recently achieved and expect OPG to work closely with the Province to fully realize the additional efficiencies incorporated in the Plan in a manner that is consistent with the continued safe and environmentally responsible operation of OPG's facilities.

We commend OPG on its successful start to the Darlington Refurbishment Project, a key objective of Ontario's 2013 Long-Term Energy Plan (2013 LTEP). As a priority project for the government, I expect that OPG will continue to focus on delivering the project as per the schedule and budget contained in the Release Quality Estimate approved by the OPG Board and by the government. I also expect OPG to continue to minimize project risks consistent with the nuclear refurbishment principles set out in the 2013 LTEP, and seek concurrence prior to commencing subsequent unit refurbishments after Unit 2 is successfully returned to service.

We continue to support the planned operation of Pickering units up to 2024 as the station's output will provide reliable, cost-effective and emission-free electricity supply during the Darlington and initial Bruce refurbishments. I expect OPG to seek concurrence to proceed with ongoing Pickering operation after the necessary regulatory approvals are complete.

I understand that the recently approved Ontario Nuclear Funds Agreement (ONFA) Reference Plan has resulted in a reduction of costs to consumers for future decommissioning and long-term management of waste from Ontario's nuclear plants. In addition, the segregated nuclear funds set aside under ONFA have reached fully funded status. With many decades of nuclear generation in the Province's future, the decision to fund these costs now provides security for future generations of Ontarians.

I appreciate the efforts of OPG staff, management and the Board of Directors to date as we worked to develop a plan to refinance the Global Adjustment (GA). Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. OPG will be instrumental to the success of this initiative and we plan to introduce legislation that would, if passed, enable OPG to work with the Independent Electricity System Operator (IESO) to implement this plan.

I expect OPG to continue to keep the government informed with regard to the company's key ongoing and emerging initiatives and progress in achieving its financial

and operational performance commitments. As OPG's performance directly impacts Ontario's fiscal plan, we note the importance of achieving or exceeding OPG's financial performance commitments.

This letter constitutes our concurrence with OPG's Board approved 2017-2019 Business Plan as provided for under the Memorandum of Agreement between OPG and the Shareholder dated July 17, 2015.

Sincerely,

Glenn Thibeault
Minister of Energy

c: Jeff Lyash, President and Chief Executive Officer, OPG
Serge Imbrogno, Deputy Minister, Ministry of Energy

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Adam Prokop |
| **Cc:** | Bruno Amara |
| **Subject:** | 2017 04 11 OPG Business Plan Review v7_Markup.pptx |
| **Date:** | Monday, April 24, 2017 10:45:09 AM |
| **Attachments:** | 2017 04 11 OPG Business Plan Review v7_Markup.pptx |

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Hi Adam,

Does the chart on slide 9 make sense to you?

If it does, can you explain?

John

Ontario

MINISTRY OF
ENERGY

# OPG Business Plan

May 2017

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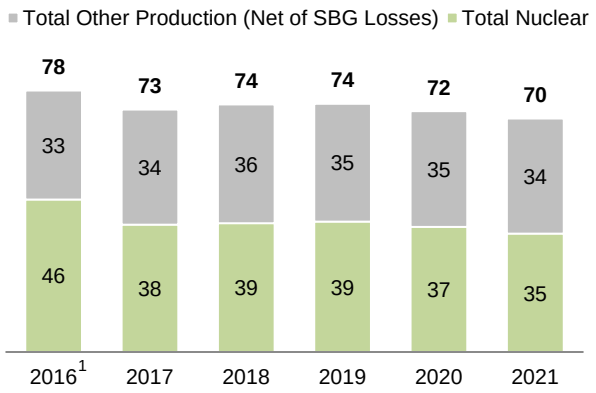


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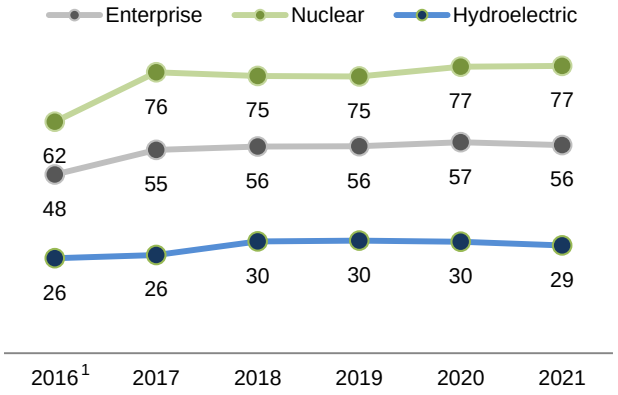


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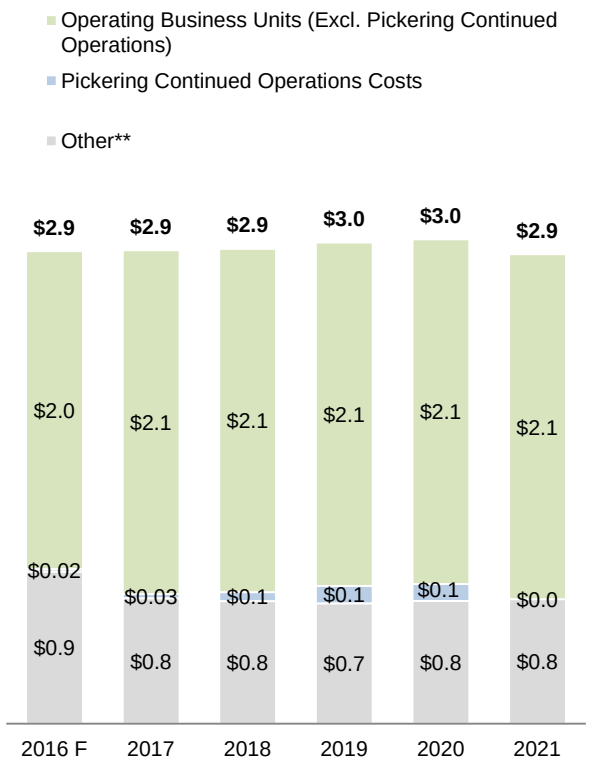


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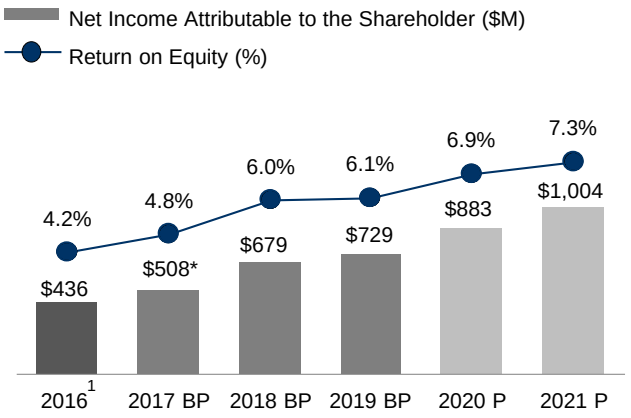


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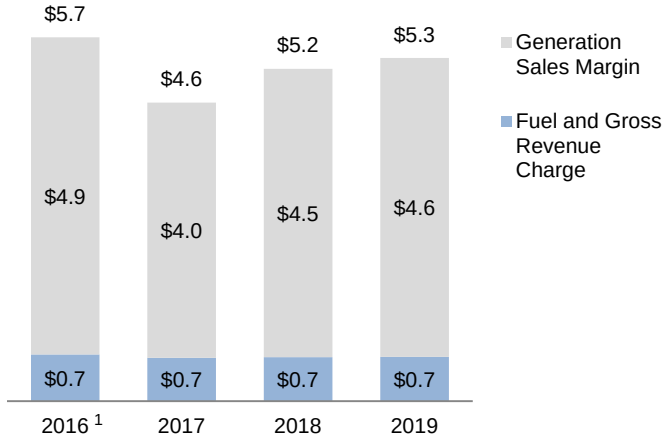


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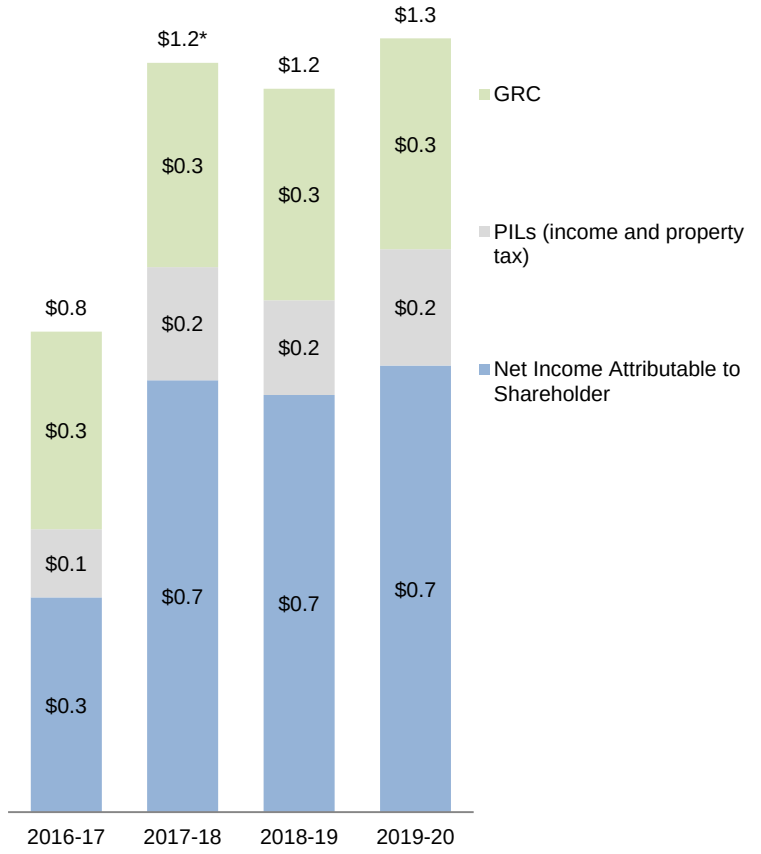


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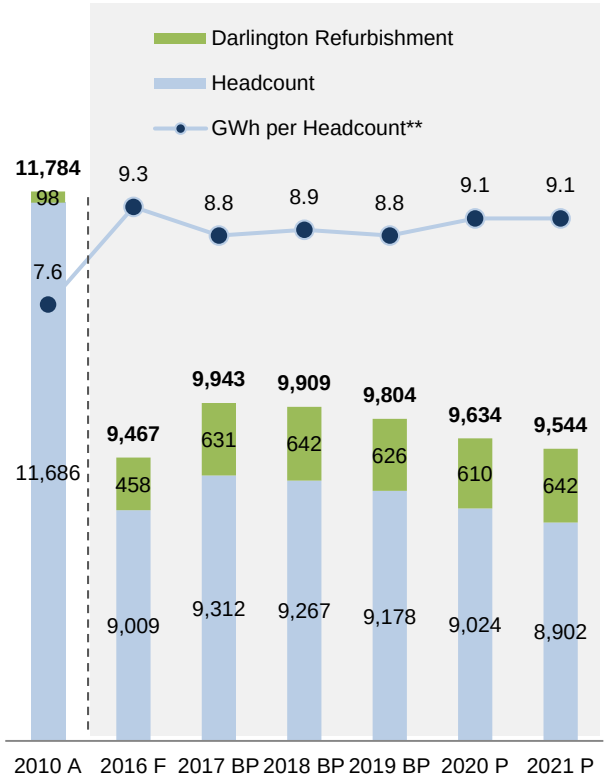
- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



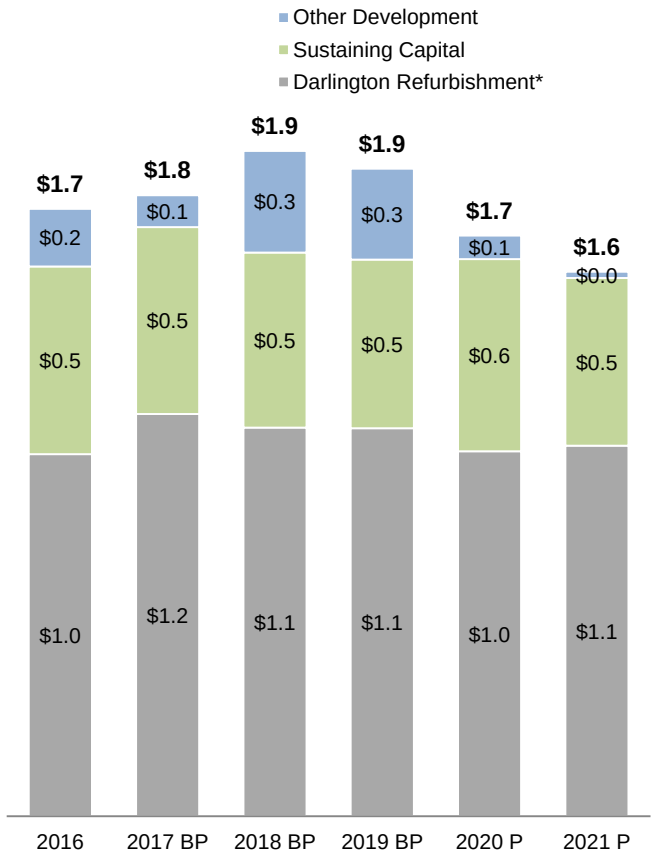

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew II
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

# 2. Other Considerations

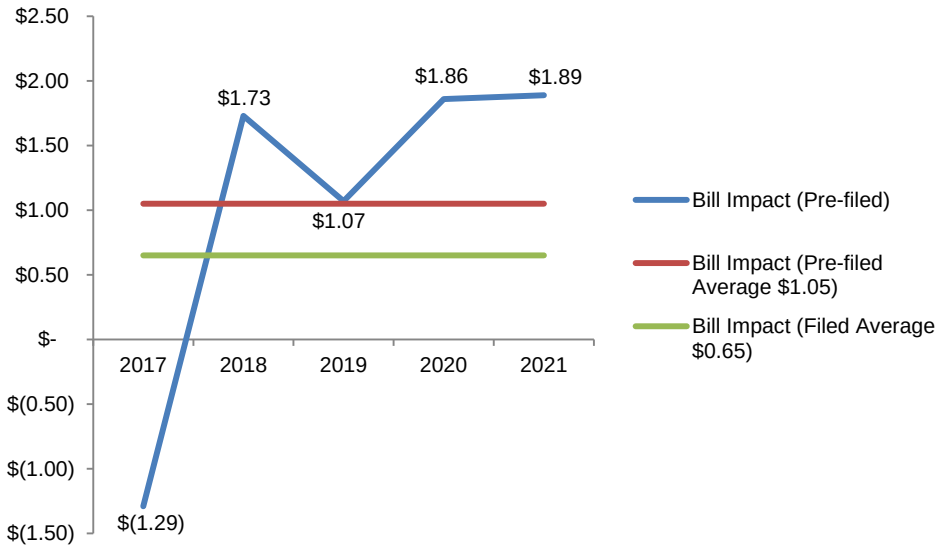
## *Rate Application*

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*

**Rate-Smoothing Proposal:**

- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

## *Special Status for OPG to Approve International Travel*

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
  - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
  - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
  - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

**From:** John Kim
**To:** Bruno Amara
**Subject:** 5 2017-05-09 RAN OPG Business Plan v1_Markup.doc
**Date:** Monday, May 01, 2017 5:06:40 PM
**Attachments:** 5 2017-05-09 RAN OPG Business Plan v1_Markup.doc

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# TREASURY BOARD / MANAGEMENT BOARD OF CABINET
# REQUEST ASSESSMENT NOTE

| | |
|---|---|
| **Ministry:** | Energy |
| **Meeting Date:** | May 9, 2017 |
| **Agenda Class:** | Discussion (In Camera) |
| **Last reviewed by:** TB/MBC March 24, 2015 | **Tracking to: Fast Track** Cabinet (May 10, 2017) |

| **SUBMISSION TITLE:** | 2017-2019 Business Plan for Ontario Power Generation |
|---|---|

**Prepared based on draft submission**

## I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2017-2019 Business Plan

## II. RECOMMENDATIONS:

| | |
|---|---|
| • Receive the 2016-2018 business plan for Ontario Power Generation | *Receive* |
| • Note Minister of Energy will provide concurrence with OPG's Business Plan | *Note* |
| • Approval giving special status to OPG under Section 5.3 of the MBC Travel, Meal and Hospitality Expenses Directive, giving it the authority to approve international travel for its employees. | *tbd* |

## III. FINANCIAL SUMMARY

| **$ Millions** | **2014-15** | **2015-16** | **2016-17** |
|---|---|---|---|
| Initiative cost requested | 0.0 | 0.0 | 0.0 |
| Initiative cost recommended | 0.0 | 0.0 | 0.0 |
| Recommended program base | 0.0 | 0.0 | 0.0 |
| Offset Recommended (Specify Ministry/Program) | 0.0 | 0.0 | 0.0 |
| Total Fiscal Impact | 0.0 | 0.0 | 0.0 |

## IV. KEY COMMENTS AND CONSIDERATIONS

As stipulated as part of the 2013-14 Results-based Planning process, the Ministry of Energy is submitting OPG's annual business plans for review by Treasury Board to facilitate incorporating implications into the Province's fiscal plan.

It is under the responsibility of the Minister of Energy on whether or not to provide the Minister's concurrence of OPG's annual multi-year business plan. The Treasury Board submission provides the Minister of Energy with an opportunity to highlight why concurrence is being given and any conditions placed on it. Appendix C provides more information on the concurrence process and the 2013-14 minute.

Under the memorandum of agreement (MOA, July 2015) between the Province (as sole shareholder and the Ministry of Energy as representative of the shareholder) and OPG, the company is required to annually submit its board-approved multi-year business plan to the Minister of Energy for concurrence. The concurrence letter from the Minister to the company will note key elements of the business plan,

how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company including indicating any elements of the business plan the government does not concur.

In November 2016, OPG submitted its 2017-2019 Business Plan (Board-approved?) to the Ministry.

Ontario's Fair Hydro Plan (OFHP) is not reflected in OPG's latest Business Plan. The Ministry notes the following OFHP implications for OPG:

- As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province (Equity injection via an operating asset, raised from higher debt, with additional shares to the Province as sole shareholder), and by third-party lending (check with OFA – currently 256.3M common shares increasing to….needed? Perhaps explain why there are shares given province is sole shareholder, linked to value of OPG assets/equity)
  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
  - In addition, the Province's net debt position should remain unchanged (Check is OFA)

Financial figures from the OPG Business Plan are included and supplemented with forecast changes for the Ontario Financing Authriy, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan.

The earnings before tax (net income and income tax payments in lieu – PILs) of OPG are consolidated on the Province's financial statements and have one-for-one impact on the Province's surplus/deficit position, excluding adjustments that the Province may make upon consolidation of OPG's financials (e.g., unrealized gains or losses). OPG is expected to submit its next multi-year business plan later this year for the period starting January 1, 2017.

***Overview of Current Business Plan***

OPG's 2017-19 Business Plan details key company undertakings such as business transformation and nuclear refurbishment that will have a substantial electricity system benefit, ratepayer and shareholder impacts. These items were flagged in the previous year's multi-year business plan as well.

- Key Income Statement Forecasts:
  - The figures in the OPG Board approved 2017-2019 Business Plan, along with OFA forecast updates for OFHP (TBC), show a decrease in earnings before tax of $84M in 2017-18 and $89M in 2017-18, followed by increases of $59M in 2018-19 and $120M in 2019-20 over the estimates in the 2016 Budget..

    OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016. Net income in 2017 is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations

    Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019. Return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021.

    In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be

$285M and will be distributed to the Trillium Trust.

These estimates are highly dependent on electricity and financial market conditions, regulatory decisions by the Ontario Energy Board (OEB), potential changes to accounting standards or the basis of consolidation in Public Accounts, operational performance, and/or government policy, which can change materially. The first table in Appendix G shows the changes to Province's fiscal plan.

- Annual Operations, Maintenance & Administration (OM&A) expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year.
- The cost of OPG generated electricity to customers is projected to remain ~40% below the average non-OPG cost of electricity to 2018, and over ~30% by 2021. Note: OPG provides predominantly, lower-cost baseload generating capability, rather than more expensive peaking generating capability.
- Headcount Efficiencies – Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.

  OPG continues ramping up recruitment in 2017 to fill key vacancies in certain areas (particularly in the nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020. OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021.

  OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015. OPG intends to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations.

- Key Projects:
  - The plan assumes ongoing operations at Pickering for about four years beyond 2020, and as approved by Cabinet, the execution of the Darlington refurbishment consistent with approved budget of $12.8 billion (including escalation and interest), is now under way. First unit refurbishment began in October 2016, Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained.
  - Sustaining capital expenditures average $570M per year include nuclear expenditures unrelated to Darlington refurbishment and costs for continued operation of Pickering (e.g., Upgrades at Sir Adam Beck and upgrades to DeCewII, and investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility).
- Rate Application to the OEB:
  - OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021. Oral hearings began February 2017, decision expected in Q3 2017.
    - OPG 2017-2019 BP assumes new rates effective January 1, 2017. The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay.
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear

rates only.

- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

- OPG Request – Special Stats for OPG to Approve International Travel (Appendix F provides more information):
  - OPG has placed a request with the Ministry for authority to approve international travel for its employees. OPG has asked that this application be included with its BP submission to TB/MBC.
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business.
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds.
    - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases.
    - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date.

*Other Key Fiscal Risks:*

Regulatory risks: Potential disallowance of recovery of OPG's current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.

Accounting risks: Any change in the basis of accounting used for consolidation of OPG on the Province's financial statements could result in potentially significant fiscal impacts.

Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

| | | | |
|---|---|---|---|
| **Name of analyst:** | James Strang | **Phone number:** | 7-2071 |
| **Date:** | May 1, 2017 | **Log number:** | |
| **Branch / Division:** | General Government, Planning and Resources Branch, PEM, TBS | | |

## APPENDIX A: PROPOSED MINUTE (UNDER DEVELOPMENT)

Note receipt of a Business Plan for Ontario Power Generation.

In this regard,

i.) Note the Minister of Energy will provide Ontario Power Generation (OPG) with a concurrence letter for its Business Plan.

ii.) …..request for special status…international travel

iii.) Direct the Ministry, in consultation with the Ministry of Finance / Ontario Financing Authority, to report back to the Board in early January each year with the approved or latest draft business plans for Ontario Power Generation for fiscal planning purposes.

| FINANCIAL IMPACTS: CHANGES TO EXPENSE AND REVENUE | | | | | TABLE B1 |
|---|---|---|---|---|---|
| | | *Fiscal Plan Basis* | | | *Appropriations Basis* |
| **$ Millions** | | **2014-15** | **2015-16** | **2016-17** | **2014-15** |
| Initiative cost recommended | | 0.0000 | 0.0000 | 0.0000 | |
| *Expense changes:* | | | | | |
| Operating item | Oper | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital item | Cap | 0.0000 | 0.0000 | 0.0000 | 00000 |
| | | | | | |
| | | | | | |
| *Revenue changes:* | | | | | |
| Revenue increase/offset | | 0.0000 | 0.0000 | 0.0000 | |
| Revenue decrease | | 0.0000 | 0.0000 | 0.0000 | |
| **Total Fiscal Impact (draw from c-funds)** | | **0.0000** | **0.0000** | **0.0000** | **0.0000** |

## APPENDIX C: CONCURRENCE OVERVIEW

Under agreements between the Province (as sole shareholder) and OPG, the company is required to annually submit its multi-year business plan to the Minister of Energy for concurrence. Review of the business plan by Treasury Board prior to concurrence was stipulated as part of the 2013-14 Results-based Planning process (see below).

Concurrence is typically provided to OPG via a letter from the Minister of Energy. The letter will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company. The letter may also indicate any elements of the business plan of which the government does not concur and/or provide additional guidance on expectations going forward.

The current submission looks at the multi-year business plan for OPG covering 2016-2018. Concurrence with the plan is still pending.

Below is the 2013-14 Results-based Plan Minute:

Directed the Ministry of Energy and its agencies, Ontario Power Generation Inc. and Hydro One Inc., in consultation with the Ontario Financing Authority, to report back:

- Annually each autumn with the respective multi-year business plans of the agencies as approved by the Boards of the companies, for review by Treasury Board/Management Board of Cabinet.
  - In this regard, the report should include the following, on a calendar and government fiscal year basis:
  - Multi-year financial and operational targets, including net income and earnings-before-tax.
  - Projected revenues and cash flows to the Province, including the Ontario Electricity Financial Corporation.
  - Planned financings from the Ontario Electricity Financial Corporation.
- Quarterly with financial projection updates and progress reports on the agencies' respective business plan targets and any other new developments, initiatives or risks that may have a material fiscal impact on the Province including variance analysis of last quarter and year-to-date against the annual business plan reviewed by Treasury Board/Management Board of Cabinet.

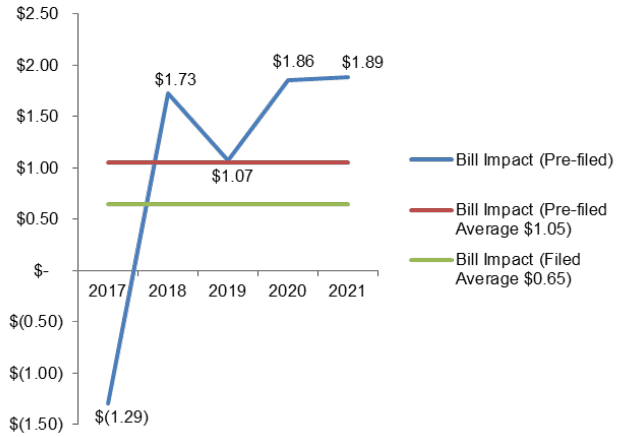
## APPENDIX D: SUMMARY OF KEY HIGHLIGHTS FROM OPG BUSINESS PLAN

The Ministry indicates OPG financial and ratepayer forecasts show some changes from last year's business plan projections, as reviewed by Treasury Board in September 2016.

This is in part because 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations.

Also, actions taken by the Province and OPG in early 2017 to enable OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only. OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year.

**Comparison of Annual Bill Impact ($/Month per year)**




*Production and Total Cost of Generation*

OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016. This reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016 and overlaps between unit refurbishments, as well as, the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage.

Total generating cost shows an increasing trend over the planning period relative to 2016, reflecting Lower nuclear production due to Darlington refurbishment outages, increased sustaining capital spending on two large hydroelectric projects (The Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation).

*Operations, Maintenance and Administration (OM&A) Expenses*

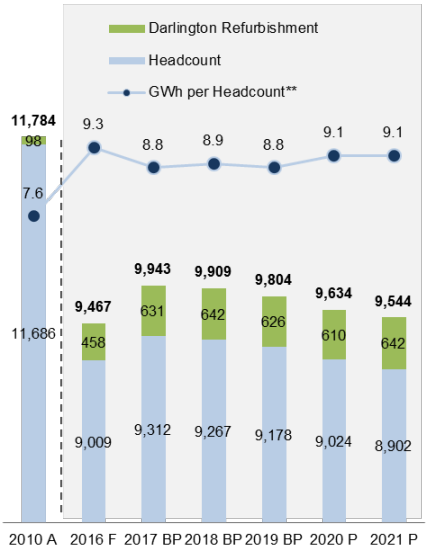
Annual OM&A expenses (excluding Darlington refurbishment OM&A) from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year. Increases related to changes in nuclear outage scope at Darlington and planned hiring to fill staffing gaps, and enabling Pickering continued operations, offset by declining pension related costs, due to projected pension asset returns, increases employee contributions, and new method for dermining interest components of pension costs.

*Business Transformation and Labour Costs*

As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016:

- Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.
- OPG continues recruitment in 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
  - To date in 2017, OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



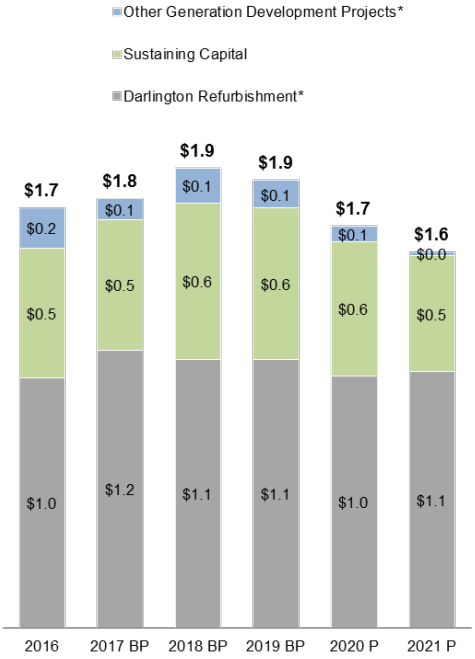

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

*Projects and Capital Expenditures*

OPG continues delivery of major projects over the plan period, including:

- Darlington Refurbishment – Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, requiring concurrence from the Province prior to commencement
- Sustaining Capital – Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- Other Generation Development Projects – Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

*Sales*

The following table summarizes sales recently completed and currently underway (as of April 2017). The fiscal plan implications of the completed OPG Head Office sale is reflected in the 2017 Budget. (TBC).

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## APPENDIX E: PROVINCIAL FISCAL PLAN IMPLICATIONS OF BUSINESS PLANS PROCEEDING – (UNDER DEVELOPMENT)

Ontario Power Generation is a Government Business Enterprises (GBE), and consolidated to the Province's financials on a modified equity basis. The Province's Fiscal Plan reflects the entity as Income from Business Enterprises and Electricity Payments-in-Lieu of Taxes (PILs) (As Revenue only).

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 471 | 586 | 673 | 705 |
| Income Tax | 224 | 159 | 182 | 108 |
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 111 | 184 | 154 | 189 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income (before IFRS Risk) | 379 | 480 | 678 | 726 |
| ONFA-related IFRS Risk | (75) | (400) | | |
| GA – OPG Trust Interest Revenue | 17 | 54 | 99 | 153 |
| Net Income | ~~387~~304 | ~~497~~-97 | 732 | 825 |
| Income Tax | ~~?~~92 | ~~?~~92 | ~~?~~135 | ~~?~~170 |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (84) | (89) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | ? | ? | ? | ? |
| **TOTAL OF OPG CHANGES** | ? | ? | ? | ? |

OPG's fiscal results are also impacted by Other PILs to the Ontario Electricity Financial Corporation (OEFC) and the Province. The following table reflects these others impacts in addition to the latest net income and income tax PILs from OPG's August update.

Table below to be updated – OFA

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Combined Other PILs & Other GRC | 342 | 351 | 359 | |
| Other PILs (GRC to OEFC, Proxy Property Tax) | 213 | 223 | 232 | |
| Other GRC (to MOF & Niagara Parks Commission)[1] | 129 | 128 | 137 | |
| **2016-18 OPG Business Plan** | | | | |
| Combined Other PILs & Other GRC[2] | 353 | 358 | 366 | |
| Other PILs (GRC to OEFC, Proxy Property Tax)[3] | 215 | 220 | 220 | |
| Other PILs (GRC to MOF & Niagara Parks Commission)[3] | 135 | 140 | 140 | |
| **OPG Monthly Update (August 2016)** | | | | |
| Net Income | 361 | - | - | |
| Income Tax PILs to OEFC | 98 | - | - | |

1. The GRC to MOF & Niagara Parks Commission (NPC) is provided to enable comparison to the 2016-18 Business Plan.
2. Include GRC to OEFC, GRC to MOF and NPC and Proxy Property Tax, provided to TBS by Energy on September 14, 2016.
3. Preliminary 2016-19 Business Plan forecast provided by Energy, January 29, 2016. (Do not add to the Combined Other PILs & Other GRC row, likely due to rounding.)

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Cc:** | Shajee Kathirgamanathan; Esther Jeon |
| **Subject:** | Cover email for outlook |
| **Date:** | Thursday, December 07, 2017 9:54:00 AM |
| **Attachments:** | Electricity Sector Outlook (2017 12 07).xlsm |

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Hi John, below is proposed cover email for when we send out the updated electricity outlook attached. We are still confirming with SIFB that we are coordinated on the "unpacking" and will also try and get other updates as we can e.g., NUGs, IOD, IFRS. But let us know of any general comments you may have.

S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\12. December

Hi

Attached is our Electricity update as of December xx, 2017. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The revenue impact related to the asset optimization strategy are now re-categorized from sales and rental to respective electricity lines as dispositions have been completed. This includes impacts of OPG's head office sale in 2017-18 and ongoing net income impact of Hydro One share sales. These re-categorizations should be largely fiscally-neutral
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

**Key risks** that could affect the electricity outlook include

- The final outcome of Hydro One's motion to review OEB decision with respect to sharing of tax savings (negative risk)
- OEB decision on OPG's rate application for the 2017 to 2021 period (one-time negative impact in 2017-18)
- ONFA adjustment (currently a positive risk in 2017-18)

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OEB decision and order with respect to OPG's rate application for the 2017 to 2021 period (expected soon)
- OEB decision on Hydro One's distribution rate application (expected 1$^{st}$ half of 2018)
- Year-end results for OPG and Hydro One

- Monthly results for OPG
- ONFA adjustment result as of December 31, 2017
- Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18

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# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 306 | - | - | - |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (306) | - | - | - |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 430 | 245 | 108 | 291 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | - | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 326 | 387 | 418 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 476 | 479 | 531 | 668 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,225** | **1,417** | **1,357** | **1,679** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **988** | **194** | **186** | **598** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 181 | 0 | 0 | 0 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (181) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | 0 | 0 | 0 |
| | | | **Total MOF Expense** | **0** | **0** | **0** | **(0)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 333 | (487) | (517) | (774) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (234) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 71 | 3 | (7) | (10) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **214** | **(719)** | **(740)** | **(1,018)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **199** | **(745)** | **(771)** | **(1,078)** |
| | | | ***check*** | ***(0)*** | ***-*** | ***-*** | ***-*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a h
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Tranmsission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

| | |
|---|---|
| November 1 and November 7 Hydro One model updates | Expense |
| November 1 and November 7 Hydro One model updates | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Updating OPG Revenue Risks from rate application | Revenue |
| | Revenue |
| | Revenue |
| | Revenue |
| | Revenue |

This line show net impact of latest change. READ COMMENT

| | |
|---|---|
| | Expense |
| | Expense |
| | Expense |
| | Expense |
| | Expense |

Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 988 | 194 | 186 |
| | | -15 | 199 | -745 | -771 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| ardcoded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | ***0*** | ***0*** | ***(0)*** | ***(0)*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 71.2 | 3.3 | (6.8) |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **198.9** | **(745.0)** | **(771.1)** |
| ***check*** | ***0.0*** | ***0.0*** | ***0.0*** | ***0.0*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (0.1) | 0.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | |
|---|---|---|---|---|
| OPG Income | 0.0 | 0.0 | 0.0 | 0.0 |
| ONFA and other Fair Value Adjustments | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (0.0) | 0.0 | 0.0 | 0.0 |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 0.0 | 0.0 | 0.0 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **(0.0)** | **0.0** | **0.0** |

| 2020-21 |
|---|
| 1,676 |
| 598 |
| -1,078 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | |
| | |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |

| |
|---|
| ***0*** |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| (10.5) |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,078)** |
| |
| ***(0.0)*** |

***t***

| |
|---|
| 0.2 |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |

| |
|---|
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| (0.3) |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(0.0)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

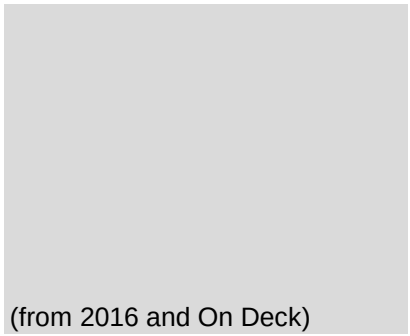
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 430 | 245 | 108 | 291 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 326 | 387 | 418 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **760** | **572** | **496** | **710** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (306) | | | |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (760) | (454) | (454) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(760)** | **(454)** | **(454)** | **(454)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 476 | 479 | 531 | 668 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 306 | - | - | - |
| Other (Finance) | (7) | (7) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,549** | **737** | **886** | **(15)** | **56** | **261** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **988** | **194** | **186** | **598** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | - | *0* | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Change Since Budget

**$ Millions**

| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 333 | (487) | (517) | (774) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase mainly due to re-categorization of of OPG head office facilities from Sales and Rentals to OPG net income. Also deferral of Pickering Unit 6 planned outage to Jan 18, deferral of sale of land at Hearn site from Q1 2017 to later in 2017, partially offsdet by lower gropss margin.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS afdjustment impacts in those years. |
| ONFA and other Fair Value Adjustments | 35 | - | - | - | - | Largely revision to ONFA fair value as of March 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (234) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) recategorization of Hydro One disposition impacts from sales and Rentals to Hydro One net income, ii) impact of OEB decision on Hydro One rates, iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19) and iv) update to Hydro One model update based on Hydro One Q2 results. |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **142.8** | **(722)** | **(733)** | **(1,008)** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (181) | - | - | - | Changes in the Proviision (ESDI) expense reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| **Total Electricity Expenses of the Province** | **31** | **(143)** | **38** | **38** | **38** | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 71 | 3 | (7) | (10) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | Higher than projected at Interim. |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2016-17 higher than projected at Interim.<br>2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 181 | - | - | - | Changes in the Proviision (ESDI) expense (negative expense or revenue to OEFC) reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Other (Finance) | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **(63)** | **199** | **(61)** | **(76)** | **(108)** | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **199** | **(745)** | **(771)** | **(1,078)** | |

**Information: Breakdown of change between revenue and expense**

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Revenue Impact | 87 | 214 | (719) | (740) | (1,018) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 26 | 31 | 60 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | (600) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | (540) | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | (187) | (162) | (179) | (210) |
| Nuclear Liabilities Cash vs. Accrual[9] | (450) | (450) | (450) | (450) |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks | | | | |
| **Other Risks** | | | | |
| Avista Acquisition - Termination fee | (51) | | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimi**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities. OEB September 2017 Report, recommends continuance of variance account which would mitigate this risk. However, the final decision (expected in Fall 2017) will be with the OEB Board.

7. Risk refelects OPG impact if the OEB rate rulings are applied as of the final decision date rather than retroactive to January 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive.

8. Reflects OEB staff report (May 2017) reccomendations with respect to OPG's rate application. (Inlcudes OPG rate application updates).

9. Risk refelects impact of OEB decision that OPG switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB staff report (May 2017) appears to mitigate this risk as it makes no decision and recommends revisiting this issue in 5 years at next OEB application.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. The estimated annual ongoing impact of this is factored into the current outlook. This risk reflects the impact if a decision is made by Hydro One that the impact of the ruling has to be accounted for as an immediate one-time write-down.
Note: Corresponding Positive Revenue Risks would also need to be incorporated for 2018-19 to 2020-21 if this risk is to be recognized. The risk reflect ther roughly 50% proncial ownership pending recategorization from teh AO Sales and Rentals outlook.

11. OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. This Electricity Outlook pick up teh additional IFRS risk.
Table below outlines OPG IFRS Risks versus what is built into the Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase (as of September 2017 Q3)[5] | 171 | | | |

**zation strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 [and the secondary offering in April 2016], are in the asset optimisation line (Sales and Rentals) and not in the current Outlook file.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 394 | 378 | 411 | 539 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 12 | 13 | 13 | 13 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 476 | 479 | 531 | 668 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 306 | 0 | 0 | 0 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,967 | 1,501 | 1,504 | 1,585 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 7 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,191 | 1,531 | 1,516 | 1,448 | 1,323 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,436** | **(15)** | **56** | **261** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,766** | **1,781** | **1,725** | **1,463** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 79 | 12 | 4 | 2 | 2016-17 variance is largely due to method of reporting OPG PILs by OEFC and OPG. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | (8) | (9) | (10) | (12) | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 71 | 3 | (7) | (10) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (219) | - | - | - | Changes to ESDI (offset ny MoF Provision expense) largely reflect combined revisions to OPG and Hydro One net income and revisions to public debt intetest. |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 380 | 6 | (0) | (30) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **349** | **(61)** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,766** | **1,781** | **1,725** | **1,463** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 430 | 245 | 108 | 291 |
| Hydro One Income[1] | 232 | 501 | 329 | 326 | 387 | 418 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **760** | **572** | **496** | **710** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **306** | **118** | **41** | **255** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **306** | **118** | **41** | **255** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **306** | **118** | **41** | **255** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **306** | | | |

**Notes:**

1. The Hydro One financials above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - October 2017

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 818 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283 | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[3] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **430** | **245** | **108** | **291** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **430** | **245** | **108** | **291** |

### OPG PIL - August 2017

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 684 | 380 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 430 | 245 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **394** | **378** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 | |
| | **2.5%** | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - October 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** |

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in Apr
the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the P

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| **154** | **154** | **154** |
| 300 | 300 | 300 |
| **454** | **454** | **454** |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

il 2016. Net estimated fiscal impacts related to rovinces Revenue outlook.

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

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RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Cc:** | Shajee Kathirgamanathan; Atif Ali; Gavin He |
| **Subject:** | DRAFT ESDI note |
| **Date:** | Thursday, May 17, 2018 4:55:40 PM |
| **Attachments:** | MB20_Business_Case - 2018 ESDI Submission2018__17_05_v5.doc |

Hi John,

see attached draft note.

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# ELECTRICTY SECTOR DEDICTED NET INCOME TREASURY BOARD ORDER [DRAFT]

**1. PROGRAM/BRANCH:** Corporate and Electricity Finance Division / Electricity Finance Branch

## 2. SUMMARY OF REQUEST:

The Ministry of Finance requests Treasury Board to approve a Treasury Board Order under section 1.0.8 of the Financial Administration Act for $432,261,237 for Ontario Electricity Financial Corporation (OEFC) Dedicated Electricity Earnings Other Transactions (Vote-Item 1203-12) for the fiscal year 2017-18 offset from the Contingency Fund (Vote-Item 3404-02).

The current estimate for Electricity Sector Dedicated Income (ESDI) for 2017-18 stands at $957,079,537. The 2017-18 Printed Estimated amount approved was $524,818,300. As a result, a Treasury Board Order (TBO) approval is requested in the amount of $432,261,237 to make up the funding shortfall.

This request is fiscally neutral as the expense related to Vote Item 1203-12 is fully offset by OEFC Electricity Sector Dedicated Income on consolidation.

This supports the Province's policy commitment to dedicate the cumulative combined net income of OPG and Hydro One in excess of the Province's interest cost of its investment in these companies to OEFC in order to help pay down the legacy debt and other liabilities of the former Ontario Hydro.

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

The following two tables provide a summary of the funding request for the Ministry, by standard account and by program area. Detailed financial information is provided in the Appendices.

**$Million (except FTEs)**

| Ministry Summary | | | | | |
|---|---|---|---|---|---|
| PSAB * | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Salaries/Wages | | | | | |
| Employee Benefits | | | | | |
| Transportation & communication | | | | | |
| Services | | | | | |
| Supplies & Equipment | | | | | |
| Other Transactions | | | 432.3 | | |
| **Total** | **X** | **X** | **432.3** | | |
| Offset (enter as negative number) | X | X | | | |
| **Total net of Offset** | **0** | **0** | | | |
| Classified FTEs at March 31 | | | | | |
| Unclassified FTEs at March 31 | | | | | |
| * If cash implications differ from PSAB, please provide cash numbers in a separate table. | | | | | |

$Million

| Financial Implications by Program Area | | | | | |
|---|---|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Division/Branch | X | X | | | |
| Total | | | 432.3 | | |

## 4. BACKGROUND:

The estimated final year-end 2017-18 ESDI of $957.1 million, is based on Ontario Power Generation's (OPG) net income, including the performance of OPG's segregated nuclear funds as at March 31, 2018 and the Province's share of Hydro One net income as at March 31, 2018, as reported in their respective financial statements. The ESDI amount reflects the following adjustments:

- a net adjustment of -$300 million, comprised of adjustments to OPG net income to report based on International Financial Reporting Standards. The corporations' stand-alone financials are reported based on U.S. Generally Accepted Accounting Principles, and

- 2017-18 ESDI will also include a prior-year adjustment of $15 million related to Hydro One Brampton 2016-17 net income. This amount was used in reporting Electricity Sector Dedicated Income in the Ontario Electricity Financial Corporation's 2016-17 ESDI amounts but was not included in the 2016-17 Public Accounts as Hydro One Brampton financials had not been finalized. This prior-year adjustment aligns the Province's Public Accounts with OEFC financial reporting.

The 2017-18 Printed Estimates ESDI provision from Budget 2017 was $524.8 million. The increased ESDI compared to the 2017-18 printed estimates is due to higher than expected OPG income.

| | $ Millions | | |
|---|---|---|---|
| | **Printed Estimates ESDI 2017-18** | **Actual ESDI 2017-18** | **Change** |
| OPG Net Income (US GAAP) | 497 | 1,331 | 834 |
| OPG - IFRS Adjustment[1] | - | (300) | (300) |
| Hydro One Net Income (US GAAP) | 520 | 368 | (152) |
| **Total** | **1,017** | **1,399** | **382** |
| OPG – Public Debt Interest | (300) | (300) | - |
| OPG FHT Equity Injection Interest Cost[2] | - | (3) | (3) |
| Hydro One – Public Debt Interest | (192) | (154) | 38 |
| Prior-year adjustment | | 15 | 15 |
| **ESDI (Actual per OEFC Financial Statement)** | **525** | **957** | **432** |

Note: Numbers may not add up due to rounding.

1 This reflects the estimated impact of a provincial accounting consolidation adjustment from U.S. Generally Accepted Accounting Principles (US GAAP, the companies' reporting basis) to International Financial Reporting Standards (IFRS) in reflecting the financial results of the electricity GBEs in the Province's financial statements.

2 See Appendix 1 for explanatory note

OEFC is an Agency of the Province and is consolidated into the financial statements of the Province of Ontario on a line-by-line basis.

OEFC is the legal successor to the former Ontario Hydro and is responsible for managing and paying down the former Ontario Hydro's debt and certain other liabilities, including the portion that is "stranded debt".

The transfer of electricity sector dedicated earnings to OEFC is in accordance with policy adopted by the Government in 1999-2000.

The Province has committed to dedicate the cumulative combined net income of OPG and Hydro One, in excess of the Province's interest cost of its investment in its electricity subsidiaries, to OEFC.

Since Estimates moved from a cash basis to an accrual basis, Treasury Board has supported this policy, approving in the Ministry of Finance's appropriations of

the transfer of electricity sector earnings in excess of the interest carrying cost of the investment in the sector to OEFC for the benefit of electricity consumers.

The Province's net income from OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries would be reflected as revenue in the operation of OEFC by way of receiving this ESDI provision from the Ministry of Finance.

## 5. ADMINISTRATIVE IMPACTS:

N/A

## 6. RISKS:

*Past and Future ESDI transfers to OEFC*
This transaction is consistent with government policy to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

If approval not be provided for this transfer it calls into question prior policy commitments to the OEFC as well as future commitments, as part of the responsible management and pay down of electricity sector debt and other liabilities.

## 7. OPERATIONAL REQUIREMENTS:

N/A

**Salaries/Wages, Benefits and Staff Strength:**

N/A

Impact on Ministry's Staff Strength:

N/A

**Other Direct Operating Expenditures (ODOE):**

N/A

**(1) HR-Related Expenses**

N/A

**(2) Legal Expenses**

N/A

**(3) Information Technology**

N/A

**(1) Accommodation**

N/A

**(2) General ODOE:**

N/A

## 8. COMMUNICATION PLAN

**N/A**

## 9. INTERNAL EFFICIENCIES:

N/A

## 10. BUSINESS CASE:

Not considered a Business Case.

Continued implementation of a policy commitment implemented by the Government

in 1999-2000.

## 11. REVENUE IMPACT:

This request is fiscally neutral to the Province's fiscal plan. The Ministry of Finance expense is fully offset against the receipt of revenue by OEFC on consolidation in the Public Accounts of Ontario.

## 12. WORKLOAD INDICATORS:

N/A

## 13. PERFORMANCE MEASURES:

N/A

## 14. IMPLEMENTATION PLAN:

N/A

## 15. INFORMATION TECHNOLOGY (to be completed by, or in conjunction with, IT Cluster staff)

### BACKGROUND

N/A

### $ BUSINESS IMPACTS

N/A

### $ PROPOSED SOLUTION

N/A

## $ I&IT RESOURCES

N/A

## $ IT INFRASTRUCTURE

N/A

## $ ENTERPRISE ARCHITECTURE

N/A

## $ SECURITY/PRIVACY

N/A

## $ ONGOING COST ESTIMATES

This is a once annual allocation, made with Treasury Board approval. No ongoing costs expected.

Note the actual amount of Electricity Sector Dedicated Income is subject to volatility

## $ I&IT SCHEDULE

N/A

## $ I&IT BUSINESS CASE

N/A

- **I&IT COSTING TEMPLATE**

N/A

# APPENDIX 1

## INTEREST COST PROPOSAL – OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan should be included in the determination of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC). This note outlines why and how this would be calculated and reported.

**CONTEXT**

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words:

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One |

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- While the increase in net income due to the Fair Hydro Plan will be recorded in OPG's financial statements, additional consideration is required as to how the Province will account for the cost of its increased investment in OPG.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment will need to be included in the cost of investment in OPG (iv from above).

**BACKGROUND**

- As a result of the electricity sector restructuring on April 1, 1999, the Province exchanged equity of $5,126 million and $3,759 million in OPG and Hydro One respectively for notes payable (debt) to OEFC. This debt had an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an interest cost of approximately $520 million.
  - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

  - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

**PROVINCIAL BORROWING COSTS**

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000.00 |
| **2018-03-22** | 202,400,000.00 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of capital of 2.23% was used1.
  - Though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.

- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

1 Sourced from Accounting.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 17, 2018**

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Psinas |
| **Cc:** | Shajee Kathirgamanathan; John Kim; Atif Ali |
| **Subject:** | DRAFT ESDI note |
| **Date:** | Friday, May 18, 2018 11:59:15 AM |
| **Attachments:** | MB20_Business_Case - 2018 ESDI Submission2018__17_05_v5.doc |

Hi John

Attached is our DRAFT preliminary ESDI estimate (not yet approved by Ron). It is preliminary as we are still waiting for the final OPG IFRS adjustments from OPCD. So the figure could still change. I have asked OPCD if we could get this early next week. No reply on that yet.

Will provide finals as soon as we are able.

Thanks, Have a good long weekend.
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# ELECTRICTY SECTOR DEDICTED NET INCOME TREASURY BOARD ORDER [DRAFT]

**1. PROGRAM/BRANCH:** Corporate and Electricity Finance Division / Electricity Finance Branch

## 2. SUMMARY OF REQUEST:

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| Ministry Summary | | | | | |
|---|---|---|---|---|---|
| PSAB * | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Salaries/Wages | | | | | |
| Employee Benefits | | | | | |
| Transportation & communication | | | | | |
| Services | | | | | |
| Supplies & Equipment | | | | | |
| Other Transactions | | | 432.3 | | |
| **Total** | **X** | **X** | **432.3** | | |
| Offset (enter as negative number) | X | X | | | |
| **Total net of Offset** | **0** | **0** | | | |
| Classified FTEs at March 31 | | | | | |
| Unclassified FTEs at March 31 | | | | | |
| * If cash implications differ from PSAB, please provide cash numbers in a separate table. | | | | | |

$Million

| Financial Implications by Program Area | | | | | |
|---|---|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Division/Branch | X | X | | | |
| Total | | | 432.3 | | |

## 4. BACKGROUND:

The estimated final year-end 2017-18 ESDI of $957.1 million, is based on Ontario Power Generation's (OPG) net income, including the performance of OPG's segregated nuclear funds as at March 31, 2018 and the Province's share of Hydro One net income as at March 31, 2018, as reported in their respective financial statements. The ESDI amount reflects the following adjustments:

- a net adjustment of -$300 million, comprised of adjustments to OPG net income to report based on International Financial Reporting Standards. The corporations' stand-alone financials are reported based on U.S. Generally Accepted Accounting Principles, and

- 2017-18 ESDI will also include a prior-year adjustment of $15 million related to Hydro One Brampton 2016-17 net income. This amount was used in reporting Electricity Sector Dedicated Income in the Ontario Electricity Financial Corporation's 2016-17 ESDI amounts but was not included in the 2016-17 Public Accounts as Hydro One Brampton financials had not been finalized. This prior-year adjustment aligns the Province's Public Accounts with OEFC financial reporting.

The 2017-18 Printed Estimates ESDI provision from Budget 2017 was $524.8 million. The increased ESDI compared to the 2017-18 printed estimates is due to higher than expected OPG income.

| | $ Millions | | |
|---|---|---|---|
| | **Printed Estimates ESDI 2017-18** | **Actual ESDI 2017-18** | **Change** |
| OPG Net Income (US GAAP) | 497 | 1,331 | 834 |
| OPG - IFRS Adjustment[1] | - | (300) | (300) |
| Hydro One Net Income (US GAAP) | 520 | 368 | (152) |
| **Total** | **1,017** | **1,399** | **382** |
| OPG – Public Debt Interest | (300) | (300) | - |
| OPG FHT Equity Injection Interest Cost[2] | - | (3) | (3) |
| Hydro One – Public Debt Interest | (192) | (154) | 38 |
| Prior-year adjustment | | 15 | 15 |
| **ESDI (Actual per OEFC Financial Statement)** | **525** | **957** | **432** |

Note: Numbers may not add up due to rounding.

1 This reflects the estimated impact of a provincial accounting consolidation adjustment from U.S. Generally Accepted Accounting Principles (US GAAP, the companies' reporting basis) to International Financial Reporting Standards (IFRS) in reflecting the financial results of the electricity GBEs in the Province's financial statements.

2 See Appendix 1 for explanatory note

OEFC is an Agency of the Province and is consolidated into the financial statements of the Province of Ontario on a line-by-line basis.

OEFC is the legal successor to the former Ontario Hydro and is responsible for managing and paying down the former Ontario Hydro's debt and certain other liabilities, including the portion that is "stranded debt".

The transfer of electricity sector dedicated earnings to OEFC is in accordance with policy adopted by the Government in 1999-2000.

The Province has committed to dedicate the cumulative combined net income of OPG and Hydro One, in excess of the Province's interest cost of its investment in its electricity subsidiaries, to OEFC.

Since Estimates moved from a cash basis to an accrual basis, Treasury Board has supported this policy, approving in the Ministry of Finance's appropriations of

the transfer of electricity sector earnings in excess of the interest carrying cost of the investment in the sector to OEFC for the benefit of electricity consumers.

The Province's net income from OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries would be reflected as revenue in the operation of OEFC by way of receiving this ESDI provision from the Ministry of Finance.

## 5. ADMINISTRATIVE IMPACTS:

N/A

## 6. RISKS:

*Past and Future ESDI transfers to OEFC*
This transaction is consistent with government policy to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

If approval not be provided for this transfer it calls into question prior policy commitments to the OEFC as well as future commitments, as part of the responsible management and pay down of electricity sector debt and other liabilities.

## 7. OPERATIONAL REQUIREMENTS:

N/A

**Salaries/Wages, Benefits and Staff Strength:**

N/A

Impact on Ministry's Staff Strength:

N/A

**Other Direct Operating Expenditures (ODOE):**

N/A

**(1) HR-Related Expenses**

N/A

**(2) Legal Expenses**

N/A

**(3) Information Technology**

N/A

**(1) Accommodation**

N/A

**(2) General ODOE:**

N/A

## 8. COMMUNICATION PLAN

**N/A**

## 9. INTERNAL EFFICIENCIES:

N/A

## 10. BUSINESS CASE:

Not considered a Business Case.

Continued implementation of a policy commitment implemented by the Government

in 1999-2000.

## 11. REVENUE IMPACT:

This request is fiscally neutral to the Province's fiscal plan. The Ministry of Finance expense is fully offset against the receipt of revenue by OEFC on consolidation in the Public Accounts of Ontario.

## 12. WORKLOAD INDICATORS:

N/A

## 13. PERFORMANCE MEASURES:

N/A

## 14. IMPLEMENTATION PLAN:

N/A

## 15. INFORMATION TECHNOLOGY (to be completed by, or in conjunction with, IT Cluster staff)

### BACKGROUND

N/A

### $ BUSINESS IMPACTS

N/A

### $ PROPOSED SOLUTION

N/A

## $ I&IT RESOURCES

N/A

## $ IT INFRASTRUCTURE

N/A

## $ ENTERPRISE ARCHITECTURE

N/A

## $ SECURITY/PRIVACY

N/A

## $ ONGOING COST ESTIMATES

This is a once annual allocation, made with Treasury Board approval. No ongoing costs expected.

Note the actual amount of Electricity Sector Dedicated Income is subject to volatility

## $ I&IT SCHEDULE

N/A

## $ I&IT BUSINESS CASE

N/A

- **I&IT COSTING TEMPLATE**

N/A

# APPENDIX 1

## INTEREST COST PROPOSAL – OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan should be included in the determination of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC). This note outlines why and how this would be calculated and reported.

**CONTEXT**

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words:

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One |

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- While the increase in net income due to the Fair Hydro Plan will be recorded in OPG's financial statements, additional consideration is required as to how the Province will account for the cost of its increased investment in OPG.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment will need to be included in the cost of investment in OPG (iv from above).

**BACKGROUND**

- As a result of the electricity sector restructuring on April 1, 1999, the Province exchanged equity of $5,126 million and $3,759 million in OPG and Hydro One respectively for notes payable (debt) to OEFC. This debt had an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an interest cost of approximately $520 million.
  - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

  - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

**PROVINCIAL BORROWING COSTS**

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000.00 |
| **2018-03-22** | 202,400,000.00 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of capital of 2.23% was used1.
  - Though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.

- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

1 Sourced from Accounting.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 17, 2018**

**From:** Bruno Amara
**To:** John Kim
**Cc:** Shajee Kathirgamanathan; Esther Jeon
**Subject:** Electricity Outlook Update
**Date:** Thursday, January 04, 2018 10:52:14 AM
**Attachments:** Electricity Sector Outlook (2018 01 03v4)_reverse unpacking.xlsm

---

Hi John

Attached is the Electricity Update (No AO unpacking). The main changes from the previous distribution are i) IFRS risk moved to outlook ii) OEB OPG rate decision built in iii) ONFA risk moved to outlook iv) OPG in-year updates.

See below proposed cover email.

Bruno

S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization will be largely fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key

information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)

Bruno Amara
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Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

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# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | - | 80 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | - | (80) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(308)** | **(332)** | **(308)** | **(280)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (172) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 270 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,705** | **1,428** | **1,391** | **1,702** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **468** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 0 | 80 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | 0 | (80) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **0** | **(1)** | **(1)** | **(1)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (269) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (135) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(306)** | **(708)** | **(706)** | **(994)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(321)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
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| Expense |
| Expense |
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| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 468 | 204 | 219 |
| | | -15 | -321 | -735 | -738 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| | | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***527.7*** | ***(2.4)*** | ***(23.7)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 305.7 | 0.0 | (80.3) |
| Provision for Electricity Sector (MOF) | (8.4) | (305.7) | 0.0 | 80.3 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 601.8 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (116.9) | (147.6) | (176.8) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 214.3 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **527.7** | **(2.4)** | **(23.7)** |

| 2020-21 | |
|---|---|
| 1,676 | |
| 620 | |
| -1,056 | |
| *0* | |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |

***0***

| |
|---|
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***(11.1)*** |

***t***

| |
|---|
| |
| 0.2 |
| 0.0 |
| (311.7) |
| 311.7 |
| 0.0 |
| 135.3 |
| 0.0 |
| (191.5) |
| 0.0 |
| 44.9 |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(11.1)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

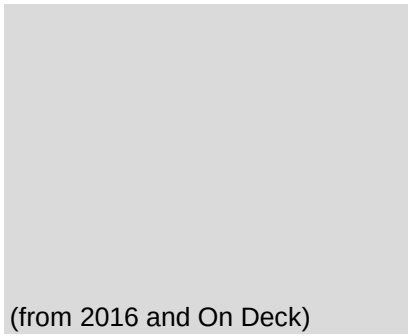
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (172) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **446** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | - | (80) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (454) | (534) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(454)** | **(534)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 270 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | - | 80 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **374** | **(51)** | **98** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **468** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *0* | *0* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the planned First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (269) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(170.7)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | - | (80) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **38** | **(42)** | **(274)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (135) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. 2017-18 increase is due mainly to recategorization of the PILs impact of the OPG head office sale from Sales and Rentals. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | - | 80 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(313)** | **(97)** | **(34)** | **160** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(321)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (306) | (708) | (706) | (994) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 27 | 32 | 61 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. **Previous risk removed** with timing impact now reflected in OPG outlook. OEB September 2017 Report, established accrual method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, decision and order instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed.** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previos risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 180 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 270 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 0 | 80 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,455 | 1,473 | 1,556 | 1,863 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,531 | 1,525 | 1,459 | 1,334 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **924** | **(51)** | **98** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,278** | **2,330** | **2,232** | **1,703** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (135) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (135) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | - | 80 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (132) | (21) | 52 | 249 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | 31 | 76 | 87 | 89 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(163)** | **(97)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,278** | **2,330** | **2,232** | **1,703** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (172) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **275** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(179)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(179)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (179) | (23) | 0 |
| Deduction / (Addition) | 0 | 0 | (179) | 156 | 23 | 0 |
| Ending Balance | 0 | 0 | (179) | (23) | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **0** | **80** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **0** | **80** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (358) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(172)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **(0)** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (172) | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (119) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **180** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | |
| Over allotment option (2015)[3] | 8,150,000 | |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www.l S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.46%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.
2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO
3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option
4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.46% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.46% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board

RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Electricity Outlook Update File |
| **Date:** | Friday, October 13, 2017 5:39:15 PM |
| **Attachments:** | Electricity Sector Outlook (2017 10 13)_v03.xlsm |

Hi John,

Attached is the Current Electricity Outlook File. Let me know if you want to walk through again.

The updated outlook reflects the following.

- OPG net income increase due to higher generation and lower expenses from labour savings and delay of Pickering planned outage.,
- Lower Hydro One net income largely reflects the impact of OEB transmission rate decisions on September 29, 2017. [Note Hydro One results are now directly through the model. The OEB decision impacts are very similar to those calculated outside the model.]
- Electricity PIL's update largely reflects impacts of OPG and Hydro One earnings updates.

Note that the outlook update does not reflect the update to OPG's gain on sale of head office. This would add a further $82M to OPG EBT. We held off updating to avoid any confusion with current fiscal plan where gain on sale is still in Sales and Rentals. This update is flagged as a positive revenue risk in the Risk worksheet.

Some of the structural/format changes in the Electricity Outlook include

- A new Cover sheet to summarize, for TBS/OB/OEP, all expenses and revenues for electricity sector.
    - EFB met with OB, TBS and OEP earlier in the year to respond to a request that the required fiscal plan entries be made clear. (Mainly necessary due to turnover on TBS side and analysts unfamiliar with OEFC consolidation and MoF entries.
    - The Cover Sheet is just a summary of "Electricity Summary – Budget, Electricity Summary – On Deck, and Electricity Summary – Change" that have always been part of the Outlook.
- New Tracking worksheet (for EFB only) to track impact by expense/revenue line of each individual update to the outlook.
    - This is useful for variance analysis as you can trace all the updates made to a revenue/expense line during the year and reasons for the update.
    - Useful for quality control e.g. , a check that impacts of updates are as expected (both expected line, expected sign and expected magnitude) and a check that updates correspond to those shown on Electricity Summary – Change worksheet
- Documentation of data sources has been updated
- Hydro One worksheet is simplified with some calculations/information moved to separate worksheets. E.g. , Public Debt interest calculation on separate worksheet, Provincial share ownership on separate worksheet and current assumptions clarified.
- Formatting of each worksheet is standardized in terms of fiscal years shown, labelling etc.

There are a couple of updates to come Monday on Risk table, mostly around generic risks.

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis

Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Cor

## Electricity Summary - On De

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

For Discussion

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |

| | | |
|---|---|---|
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

| | |
|---|---|
| | 17 |
| | 36 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

FOR EFB USE ONLY

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |

| | | |
|---|---|---|
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

# *

# nsolidation

# eck

| MOF Expense Items (consolidated) | Current Outlook | | |
|---|---|---|---|
| **Item** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (292) | (325) | (301) |
| Demand Management Support Costs | (10) | - | - |
| Provision for Electricity Sector | 129 | - | - |
| Provision for Electricity Sector | (129) | - | - |
| Other (Finance) | (6) | (6) | (6) |
| **Total MOF Expense** | **(308)** | **(331)** | **(307)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 152 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments | - | - | - |
| HOI Income | 431 | 457 | 545 |
| Brampton Income | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 381 | 479 | 531 |
| Electricity Debt Retirement Charge | 623 | - | - |
| Power Supply Contract Recoveries | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 74 | 41 | 30 |
| Miscellaneous | - | - | - |
| **Total MOF Revenue** | **1,953** | **2,034** | **2,032** |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (454) | (454) | (454) |
| Interest on Debt | (475) | (438) | (411) |
| **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** |
| **Impact on Surplus/Deficit** | **716** | **811** | **860** |
| ***check*** | **-** | **-** | **-** |

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| MOF Expense Items (consolidated) | Plan | | |
|---|---|---|---|
| **Item** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (292) | (325) | (301) |
| Demand Management Support Costs | (10) | 0 | 0 |
| Provision for Electricity Sector | 125 | 0 | 0 |
| Provision for Electricity Sector | (125) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) |
| **Total MOF Expense** | **(308)** | **(331)** | **(307)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 |
| HOI Income | 520 | 562 | 603 |
| Brampton Income | | | |

| | | | |
|---|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 |
| Electricity Debt Retirement Charge | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 74 | 41 | 30 |
| Miscellaneous | 0 | 0 | 0 |
| **Total MOF Revenue** | **2,011** | **2,136** | **2,098** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) |
| Interest on Debt | (422) | (374) | (342) |
| **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** |
| | | | |
| **Impact on Surplus/Deficit** | **789** | **939** | **957** |
| | - | - | - |

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**MOF Expense Items (consolidated)**

| Item | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|
| Power Supply Contract Costs | 0 | 0 | 0 |
| Demand Management Support Costs | 0 | 0 | 0 |
| Provision for Electricity Sector | 4 | 0 | 0 |
| Provision for Electricity Sector | (4) | 0 | 0 |
| Other (Finance) | 0 | 0 | 0 |
| **Total MOF Expense** | **0** | **0** | **0** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 55 | 0 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 |
| HOI Income | (89) | (105) | (58) |
| Brampton Income | 0 | 0 | 0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (24) | 3 | (7) |
| Electricity Debt Retirement Charge | 0 | 0 | 0 |
| Power Supply Contract Recoveries | (0) | (0) | (0) |
| Net Reduction of Power Purchase Contracts | (0) | (0) | (0) |
| Miscellaneous | 0 | 0 | 0 |
| **Total MOF Revenue** | **(58)** | **(102)** | **(66)** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | 38 | 38 | 38 |
| Interest on Debt | (53) | (64) | (69) |
| **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** |
| | | | |
| **Impact on Surplus/Deficit** | **(73)** | **(127)** | **(96)** |
| | - | *(0)* | *(0)* |

**MOF Expense Items (consolidated)**

| Item | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|
| Power Supply Contract Costs | 0 | 0 | 0 |
| Demand Management Support Costs | 0 | 0 | 0 |
| Provision for Electricity Sector | 28 | 0 | 0 |
| Provision for Electricity Sector | (28) | 0 | 0 |
| Other (Finance) | 0 | 0 | 0 |
| **Total MOF Expense** | **0** | **0** | **0** |

**MOF Revenue Items (consolidated)**

| | | | |
|---|---|---|---|
| OPG Income | 55 | 0 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 |
| HOI Income | (65) | (76) | (48) |
| Brampton Income | 0 | 0 | 0 |

| | | | |
|---|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (24) | 3 | (7) |
| Electricity Debt Retirement Charge | 0 | 0 | 0 |
| Power Supply Contract Recoveries | (0) | (0) | (0) |
| Net Reduction of Power Purchase Contracts | (0) | (0) | (0) |
| Miscellaneous | 0 | 0 | 0 |
| **Total MOF Revenue** | **(34)** | **(73)** | **(55)** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | 38 | 38 | 38 |
| Interest on Debt | (53) | (64) | (69) |
| **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** |
| | | | |
| **Impact on Surplus/Deficit** | **(49)** | **(99)** | **(86)** |

**MOF Expense Items (consolidated)**

| **Item** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|
| Power Supply Contract Costs | **-** | **-** | **-** |
| Demand Management Support Costs | **-** | **-** | **-** |
| Provision for Electricity Sector | **(24)** | **-** | **-** |
| Provision for Electricity Sector | **24** | **-** | **-** |
| Other (Finance) | **-** | **-** | **-** |
| **Total MOF Expense** | **-** | **-** | **-** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | **-** | **-** | **-** |
| OPG - ONFA and other Fair Value Adjustments | **-** | **-** | **-** |
| HOI Income | **(24)** | **(29)** | **(10)** |
| Brampton Income | **-** | **-** | **-** |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | **-** | **-** | **-** |
| Electricity Debt Retirement Charge | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **-** | **-** | **-** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** |
| Miscellaneous | **-** | **-** | **-** |
| **Total MOF Revenue** | **(24)** | **(29)** | **(10)** |
| | | | |
| **OFA IOD Expense** | **-** | **-** | **-** |
| Public Debt Interest - Electricity Sector | **-** | **-** | **-** |
| Interest on Debt | **-** | **-** | **-** |
| **Total OFA IOD Expense** | **-** | **-** | **-** |
| | | | |
| **Impact on Surplus/Deficit** | **(24)** | **(29)** | **(10)** |

| 2020-21 |
|---|
| (273) |
| - |
| - |
| - |
| (6) |
| **(279)** |

| |
|---|
| 1,066 |
| - |
| 591 |
| - |
| 668 |
| - |
| 273 |
| 28 |
| - |
| **2,626** |

| |
|---|
| (454) |
| (348) |
| **(802)** |

| |
|---|
| **1,544** |
| - |

| 2020-21 |
|---|
| (273) |
| 0 |
| 0 |
| 0 |
| (6) |
| **(279)** |

| |
|---|
| 1,066 |
| 0 |
| 652 |

| |
|---|
| 679 |
| 0 |
| 273 |
| 28 |
| 0 |
| **2,697** |

| |
|---|
| (492) |
| (250) |
| **(742)** |
| |
| **1,676** |
| - |

| **2020-21** |
|---|
| (0) |
| 0 |
| 0 |
| 0 |
| 0 |
| **(0)** |

| |
|---|
| 0 |
| 0 |
| (61) |
| 0 |
| (10) |
| 0 |
| 0 |
| (0) |
| 0 |
| **(71)** |

| |
|---|
| 38 |
| (98) |
| **(60)** |
| |
| **(131)** |
| ***(0)*** |

| 2020-21 |
| --- |
| (0) |
| 0 |
| 0 |
| 0 |
| 0 |
| **(0)** |
| |
| 0 |
| 0 |
| (48) |
| 0 |

| |
|---|
| (10) |
| 0 |
| 0 |
| (0) |
| 0 |
| **(58)** |
| |
| 38 |
| (98) |
| **(60)** |
| |
| **(118)** |

| **2020-21** |
|---|
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| |
| **-** |
| **-** |
| **(13)** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **(13)** |
| |
| **-** |
| **-** |
| **-** |
| **-** |
| |
| **(13)** |

| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |

# Track Changes in Surplus/Deficit

**FOR EFB USE ONLY**

| |
|---|
| **Budget 2017 Outlook** |
| **Current Outlook** |
| **Change Since Budget** |

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

| | |
|---|---|
| Interest Revenue for IESO and "Other" | |
| OPG Revenue Risks from OEB Filings | |
| Net income corrected for Preferred Shares | |
| Net income corrected for Preferred Shares | |
| Net income corrected for Preferred Shares | |
| Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a h | |
| Updated PILs to include OPCD public accounts adjustment | |
| Provision tab fix to pick up Hydro One preferred share net income | |
| Provision tab fix to pick up Hydro One preferred share net income | |
| FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest | |
| FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest | |
| Update to Hydro One PILs from information in Tranmsission rate application material | |
| OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing | |
| OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing | |
| OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Remove update of gain on sale of head office(assume in Sales and Rentals) | |
| Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model | |
| Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model | |
| Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model | |
| Updated OPG Net Income and PILs based on monthly report (August 2017 results) | |
| Updated OPG Net Income and PILs based on monthly report (August 2017 results) | |
| Updated OPG Net Income and PILs based on monthly report (August 2017 results) | |
| Correction to PILs on OPG sheet | |
| Correction to PILs on OPG sheet | |
| Correction to PILs on OPG sheet | |
| Correction to PILs on OPG sheet | |
| Switch to Direct from Model | |
| This line show net impact of latest change. READ COMMENT | |
| | Expense |
| | Expense |
| | Expense |
| | Expense |
| | Expense |
| | Revenue |

| |
|---|
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| | | $ Millions | |
|---|---|---|---|
| | | **2016-17** | **2017-18** |
| | | 930 | 789 |
| | File | 915 | 716 |
| | | -15 | -73 |
| | ***check*** | ***0*** | ***0*** |

| **Outlook line affected** | **Expense / Rever** | **Impacts by FY →** | |
|---|---|---|---|
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 |
| N/A | | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) |
| OPG Income | Expense | 0.0 | 0.0 |
| OPG Income | Revenue | (2.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | |
| HOI Income | Revenue | 0.4 | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | |
| Interest on Debt | Expense | (1.7) | |
| HOI Income | Revenue | (39.8) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | |
| | Revenue | - | - |
| | Revenue | - | - |
| | n/a | - | - |
| | | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 |
| | Revenue | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 |
| HOI Income | Revenue | 0.0 | (141.5) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 |
| OPG Income | Revenue | (3.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | |
| HOI Income | Revenue | 7.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | |
| | Revenue | - | - |
| | Revenue | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | |

| | | | |
|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| | Revenue | - | - |
| | | - | - |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) |
| HOI Income | Revenue | (1.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 |
| | Revenue | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | |
| Miscellaneous | Revenue | 14.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | |
| Interest on Debt | Expense | (3.0) | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 |
| | | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 |
| | Revenue | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 |
| | | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) |
| OPG Income | Revenue | 6.0 | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | |
| HOI Income | Revenue | 0.0 | 141.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) |
| | n/a | 0.0 | 0.0 |
| | | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) |
| | Revenue | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) |

| | | | |
|---|---|---|---|
| | | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 |
| ardcoded formula in the cell | n/a | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) |
| Interest on Debt | Expense | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) |
| HOI Income | Revenue | 0.0 | (47.4) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 |
| OPG Income | Revenue | 0.0 | (61.0) |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 |
| OPG Income | Revenue | 0.0 | (21.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 |
| HOI Income | Revenue | 0.0 | (23.6) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 |
| OPG Income | Revenue | 0.0 | 15.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) |
| OPG Income | Revenue | 0.0 | 21.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) |
| HOI Income | Revenue | 0.0 | (23.8) |
| | | ***0.0*** | ***0.0*** |

## Summary of Track Changes Above

| | | |
|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 27.8 |
| Provision for Electricity Sector (MOF) | 44.4 | (27.8) |
| Other (Finance) | (1.0) | 0.0 |
| OPG Income | (5.0) | 55.0 |

| | | |
|---|---|---|
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 |
| HOI Income | (16.1) | (65.3) |
| Brampton Income | 3.3 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | (23.8) |
| Electricity Debt Retirement Charge | (4.0) | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) |
| Miscellaneous | 14.0 | 0.0 |
| | | |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 |
| Interest on Debt | (4.7) | (53.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **(49.1)** |
| ***check*** | ***0.0*** | ***23.8*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Worl*

| | | |
|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 23.9 |
| Provision for Electricity Sector (MOF) | (8.4) | (23.9) |
| Other (Finance) | 0.0 | 0.0 |
| OPG Income | 0.0 | 0.0 |
| ONFA and other Fair Value Adjustments | 0.0 | 0.0 |
| HOI Income | (0.0) | 23.8 |
| Brampton Income | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 0.0 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 |
| | | |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 |
| Interest on Debt | (23.4) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **23.8** |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 939 | 957 | 1,676 |
| 811 | 860 | 1,544 |
| -127 | -96 | -131 |
| ***0*** | ***0*** | ***0*** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 38.1 | 38.1 | 38.1 |
| (79.1) | (75.1) | (104.1) |
| 0.0 | | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | (0.0) | 0.0 |
| | | |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| (181.4) | (194.9) | (210.6) |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 181.8 | 195.4 | 211.1 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 5.3 | 5.3 | 5.3 |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| (0.0) | 1.0 | 1.3 |
| 15.0 | 5.0 | 5.0 |
| (8.7) | (10.3) | (12.2) |
| (54.0) | (54.0) | (54.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (27.4) | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (28.9) | (10.1) | (13.0) |
| | | |
| ***0.0*** | ***0.0*** | ***0.0*** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 0.0 | 0.0 | 0.0 |
| (75.7) | (48.2) | (48.2) |
| 0.0 | 0.0 | 0.0 |
| 3.3 | (6.8) | (10.5) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| | | |
| 38.1 | 38.1 | 38.1 |
| (64.1) | (69.1) | (97.8) |
| **(98.5)** | **(86.1)** | **(118.4)** |
| | | |
| ***28.9*** | ***10.1*** | ***13.0*** |

***ksheet***

| | | |
|---|---|---|
| (0.1) | (0.4) | 0.2 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 28.9 | 10.1 | 13.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | (0.3) |
| 0.0 | 0.0 | 0.0 |
| 0.1 | 0.4 | (0.2) |
| (0.0) | (0.0) | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.1 | 0.1 | 0.1 |
| (0.1) | (0.1) | 0.1 |
| **28.9** | **10.1** | **13.0** |

**Further Explanation of Change and source of data**

Regular quarterly ONFA Update
Benefit to OEFC under s.50.3: $411M gain, SIFB
Change to OEFC payment for interest costs of Debt for Equity Swap

Revised Provincial Debt Interest related to Hydro One Equity
From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest)
Revised numbers from OEP with 2019-20 Risk
Updated numbers from OPG Q1 2017 FS

Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will update onc

No Change to numbers, just re-inputting data and saving sources
No Change to numbers, just re-inputting data and saving sources
No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impacts
No Change to numbers, just re-inputting data and saving sources
Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF
No Change to numbers, just re-inputting data and saving sources
Only included H1 Net Income - Common Shareholders before. Added preferred shareholder impact as we
Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder
Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG about the BP
Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a weighted avera

Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD.

Based on KPMG analysis, then fiscalization and other adjustments from OPCD.

**[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financial Statemer
Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift this to 2017-1
make decision on shifting when we know 2016-17 status.

No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided another scenario backup/source
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck (from 2016
Adjustment to ESDI to include Hydro One Brampton

Finalizing 2016-17 DRC Based on Draft OEFC AR
Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers to reflect t
2016-17 - Non-ONFA Fair Value Adjustment
Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with OPCD.
Revising Hydro One Amount for consistency with OPCD. Equity Adjustments

Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedicated Earnir
Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals

Updating Miscellaneous to OEFC AR actuals

Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) )

2017-18 - Demand Management Support Costs (no change) - Linking correctly
2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and sources.
No change to numbers. Just re-organized spreadsheet
Revised H1 Brampton Net Income (for GBE Line only)
Revising for OPG's Q3 Finances
Revising OPG's Net Income for latest monthly report

Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other areas to ensure

Updating Risks based on Hydro One Q2 Results Model
Updated two Risk components for the Avista Acquisition.
No significant changes, but used actual amortization liability schedule. Hence the rounding impacts/change
Updating Debt Guarantee for actuals based on OEFC AR
Revising OPG's Net Income for latest monthly report

Linking interest revenue data for 2017-18 to 2020-21
OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings
Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Shares

Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are not hardcodec
Updated PILs to include OPCD public accounts adjustment

increase built into net income was $82m between NI and PILs
Remove $21m from PILs
expense impacts
expense impacts
need to also remove the $21m PILs built into OPG net incme

We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 add up to -$

varinaces include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from 9.09% to 8.

Data Validation:

Options
Revenue (Risks)
OPG
Hydro One
Provision

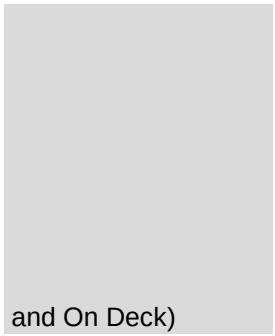
ONFA
Other Data

:e revised numbers are received.

ll.

ıge ownership for 2017-18. Also adjusted future net income attributed to the province.

nts to produce an estimate. May require additional calculations.
18.



and On Deck)

his.

ıgs in Public Accounts.

broadening change and reduction in net income happens concurrently in forecasts.

es.

ɪ directly

82m gain that we wanted to remove.

78% not previously captured.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 |
| Brampton Income | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** |
| | | | | |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | - | - | - |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - |
| Other (Finance) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (3) | (342) | (125) | - |
| Other (Finance) | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **887** | **412** | **183** | **331** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **3** | **342** | **125** | **-** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 291 | 299 | 152 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | 236 | 500 | 431 | 457 |
| Brampton Income | 20 | 18 | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **583** | **1,189** |
| | | | | |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **91** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | - | (290) | (129) | |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) |
| **Subtotal** | (520) | (803) | (583) | (454) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(583)** | **(454)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 381 | 479 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 14 | - | - |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - |
| Provision for Electricity Sector | - | 290 | 129 | - |
| Other (Finance) | (7) | (7) | (6) | (6) |
| **Total OEFC Income** | **3,549** | **737** | **614** | **(15)** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **716** | **811** |
| | | | | |
| *variance to OEFC check* | *(156)* | *(454)* | *-* | *-* |

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-1 outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD sta

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and chan decommissioning and used fuel segregated funds, as of the end of December 2016.

3. The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share, after the initial IPO in 2015 and the secondary o estimated fiscal impacts of subsequent Hydro One offerings are currently reported along with other planned Asset Optimization proceeds under "Sales and Renta outlook. Hydro One outlook based on CEFD projections based on latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on d provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| **Expenses** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
|---|---|---|---|---|
| Power Supply Contract Costs | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | 8 | 8 | 10 | - |
| Provision for Electricity Sector | - | (290) | (129) | - |
| Other (Finance) | 7 | 7 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **890** | **563** | **179** | **331** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **-** | **290** | **129** | **-** |

## Electricity Sector Change Since Budget

**$ Millions**

| ($million) | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of October 2017** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income | - | (5) | 55 | - | - | - | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase mainly due to deferral of Pickering Unit 6 planned outage to jan 18, deferral of sale of land at Hearn site from Q1 2017 to later in 2017, partially offsdet by lower gropss margin. |
| ONFA and other Fair Value Adjustments | - | 35 | - | - | - | - | Largely revision to ONFA fair value as of March 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | |
| HOI Income | 20 | (16) | (89) | (105) | (58) | (61) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects impacts of OEB decision on Hydro One rates, interest expense on Avitsa debentures (in 2017-18 and 2018-19) and update to Hydro One model update based on Hydro One Q2 results. |
| Brampton Income | | 3.3 | | | | | |
| **Total OPG and HOI Income** | **-** | **17** | **(34.1)** | **(105)** | **(58)** | **(61)** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector | 3 | 53 | (4) | - | - | - | Changes in the Provision (ESDI) expense reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Public Debt Interest - Electricity Sector | - | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| **Total Electricity Expenses of the Province** | **3** | **31** | **34** | **38** | **38** | **38** | |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 19 | (40) | (24) | 3 | (7) | (10) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge | - | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | - | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | - | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | | - | |
| Miscellaneous | - | 14 | - | - | - | - | Higher than projected at Interim. |
| **Expenses** | | | | | | | |
| Interest on Debt | - | 19 | (53) | (64) | (69) | (98) | 2016-17 higher than projected at Interim.<br>2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | - | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (3) | (53) | 4 | - | - | - | Changes in the Provision (ESDI) expense (negative expense or revenue to OEFC) reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Other (Finance) | - | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **16** | **(63)** | **(73)** | **(61)** | **(76)** | **(108)** | |
| **Impact on Surplus/(Deficit)** | **19** | (14.6) | (73) | (127) | (96) | (131) | |
| **Total revenue Impact** | **19** | **87** | **(58)** | **(102)** | | **(71)** | |
| Total revenue Impact - less power supply contract recoverie | 19 | (12) | (58) | (101) | | (71) | |
| **Total Expenditure impact** | **0** | **101** | **15** | **26** | | **60** | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | tbd | | | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (25) | (43) |
| Lower Hydro One Return on Equity (ROE)[4] | (10) | (39) | (41) | (43) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | (600) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | (540) | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | (175) | (143) | (151) | (175) |
| Nuclear Liabilities Cash vs. Accrual[9] | (450) | (450) | (450) | (450) |
| OEB decision on tax recapture write-down | (375) | 10 | 15 | 20 |
| **Accounting** | | | | |
| Net OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[10] | - | (475) | (500) | (750) |
| **Other Risks** | | | | |
| Avista Acquisition - Termination fee | | (103) | | |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[3] | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[4] | 6 | 25 | 30 | 55 |
| **Regulatory** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase (as of June 2017 Q2) | 165 | | | |
| Projected gain from OPG head office sale (as of Budget 2017)[5] | 296 | | | |
| Adjustment to gain from OPG head office sale post-May17 Transaction[6] | 82 | | | |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of March 2017** **$ Millions**

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | 2018-19 | Pl |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | |
| Payments-in-lieu of tax: | | | | | |
| OPG | 268 | 302 | 315 | 366 | |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | |
| MEUs | 27 | 44 | 68 | 86 | |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | |
| Interest : | | | | | |
| OPG | 173 | 179 | 168 | 153 | |
| H1 | | | | | |
| IESO | 2 | 3 | 3 | 3 | |
| Province | 520 | 492 | 492 | 492 | |
| Other | 28 | 10 | 5 | 5 | |
| Total Interest | 723 | 684 | 668 | 653 | |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | |
| Electricity sector dedicated income | 3 | 342 | 125 | - | |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | |
| Miscellaneous | 9 | - | - | - | |
| | 6,041 | 2,893 | 2,187 | 1,495 | |
| **Expense** | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | |
| Amortization of deferred debt costs | - | - | - | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | |
| Operating | 7 | 6 | 6 | 6 | |
| | 2,336 | 2,093 | 1,500 | 1,449 | |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **687** | **46** | |
| Prior period adjustment | 87 | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,906** | **2,860** | |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 224 | 299 | 378 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 12 | 13 |
| MEUs | 27 | 112 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 381 | 479 |
| Interest : | | | | |
| OPG | 173 | 167 | 169 | 179 |
| H1 | | | | |
| IESO | 2 | 2 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 |
| Total Interest | 723 | 703 | 646 | 656 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 302 | 129 | 0 |
| Gain to OEFC under s. 50.3 | 172 | 411 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 |
| | 6,041 | 3,382 | 2,145 | 1,501 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 7 | 6 | 6 |
| | 2,336 | 2,191 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **614** | **(15)** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,588** | **2,603** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (16) | 12 | 4 | 2 | 2016-17 variance is largely due to method of reporting OPG PILs by OEFC and OPG. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | (8) | (9) | (10) | (12) | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (24) | 3 | (7) | (10) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 4 | - | - | - | Changes to ESDI (offset ny MoF Provision expense) largely reflect combined revisions to OPG and Hydro One net income and revisions to public debt intetest. |
| Gain to OEFC under s. 50.3 | 411 | - | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (42) | 6 | (0) | (30) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(73)** | **(61)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,588** | **2,603** | **2,547** | **2,285** | |

**Provision for Electricity Sector** (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 152 | 732 | 625 | 1,066 |
| Hydro One Income | 232 | 501 | 431 | 457 | 545 | 591 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **583** | **1,189** | **1,170** | **1,656** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **129** | **735** | **716** | **1,202** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[1]** | | 3 | | | | |
| **Exclude Brampton[2]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **129** | **735** | **716** | **1,202** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **129** | **735** | **716** | **1,202** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **129** | | | |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy

2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Source Details | Source (Link) |
|---|---|
| OEFC 1999-2000 FS, pg 24 | |
| OEFC 1999-2000 FS, pg 26 | |
| Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |
| 2015-16 Public Accoun | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\08. August\Backup\20170817-1 - Provision for Electricity Sector\PA 2015-16 - Vol 1.pdf |

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - October 2017

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 818 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 17 | 54 | 99 | 153 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[3] | | (78.00) | (400) | | (200) | |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **152** | **732** | **625** | **1,066** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **152** | **732** | **625** | **1,066** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | | | | | |
|---|---|---|---|---|---|
| | **#REF!** | **#REF!** | **#REF!** | **#REF!** | |
| #REF! | #REF! | #REF! | #REF! | #REF! | |

### OPG PIL - August 2017

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 684 | 867 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 152 | 732 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **299** | **378** |

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - October 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 623 | 666 | 753 | 818 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 589 | 627 | 753 | 818 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 589 | 627 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 | |
| | **2.5%** | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Public Debt Interest and Section 50.3 payments

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening | | (29) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** |

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 0 |

| Current Outlook | | |
|---|---|---|
| **2018-19** | **2019-20** | **2020-21** |
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| **154** | **154** | **154** |
| 300 | 300 | 300 |
| **454** | **454** | **454** |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| Current Outlook | | |
|---|---|---|
| **2018-19** | **2019-20** | **2020-21** |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

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ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | "Inglis, Liane (MOF)"; Franco Cava (MOF); Teshome Amare (MOF) |
| **Cc:** | Shajee Kathirgamanathan; John Kim |
| **Subject:** | Electricity Outlook Update |
| **Date:** | Thursday, January 04, 2018 5:38:27 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 04)_Distribution.xlsm |

Hi Guys, please see attached Electricity Update and our notes below. In particular, note that this does not include any AO re-categorization. Just wanted to get this to OEP and OB. We will do broader distribution tomorrow.

Attached is our Electricity update as of January 4, 2018, which is preliminary and subject to change. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook. The estimated impact was split between net income and income tax PILs on a 75%-25% basis. OPG is expected to do a full impact analysis and share the result in the coming weeks.
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision. (See below Key Changes to Risks)
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect expense and revenue - ESDI
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OPG will provide its own impact analysis of OEB Dec. 28 decision which could differ from CEFD estimates
- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Calendar Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

Key Changes to Risks

- Risk related to Pensions and Other Pension Benefits (OPEBs) is removed. OEB's September 2017 Report, established accrual accounting method is the default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB's December 28 OPG rate decision restates this and OEB instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.
- Risk related to effective date for OPG rates is removed as the estimated impact is now built into the OPG outlook.
- OEB Staff recommendation wrt OPG rate application risk removed as Dec. 28, 2017 OEB decision estimated impacts are now built into the OPG outlook.
- Nuclear liabilities risk removed as OEB has deferred consideration of this issue until next OPG rate application in 2021.
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- The previous ONFA adjustment positive risk is removed as it is now incorporated into the OPG outlook.

As usual, let us know if you have any questions.

Thanks
Bruno

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Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

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# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,645** | **1,286** | **1,225** | **1,532** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(366)** | **(850)** | **(873)** | **(1,165)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | 2016-17 variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision.<br><br>2017-18 and onward changes reflect recent NUG terminations and suspensions |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (366) | (850) | (873) | (1,165) | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed from 2017-18. OEB September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,357 | 1,346 | 1,413 | 1,693 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (230) | (149) | (91) | 78 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

**$ Millions**

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG Income - January 2018

**$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Bu | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this | 0 | (475) | (500) | (750) |

**OPG PIL - Budget 2017**

**$ Millions**

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Net Income Before Tax | 383 | 396 | 572 | 867 | 795 | 1364 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1066 |
| Income Taxes | 92 | 92 | 92 | 135 | 170 | 298 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 | 219 | 220 |
| Proxy Property Tax | 16 | 14 | 18 | 19 | 19 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** | **408** | **537** |

**OPG PIL - January 2018**

**$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Income Before Tax | 383 | 308 | 723 | 235 | 125 | 409 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 | 170 | 298 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) | (38) | (45) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | | | |
| Unpack PILs related to HQ gain on sale | | | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 | 222 | 222 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 | 19 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** | **373** | **494** |

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017

**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One Income - January 2018

**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

**Hydro One PIL - Budget 2017**
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Income Taxes PILs | 132 | 160 | 181 | 205 | 212 | 225 |
| Proxy Property Tax | 2 | 2 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** | **214** | **227** |

**Hydro One (100% Ownership)**
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 | 780 | 845 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 | 212 | 225 |
| Proxy Property Tax | 2 | 2 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** | **214** | **227** |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | |
| **Adjustment for DSF Unrealized Earnings** | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | |
| Unrealized Earnings as at fiscal year end / latest quarter | (175) | 0 | |
| Bruce Variance Account Adjustment | (82) | 0 | |
| OPG Net Income Adjustment | (93) | 0 | |
| **Adjustment for UFSF Unrealized Earnings** | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | |
| Unrealized Earnings as at fiscal year end / latest quarter | (82) | 56 | |
| Bruce Variance Account Adjustment | (42) | 28 | |
| OPG Net Income Adjustment | (40) | 28 | |
| **Unrealized Earnings -- Fiscal YTD** | **(133)** | **28** | |
| ***Adjustment for Change in Due to Province*** | | | |
| **Adjustment for DSF Due to Province** | | | |
| Due to Province (cost basis) as at beginning of year | 0 | 39 | |
| Unrealized Earnings as at fiscal year end / latest quarter | 39 | 79 | |
| **Change in Due to Province -- Fiscal YTD** | **39** | **40** | |
| **Adjustment for UFSF Due to Province** | | | |
| Due to Province (cost basis) as at beginning of year | 295 | 370 | |
| Unrealized Earnings as at fiscal year end / latest quarter | 370 | 407 | |
| **Change in Due to Province -- Fiscal YTD** | **75** | **37** | |
| **Provincial Consolidation Adjustment** | **247** | **49** | |

## Other Data

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Debt Retirement Charge | 621 | 0 | 0 | 0 | 0 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 838 | 182 | 183 | 134 | 103 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 167 | 169 | 179 | 175 | 148 |
| IESO | 2 | 3 | 3 | 3 | 3 |
| Other (Net) | 20 | 20 | 20 | 10 | 10 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| MEU - PIL Income Tax | 109.8 | | | | |
| MEU - PIL Property Tax | 0.6 | | | | |
| MEU - GRC | 1.2 | | | | |
| TOTAL MEU PILs | 111.6 | | | | |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Miscellaneous/Other (OEFC FS) | 14 | | | | |
| Demand Management Support Costs (IEI) | 8 | 10 | | | |
| Operating [Expense] | 7 | 6 | 7 | 7 | 7 |
| Interest on nuclear risk funding | - | - | - | - | - |
| Amortization of deferred debt costs | - | - | - | - | - |
| Amortization of NUG liability | 129 | 74 | 41 | 30 | 28 |
| Debt Guarantee Fee | 122 | 102 | 99 | 98 | 91 |

| | | | | | |
|---|---|---|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | | | | |
| Other (Finance) | -7 | -6 | -7 | -7 | -7 |
| Demand Management Support Costs (IEI) | -8 | -10 | | | |
| Debt Guarantee Fee | (122) | (102) | (99) | (98) | (91) |

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Ronald Kwan |
| **Cc:** | John Kim |
| **Subject:** | Electricity Outlook Update |
| **Date:** | Thursday, February 15, 2018 6:39:28 PM |
| **Attachments:** | Electricity Sector Outlook (2018 02 15)_v5.xlsm |

Hi Ron

Please see attached our updated Electricity Sector Outlook.

This includes

- OPG 2018-2021 Business plan updates including the inclusion now of the proceeds in 2017-18 from Lakeview properties.
- Hydro One has also been updated to reflect year-end results for Hydro One. In particular 2017-18 is driven mainly by quarterly actual (the 2018 quarter is model projection. 2018-19 onward are also model projections.
- The outlook also incorporates the latest figures from SIFB wrt s. 50.3 and the debt OEF H1 debt paydown related to last May 2017 disposition.
- We also have updated IOD numbers from FTD today
- SPFB indicated they will updated power purchase/recovery outlook early next week.

We have added an additional year to the Outlook, 2021-22.

On risk table we added possible PILs transfer to municipalities. Note that this outlook has SD defeased as of 2021-22.

I have added a temporary worksheet showing the changes since the last Outlook distribution in January. The main changes related to OPG, particularly the 2017-18 increase only partly explained by inclusion of Lakeview. Note that the OPG business plan noted that 2017-18 included a $325 hit related to the later effective date. That is consistent with our estimate.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

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# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 530 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,754** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (472) | (468) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(926)** | **(872)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,631** | **302** | **592** | **540** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 125 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **743** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (50) | (94) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(12)** | **(6)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **841** | **(637)** | **(364)** | **(1,136)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,631 | 302 | 592 |
| | | -15 | 841 | -637 | -364 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 5.5 | 12.0 | (5.0) |
| | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 540 |
| -1,136 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)
(4.4)

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

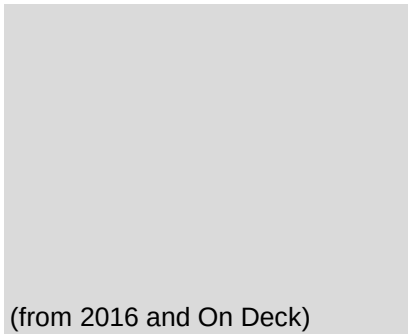
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 530 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (472) | (468) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,335** | **203** | **494** | **449** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,631** | **302** | **592** | **540** |
| *variance to OEFC check* | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower expenses than assumed at the time of Budget 2017.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (50) | (94) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **647** | **157** | **362** | **79** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **841** | **-637** | **-364** | **-1,136** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 743 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (98) | (135) | (123) | (105) | |

| Electricity Sector Change Since Previous Distribution | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | - | 656 | 263 | 510 | 196 | 2017-18 mainly Lakeview +200 and OPG Provision and other improvements. |
| ONFA and other Fair Value Adjustments | - | 22 | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | - | 17 | 26 | 24 | 19 | |
| Brampton Income | - | - | - | - | - | |
| **Total OPG and HOI Income** | **-** | **695.5** | **290** | **534** | **215** | |
| | - | - | - | - | - | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| | - | - | - | - | - | |
| **Electricity Expenses of the Province** | - | - | - | - | - | |
| Provision for Electricity Sector | - | (673) | (340) | (511) | (338) | |
| Public Debt Interest - Electricity Sector | - | - | 50 | 50 | 50 | Update |
| **Total Electricity Expenses of the Province** | **-** | **(673)** | **(290)** | **(461)** | **(288)** | |

| **Electricity Sector Change Since Previous Distribution** | **$ Millions** | | | | | |
|---|---|---|---|---|---|---|
| ($million) | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **Explanation of Change** |
| | - | - | - | - | - | |
| **OEFC Income** | - | - | - | - | - | |
| **Taxation Revenue** | - | - | - | - | - | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | 153 | (65) | 28 | (100) | |
| | | | | | | 2017-18 mainly Lakeview +200 and OPG Provision and other improvements. |
| | - | - | - | - | - | |
| **Other Revenue** | - | - | - | - | - | |
| Electricity Debt Retirement Charge | - | - | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| | - | - | - | - | - | |
| **Expenses** | - | - | - | - | - | |
| Interest on Debt | - | 3 | (30) | (62) | (54) | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Provision for Electricity Sector | - | 673 | 340 | 511 | 338 | |
| Other (Finance) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **829** | **245** | **477** | **184** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)[1]** | **0** | **851** | **245** | **550** | **111** | |
| | - | - | - | - | - | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | - | 848 | 225 | 562 | 115 | |
| | | | | | | |
| Total Expenditure impact | - | (3) | (20) | 12 | 4 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (340) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 530 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 160 | 182 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 637 | 609 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,275 | 1,568 | 1,781 | 1,600 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,866** | **203** | **494** | **449** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,336** | **1,134** | **639** | **190** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 125 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (8) | 29 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (31) | (44) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 688 | 73 | 277 | (15) | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **779** | **157** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,336** | **1,134** | **639** | **190** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** Bruno Amara
**To:** John Kim
**Subject:** Electricity Outlook
**Date:** Thursday, February 15, 2018 3:37:15 PM
**Attachments:** Electricity Sector Outlook (2018 02 15)_v3.xlsm

---

Hi John

See attached first Draft for review. Take a quick high level look before sending on if you could.

We still have to update

- Risk table
- variance explanations and footnotes

SPFB expects revised PP numbers next week. Also I've checked with FTD for updated IOD for OEFC and also 202-22 numbers (we've extended the forecast).

Will keep working on this to a=have a 2nd draft for later today.

S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February1

Thanks

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 530 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,754** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (480) | (468) | (398) |
| | | | **Total OFA IOD Expense** | **(932)** | **(884)** | **(872)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **1,625** | **290** | **597** | **544** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 125 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **743** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (106) | (126) | (148) |
| | | | **Total OFA IOD Expense** | **(18)** | **(18)** | **(38)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **836** | **(649)** | **(359)** | **(1,131)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

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|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| | | |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| | | |
| | | |
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**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,625 | 290 | 597 |
| | | -15 | 836 | -649 | -359 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 544 |
| -1,131 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

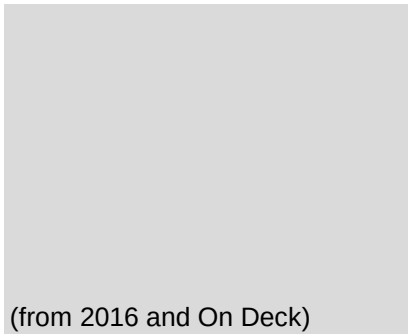
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 530 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (477) | (480) | (468) | (398) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,329** | **191** | **499** | **453** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,625** | **290** | **597** | **544** |
| *variance to OEFC check* | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's latest monthly update and now includes re-caztegorization from Sales and Rentals to OPG net income (and OPG PILs) of OPG head office properties sale. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information and now reflect the re-categorization from sales and Rentals to Hydro One net income of the full impact of Hydro One broadening.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely from re-categorization from Sales and Rentals to OPG net income (and OPG PILs) of the sale of OPG head office properties -- re-categorisation itself is fiscally-neutral, as Sales and Rentals, following re-categorisation, will be lower than shown in Budget 2017; plus some in-year upside (about $95M), before the OEB rate decision for OPG. Recategorisation amount in net income (about $280 million) is largely offset by estimated negative fiscal impact (about -$320M in net income, -$110M in PILs below) from OEB Dec. 28, 2017 rate decision for OPG, including effective date of new OPG rates of June 1, 2017 rather than Jan. 1, 2017 . (See OPG worksheet for detailed numbers.)<br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above), offset by lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. Note ESDI is also lowered as HYdro One net income now reflects the full impact of Hydro One share sales. Part of this impact was previously reflected in Sales and Rentals. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (106) | (126) | (148) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **642** | **145** | **367** | **84** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **836** | **-649** | **-359** | **-1,131** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 743 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (93) | (123) | (128) | (110) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (50) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks<br>($ millions) | Plan<br>2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of October 2017** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 530 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 160 | 182 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 637 | 609 | 592 | 565 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,275 | 1,568 | 1,798 | 1,617 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,115 | 1,089 | 1,060 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,414 | 1,378 | 1,299 | 1,163 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,861** | **191** | **499** | **453** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,342** | **1,151** | **652** | **198** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 125 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (8) | 29 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (31) | (44) | (43) | (70) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>ESDI is alo lowered as the full impact of Hydro One share dispositions is now refelected in lower Hydro One net income tothe Province. Part of this impact was previously reflected in Sales and Rentals.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 688 | 73 | 294 | 2 | |
| **Expense** | | | | | | |
| Debt interest | - | 25 | 62 | 83 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (86) | (71) | (73) | (82) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **773** | **145** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,342** | **1,151** | **652** | **198** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1115 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 179 | 175 | 148 | 148 |
| 3 | 3 | 3 | 3 |
| 20 | 10 | 10 | 10 |
| | | | |
| 1089 | 1060 | 963 | 963 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Electricity Sector Outlook (2017 06 26).xlsm |
| **Date:** | Wednesday, June 28, 2017 11:42:55 AM |
| **Attachments:** | Electricity Sector Outlook (2017 06 26).xlsm |

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John

See the provision and Hydro One tabs in particular. The Hydro One tab has links (column BI) to the relevant financials.

# Electricity Sector Outlook

## June 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 37 |
| Expense | MOF (OEFC) | 39 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF | 16 |
| Expense | MOF (OEFC) | 41 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 28 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 3 |

* Outlook reflects revenues from OPG, Hydro C

*

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| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | - | - |
| Provision for Electricity Sector | 287 | 21 | - | - |
| Provision for Electricity Sector4 | (287) | (21) | - | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 299 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 49 | - | - | - |
| HOI Income3 | 501 | 378 | 380 | 408 |
| Brampton Income | 15 | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 393 | 414 | 488 | 541 |
| Electricity Debt Retirement Charge5 | 625 | 623 | - | - |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | - | - | - | - |
| **Sub-Total** | **1,995** | **1,571** | **1,635** | **1,599** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) | (454) |
| Interest on Debt | (510) | (491) | (453) | (417) |
| **Impact on Surplus/Deficit** | **971** | **626** | **728** | **728** |
| ***check*** | **-** | **-** | **-** | **-** |

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| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (643) | (463) | (396) | (276) |
| Demand Mangement Support Costs6 | (10) | (10) | 0 | 0 |
| Provision for Electricity Sector | 138 | 706 | 0 | 0 |
| Provision for Electricity Sector | (138) | (706) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 471 | 586 | 673 | 705 |
| OPG - ONFA and other Fair Value Adjustments2 | 0 | 0 | 0 | 0 |
| HOI Income3 | 578 | 612 | 674 | 713 |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 515 | 480 | 532 | 481 |
| Electricity Debt Retirement Charge5 | 625 | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 643 | 463 | 396 | 276 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 5 | 5 | 5 | 5 |
| **Sub-Total** | **2,307** | **2,364** | **1,919** | **1,928** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | (635) | (657) | (617) | (633) |
| **Impact on Surplus/Deficit** | **1,180** | **1,215** | **810** | **803** |
| ***check*** | **-** | **-** | **-** | **-** |

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| | | | | |
|---|---|---|---|---|
| | | | ($ Millions) | |
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | **(96)** | **171** | **71** | **(25)** |
| Demand Management Support Costs | **-** | **-** | **-** | **-** |
| Provision for Electricity Sector | **149** | **(685)** | **-** | **-** |
| Provision for Electricity Sector | **(149)** | **685** | **-** | **-** |
| Other (Finance) | **-** | **-** | **-** | **-** |
| OPG Income | **(172)** | **(489)** | **59** | **(79)** |
| ONFA and other Fair Value Adjustments | **49** | **-** | **-** | **-** |
| HOI Income | **(62)** | **(234)** | **(294)** | **(304)** |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | **(122)** | **(66)** | **(44)** | **60** |
| Electricity Debt Retirement Charge | **-** | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **96** | **(171)** | **(71)** | **25** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** | **-** |
| Miscellaneous | **(5)** | **(5)** | **(5)** | **(5)** |
| **Sub-Total** | (312) | (794) | (284) | (328) |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 |
| Interest on Debt | 125 | 166 | 164 | 216 |
| **Impact on Surplus/Deficit** | **(209)** | **(590)** | **(82)** | **(74)** |
| ***check*** | **-** | **-** | ***0*** | **-** |

)ne, OEFC and PILS from MEUs, and

| 2020-21 |
|---|
| (273) |
| - |
| - |
| - |
| (6) |
| 1,066 |
| - |
| 441 |
| - |
| 681 |
| - |
| 273 |
| 28 |
| - |
| **2,209** |
| |
| (454) |
| (354) |
| **1,401** |
| - |

| 2020-21 |
|---|
| (248) |
| 0 |
| 0 |
| 0 |
| (6) |
| 734 |
| 0 |
| 737 |
| |
| 565 |
| 0 |
| 248 |
| 28 |
| 5 |
| **2,063** |
| |
| (492) |

| |
|---|
| (627) |
| **944** |
| - |

| |
|---|
| **2020-21** |
| **(25)** |
| **-** |
| **-** |
| **-** |
| **-** |
| **332** |
| **-** |
| **(296)** |
| |
| **116** |
| **-** |
| **25** |
| **-** |
| **(5)** |
| 147 |
| |
| 38 |
| 273 |
| **458** |
| - |

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text*** mean updates required

## Policies to follow when making updates to the Outlook

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All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Otherwise expect

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation, adjustment

it to be cleared

should be done. Even if its just making a negative to a positive. Perform all the calculations on the source tab then

bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AR29+'Hydro

One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Track Changes in Surplus/Deficit

**Budget 2017 Outlook**
**Current Outlook**

| Date | Change ID# | Description of Update | Expense / Revenue |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | ONFA Update as of March 31 2017 | Revenue |
| 5/1/2017 | 20170501-2 | s. 50.3 Update for 2016-17 | |
| 5/1/2017 | 20170501-3 | Revised Provincial Interest Costs, DforE | |
| 5/1/2017 | 20170501-4 | Revised OPG Interest | Revenue |
| 5/1/2017 | 20170501-5 | Revised Debt Interest | Expense |
| 5/2/2017 | 20170502-1 | OPG IFRS Risk in 2019-20 | Expense |
| 5/9/2017 | 20170509-1 | Revised OPG 2016-17 Net Income | Revenue |
| 5/10/2017 | 20170510-1 | Updating H1 2016-17 Net Income for ESDI | Revenue |
| 5/10/2017 | 20170510-2 | Power Purchase Supply | Revenue |
| 5/12/2017 | 20170512-1 | H1 Model Forecasts - No Fiscal Update Res | Revenue |
| 5/15/2017 | 20170515-1 | Update Budget 2017 Tabs to reflect fiscal pla | n/a |
| 5/15/2017 | 20170515-2 | Update OPG forecasted PILS to reflect sources | |
| 5/17/2017 | 20170517-1 | Update H1 2016-17 CIT | Revenue |
| 5/17/2017 | 20170517-2 | Minor ONFA updates | Revenue |
| 5/17/2017 | 20170517-3 | Updating H1 Net Income to include Pref Sha | Revenue |
| 5/18/2017 | 20170518-1 | Updating OPG Income Tax Expense for 201 | Revenue |
| 5/18/2017 | 20170518-2 | Updating OPG non-income tax PILs | Revenue |
| 5/18/2017 | 20170518-3 | H1 Final Offering - Net Income Impacts and | Revenue |
| 6/15/2017 | 20170615-1 | Updating with actual OPG IFRS Adjustment | Revenue |
| 6/22/2017 | 20170622-1 | Utilizing H1 IFRS Adjustment for 2016-17 | Revenue |
| 6/22/2017 | 20170622-2 | **[NOT APPLIED]** Updating H1 Brampton (Int | Revenue |
| 6/26/2017 | 20170626-1 | Shifted H1 Brampton 2016-17 NI to the 2017 | Revenue |

Update impact: copy and paste as values above

$ Millions

| 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| 930 | 789 | 939 | 1,157 | 1,676 |
| 971 | 626 | 728 | 728 | 1,401 |
| | | | | |
| **Impacts by FY →** | | | | |
| 41 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 26 | 39 | 12 |
| 0 | -31 | -67 | -76 | -78 |
| 0 | 0 | 0 | -200 | 0 |
| -2 | 0 | 0 | 0 | 0 |
| -39 | 0 | 0 | 0 | 0 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 4.7 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 18 | 0 | 0 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 |
| 8 | 9 | 12 | 3.5 | 1.75 |
| 0 | -142 | -181 | -195 | -211 |
| -3 | 0 | 0 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 |
| - | - | - | - | - |
| 0 | 0 | 0 | 0 | 0 |
| | | | | |
| 0 | 0 | 0 | 0 | 0 |

**Further Explanation of Change and source of data**

Regular quarterly ONFA Update
Benefit to OEFC under s.50.3: $411M gain, SIFB
Change to OEFC payment for interest costs of Debt for Equity Swap
From FTD, revised OPG Interest (updated in 5/4/2017)
From FTD, revised Debt Interest (updated in 5/4/2017)
Revised numbers from OEP with 2019-20 Risk
Updated numbers from OPG Q1 2017 FS
Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will update once revise
No Change to numbers, just re-inputting data and saving sources
No Change to numbers, just re-inputting data and saving sources
No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impacts
No Change to numbers, just re-inputting data and saving sources
Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF
No Change to numbers, just re-inputting data and saving sources
Only included H1 Net Income - Common Shareholders before. Added preferred shareholder impact as well.
Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder
Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG about the BP
Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a weighted average own
Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD.
Based on KPMG analysis, then fiscalization and other adjustments from OPCD.
**[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financial Statements to pı
Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift this to 2017-18.

ed numbers are received.

ership for 2017-18. Also adjusted future net income attributed to the province.

roduce an estimate. May require additional calculations.

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used for a one-off purpose, DELE

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as at [illegible] 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | [illegible] | 1,049 | 1,198 | 1,347 | [illegible] | [illegible] |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,232 | 515 | 480 | 532 | 481 | 565 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 | 276 | 248 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 5 | 5 | 5 | 5 | 5 | 5 |
| **Total Electricity Revenue[3]** | 5,391 | 2,966 | 2,843 | 2,321 | 2,209 | 2,317 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG June 2017 Financial Outlook[1] | (13) | (125) | (58) | (36) | 68 | 123 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (330) | (480) | (678) | (726) | (913) |
| Hydro One June 2017 Financial Outlook Update[3] | 430 | (26) | (154) | (195) | (208) | (223) |
| MEUs PILs | 2 | 0 | 5 | 5 | 5 | 5 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | (9) | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) |
| Power Supply Contract Recoveries[5] | 91 | 96 | (171) | (71) | 25 | 25 |
| **Total Revenue Items On Deck** | 387 | (390) | (863) | (980) | (841) | (988) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of June 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 864 | 475 | 1,113 | 1,034 | 1,507 |
| Taxation Revenue | 3,228 | 393 | 414 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,750 | 1,878 | 1,966 | 1,906 | 2,489 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,778 | 2,576 | 1,980 | 1,341 | 1,368 | 1,329 |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | 3,772 | 797 | 727 | 103 | 191 | 242 |
| Electricity Summary - On Deck | 3,856 | 971 | 626 | 728 | 728 | 1,401 |
| | 84 | 174 | -102 | 625 | 537 | 1159 |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG June 2017 Financial Outlook | (5) | 317 | 312 |
| ONFA and other Fair Value Accounting Adjustments | (330) | | (330) |
| Hydro One June2017 Financial Outlook | (25) | 32 | 7 |
| MEU PILs | | 80 | 80 |
| | (360) | 429 | 69 |

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used for a one-off purpose, Dl

## Electricity Sector Outlook (PSAB)

| Ex[illegible]ditures as of June 2016 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Electricity Expenditures | | | | | | |
| Finance - Own Account | 7 | 6 | 6 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,159 | 1,127 | 1,149 | 1,109 |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Power Supply Contract Costs | 1,296 | 950 | 784 | 643 | 463 | 396 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,949 | 1,776 | 1,618 | 1,511 |

| Details on Change in Expenditure Outlook | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Public Accounts** | | | | | | |
| **Finance - Own Account** | - | - | (43) | (103) | (204) | (202) |
| Interest on Debt | - | - | - | - | - | - |
| Power Supply Contract Costs | - | - | 91 | 96 | (171) | (71) |
| **Total Updates:** | - | - | 48 | (7) | (375) | (273) |

| On Deck Expenditure Outlook as of June 2017 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

| Expense Items On Deck | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Finance - Own Account*** | - | - | - | - | - | - |
| **Interest on Debt*** | - | - | - | - | - | - |
| Power Supply Contract Costs* | - | - | - | - | - | - |
| **Total Expense Items "On Deck":** | - | - | - | - | - | - |

* Updated based on OEFC audited financial statements.

| On Deck Expenditure Outlook as of June 2017 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | - | 9 | 8 | 10 | 10 | - |
| **Total Electricity Expenditures** | 2,551 | 2,143 | 2,006 | 1,779 | 1,253 | 1,238 |

| Additional Expenditure Risks | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Finance - Own Account** | | | | | | |
| **Interest on Debt** | | | | | | |
| Power Supply Contract Costs | | | | | | |
| Total Additional Risks: | - | - | - | - | - | - |

| Risk Based Expenditure Outlook | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

## Electricity Sector Outlook (PSAB)

| ($million) | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|
| **Budget 2016 Outlook as of January 2016** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 257 | 471 | 586 | 673 |
| OPG - ONFA and other Fair Value Adjustments[2] | 241 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | (168) | 578 | 612 | 674 |
| **Total OPG and HOI Income** | **330** | **1,049** | **1,198** | **1,347** |
| | | | | |
| **Other Fees and Licences** | **127** | **127** | **125** | **123** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | - | (138) | (706) | - |
| Public Debt Interest - Electricity Sector | (508) | (492) | (492) | (492) |
| **Subtotal** | (508) | (630) | (1,198) | (492) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(508)** | **(630)** | **(1,198)** | **(492)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,232 | 515 | 480 | 532 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 868 | 625 | 623 | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (127) | (125) | (123) |
| Miscellaneous | 5 | 5 | 5 | 5 |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (651) | (635) | (657) | (617) |
| Power Supply Contract Costs | (784) | (643) | (463) | (396) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Mangement Support Costs[6] | (9) | (10) | (10) | - |
| Provision for Electricity Sector | - | 138 | 706 | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,485** | **634** | **1,090** | **(168)** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

**Notes: All the Hydro One ownership broadening impacts, other than the initial IPO in 2015, are in the asset optimisation line (Sales and Rental) and not in the current Outlook file.**

**Notes:**

1.Reflects OPG October 2015 report for 2015-16. Out-years reflect OPG's 2015 business plan and long-term outlook to 2018-19 (as fiscalized by OPG, received February 11, 2015). 2019-20 and 2020-21 estimates are preliminary and based on OPG's long-term model provided in 2015 and fiscalized by CEFD staff, to be updated.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2015.

3. Hydro One 2015-16 to 2020-21 projections are based on its 2015 Business plan, adjusted for latest information, including its 2015-17 distribution rate decIsion, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial consolidation adjustments, minus the interest costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Management Support Costs | 9 | 10 | 10 | - |
| Provision for Electricity Sector | - | (138) | (706) | - |
| Other (Finance) | 6 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **-** | **138** | **706** | **-** |

## 2) DETAIL LINES

| REVENUE | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **330** | **1,049** | **1,198** | **1,347** |
| *Public Debt Interest - Electricity Sector exp* | *508* | *492* | *492* | *492* |
| *equals ampount above $520M (not incl ONFA)* | *0* | *138* | *706* | *0* |
| *of which: ONFA Adjustments*** | *241* | *0* | *0* | *0* |
| *check total* | *749* | *630* | *1,198* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | |
| Other Fees and Licences | | | | |
| Provision for Electricity Sector | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 3,232 | 515 | 480 | 532 |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | |
| Miscellaneous | 5 | 5 | 5 | 5 |
| **SUBTOTAL** | **5,391** | **2,966** | **2,843** | **2,321** |
| | | | | |
| **EXPENSE** | | | | |
| | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | |
| Provision for Electricity Sector | | | | |
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Mangement Support Costs | 9 | 10 | 10 | 0 |
| **less provision** | 0 | (138) | (706) | 0 |
| Other OEFC Expenses | 6 | 6 | 6 | 6 |
| **SUBTOTAL** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **FINANCE** | | | | |
| Provision for Electricity Sector | 0 | 138 | 706 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 508 | 492 | 492 | 492 |
| **SUBTOTAL** | **508** | **630** | **1,198** | **492** |
| | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | |
| OEFC Debt interest | 1,344 | 1,326 | 1,337 | 1,282 |
| interest payments to OEFC from Other than Province | (185) | (199) | (188) | (173) |
| interest to OEFC from Province | (508) | (492) | (492) | (492) |
| **SUBTOTAL** | **651** | **635** | **657** | **617** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Revenues)** | **1,038** | **3** | **342** | **125** | **-** |

If this table is not needed, or only used for a one-off purpose, DELETE

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **842** | **617** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONF* | *520* | *520* | *342* | *125* | *0* |
| *w[illegible] ONFA adjustments* | *[illegible]2* | *[illegible]2* | *8* | *0* | *0* |
| *[illegible]ck to* | *[illegible]7* | *[illegible]5* | *842* | *617* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,709** | **2,011** | **2,136** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (342) | (125) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **412** | **183** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **834** | **617** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of June 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 299 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 49 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 501 | 378 | 380 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **864** | **475** | **1,113** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (287) | (21) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,558) | (523) | (800) | (475) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(800)** | **(475)** | **(454)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 393 | 414 | 488 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (510) | (491) | (453) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 287 | 21 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **786** | **524** | **(21)** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **971** | **626** | **728** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (287) | (21) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **468** | **286** | **331** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **1,038** | **3** | **287** | **21** | **-** |

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **864** | **475** | **1,113** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *514* | *454* | *454* |
| *equals amount above $520M (not incl ONFA)* | *1,038* | *3* | *287* | *21* | *0* |
| *of which: ONFA Adjustments*** | *239* | *172* | *49* | *0* | *0* |
| *check total* | *1,797* | *695* | *849* | *475* | *454* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 393 | 414 | 488 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,750** | **1,878** | **1,966** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (287) | (21) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **468** | **286** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 287 | 21 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 514 | 454 | 454 |
| **SUBTOTAL** | **1,558** | **523** | **800** | **475** | **454** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (187) |
| interest to OEFC from Province | (520) | (520) | (514) | (454) | (454) |
| **SUBTOTAL** | **658** | **596** | **510** | **491** | **453** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **971** | **626** | **728** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2016 as of June 2017** | | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | 34 | (172) | (489) | 59 | (79) | 332 | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | (69) | 49 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 424 | (62) | (234) | (294) | (304) | (296) | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections prc CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger v Inc. |
| **Total OPG and HOI Income** | **-** | **389** | (185) | (723) | (235) | (384) | 36 | |
| **Other Fees and Licences** | **-** | **-** | (5) | (23) | (32) | (34) | (41) | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | (3) | (149) | 685 | - | - | - | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in 2 came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-17 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for th after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | (12) | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | - | (15) | (170) | 723 | 38 | 38 | 38 | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **(15)** | (170) | 723 | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (4) | (122) | (66) | (44) | 60 | 116 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | (9) | - | - | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | 91 | 96 | (171) | (71) | 25 | 25 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generatior Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DC<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | 5 | 23 | 32 | 34 | 41 | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | 4 | (5) | (5) | (5) | (5) | (5) | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | 55 | 125 | 166 | 164 | 216 | 273 | |
| Power Supply Contract Costs | - | (91) | (96) | 171 | 71 | (25) | (25) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1 | - | - | - | - | - | |
| Provision for Electricity Sector | - | 3 | 149 | (685) | - | - | - | |
| Other (Finance) | - | (1) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **49** | 152 | (567) | 147 | 305 | 425 | |
| **Impact on Surplus/(Deficit)** | **-** | **423** | (209) | (590) | (82) | (74) | 458 | |
| **Total revenue Impact** | **-** | **471** | **(216)** | **(965)** | **(355)** | | **172** | |
| Total revenue Impact - less power supply contract recoveries | - | 380 | (312) | (794) | (284) | | 147 | |
| **Total Expenditure impact** | **-** | **48** | **(7)** | **(375)** | **(273)** | | **(286)** | |

## 2) DETAIL LINES

| **REVENUE** | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **389** | **389** | **(185)** | **(723)** | **(235)** | **(384)** |
| *Public Debt Interest - Electricity Sector exp* | *12* | *12* | *22* | *(38)* | *(38)* | *(38)* |
| *equals amount above $520M (not incl ONFA)* | *3* | *3* | *149* | *(685)* | *0* | *0* |
| *of which: ONFA Adjustments* | *(69)* | *(69)* | *49* | *0* | *0* | *0* |
| *check total* | *(54)* | *(54)* | *219* | *(723)* | *(38)* | *(38)* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (4) | (4) | (122) | (66) | (44) | 60 |
| Electricity Debt Retirement Charge | (9) | (9) | 0 | 0 | 0 | 0 |
| Power Supply Contract Recoveries | 91 | 91 | 96 | (171) | (71) | 25 |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 4 | 4 | (5) | (5) | (5) | (5) |
| **SUBTOTAL** | **471** | **471** | **(216)** | **(965)** | **(355)** | **(304)** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 91 | 91 | 96 | (171) | (71) | 25 |
| Demand Management Support Costs | 13 | (1) | - | - | - | - |
| **less provision** | (3) | (3) | (149) | 685 | 0 | 0 |
| Other OEFC Expenses | 1 | 1 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **102** | **88** | **(53)** | **514** | **(71)** | **25** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | 3 | 3 | 149 | (685) | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Public Debt Interest - Electricity Sector (Treasury Program) | 12 | 12 | 22 | (38) | (38) | (38) |
| **SUBTOTAL** | **15** | **15** | **170** | **(723)** | **(38)** | **(38)** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | (25) | (110) | (216) | (188) | (227) |
| interest payments to OEFC from Other than Province | (8) | (18) | 7 | 12 | (14) | (27) |
| interest to OEFC from Province | | (12) | (22) | 38 | 38 | 38 |
| **SUBTOTAL** | **(16)** | **(55)** | **(125)** | **(166)** | **(164)** | **(216)** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **370** | **423** | **(209)** | **(590)** | **(82)** | **(74)** |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**Budget 2016 Outlook as of January 2016**

| | Actual 2014-15 | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 868 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 281 | 437 | 382 | 414 |
| Legacy Hydro One (Including Brampton) | 95 | 2,913 | 7 | 7 | 7 |
| Hydro One CIT dedicated to OEFC | | 13 | 26 | 28 | 30 |
| MEUs | 32 | 25 | 44 | 63 | 81 |
| Total PILs & CIT dedicated to OEFC | 180 | 3,232 | 515 | 480 | 532 |
| Interest : | | | | | |
| OPG | 191 | 177 | 191 | 180 | 165 |
| H1 | | | | | |
| IESO | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 508 | 492 | 492 | 492 |
| Other | 13 | 5 | 5 | 5 | 5 |
| Total Interest | 727 | 693 | 691 | 680 | 665 |
| Power Supply Contract Recoveries | 950 | 784 | 643 | 463 | 396 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | - | 138 | 706 | - |
| Gain to OEFC under s. 50.3 | - | 150 | - | - | - |
| Miscellaneous | 9 | 5 | 5 | 5 | 5 |
| | 4,077 | 5,904 | 2,746 | 3,031 | 1,639 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,344 | 1,326 | 1,337 | 1,282 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 9 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 784 | 643 | 463 | 396 |
| Debt Guarantee fee | 131 | 127 | 127 | 125 | 123 |
| Operating | 6 | 6 | 6 | 6 | 6 |
| | 2,481 | 2,270 | 2,112 | 1,941 | 1,807 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,634** | **634** | **1,090** | **(168)** |
| **Stranded Debt - Year End** | **8,185** | **4,551** | **3,917** | **2,827** | **2,995** |
| | 658 | 651 | 635 | 657 | 617 |

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of March 2017**

| | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | 3 | 20 | 20 | 22 |
| MEUs | 32 | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 373 | 405 | 476 |
| Interest : | | | | | |
| OPG | 191 | 173 | 179 | 168 | 153 |
| H1 | | | | | |
| IESO | 3 | 2 | 3 | 3 | 3 |
| Province | 520 | 520 | 492 | 492 | 492 |
| Other | 13 | 28 | 10 | 5 | 5 |
| Total Interest | 727 | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | - | 172 | - | - | - |
| Miscellaneous | 9 | 9 | - | - | - |
| | 4,077 | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 131 | 127 | 122 | 102 | 91 |
| Operating | 6 | 7 | 6 | 6 | 6 |
| | 2,481 | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | | 87 | | | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 658 | 596 | 532 | 422 | 374 |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of June 2017**

| | Plan | | |
|---|---|---|---|
| | **2016-17** | **2017-18** | **2018-19** |
| **Revenue** | | | |
| Revenue Pool Residual | | | |
| Debt Retirement Charge | 625 | 623 | - |
| Payments-in-lieu of tax: | | | |
| OPG | 317 | 324 | 378 |
| Legacy Hydro One (Including Brampton) | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 25 | 20 | 22 |
| MEUs | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 393 | 414 | 488 |
| Interest : | | | |
| OPG | 179 | 168 | 179 |
| H1 | | | |
| IESO | 3 | 3 | 3 |
| Province | 514 | 454 | 454 |
| Other | 10 | 5 | 5 |
| Total Interest | 706 | 630 | 641 |
| | | | |
| Power Supply Contract Recoveries | 739 | 292 | 325 |
| Amortization of NUG liability | 129 | 74 | 41 |
| Electricity sector dedicated income | 287 | 21 | - |
| Gain to OEFC under s. 50.3 | 411 | - | - |
| Miscellaneous | - | - | - |
| | 3,290 | 2,054 | 1,495 |
| **Expense** | | | |
| Debt interest | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | |
| Demand Management Support Costs | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | |
| Power Supply Contract Costs | 739 | 292 | 325 |
| Debt Guarantee fee | 122 | 102 | 91 |
| Operating | 6 | 6 | 6 |
| | 2,093 | 1,531 | 1,516 |
| | | | |
| **Excess (Deficiency) of Revenue over Expense** | **1,197** | **524** | **(21)** |
| Prior period adjustment | | | |
| | | | |
| **Stranded Debt - Year End** | **3,196** | **2,672** | **2,693** |
| | | | |
| | 510 | 491 | 453 |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2016 as of June 2017

| | Plan | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | (9) | - | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | (13) | (120) | (58) | (36) | 68 | 123 | |
| Legacy Hydro One (Including Brampton) | 16 | - | (5) | (5) | (5) | (5) | |
| Hydro One CIT dedicated to OEFC | (10) | (2) | (8) | (8) | (8) | (7) | |
| MEUs | 2 | - | 5 | 5 | 5 | 5 | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (4) | (122) | (66) | (44) | 60 | 116 | |
| Interest : | | | | | | | |
| OPG | (4) | (12) | (12) | 14 | 27 | - | |
| H1 | - | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | - | |
| Province | 12 | 22 | (38) | (38) | (38) | (38) | |
| Other | 23 | 5 | - | - | - | - | |
| Total Interest | 30 | 15 | (50) | (24) | (11) | (38) | |
| Power Supply Contract Recoveries | 91 | 96 | (171) | (71) | 25 | 25 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | 3 | 149 | (685) | - | - | - | |
| Gain to OEFC under s. 50.3 | 22 | 411 | - | - | - | - | |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) | |
| | 137 | 544 | (977) | (144) | 69 | 98 | |
| **Expense** | | | | | | | |
| Debt interest | (25) | (110) | (216) | (188) | (227) | (311) | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | (1) | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | 91 | 96 | (171) | (71) | 25 | 25 | |
| Debt Guarantee fee | - | (5) | (23) | (32) | (34) | (41) | |
| Operating | 1 | - | - | - | - | - | |
| | 66 | (19) | (410) | (291) | (236) | (327) | |
| **Excess (Deficiency) of Revenue over Expense** | **71** | **563** | **(567)** | **147** | | | |
| **Stranded Debt - Year End** | **(158)** | **(721)** | **(154)** | **(301)** | **(606)** | **(1,031)** | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Plan** | | | | | |
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **OPG Global Adjustment Trust** | | | **TBD** | **TBD** | **TBD** | **TBD** |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (13) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (475) | | | |
| OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6] | - | (75) | (425) | (525) | (675) | TBD |
| OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6] | | (1,000) | (375) | (400) | (400) | TBD |
| Additional regulatory risk - Timing, Darlington Refurb Project & Others[7] | - | | (660) | | | |
| **Total - Scenario 1** | - | (360) | (1,661) | (568) | (581) | (547) |
| **Total - Scenario 2** | - | (1,285) | (1,611) | (443) | (306) | (547) |

**Notes: The cumulative downside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Under the Ontario Nuclear Funds Agreement (ONFA), OPG has established two segregated funds, the Decommissioning Segregated Fund (DSF) and for the Used Fuel Segregated Fund (UFSF). The risk shown is based on 1% decline on a realized basis in the DSF and UFSF, less the portion in the DSF assumed to be attributable to OPG's Bruce assets that is recoverable from consumers through the Bruce Variance Account.

3. Risk range for OPG reflects potential risk of lower ROE by 0.5% vs assumed ROEs in OPG's 2016 business plan and corresponding rate application. Also reflects how the proposed deemed equity of 49% might actually revert to the prior approved 45% weighting.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities.

6. The Ontario Auditor General recommended in the 2016 AG Report that the Province of Ontario include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards potentially as soon as the 2016-17 fiscal year. Estimated impacts to the Province by OPG being consolidated on an IFRS basis with respect to its nuclear liabilities under two methodologies are summarized in Scenarios 1 and 2. (Following work on the next Reference Plan, the potential impact to the 2021-22 fiscal year and going forward would be known.) **NOTE: The scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan.**

7. Additional regulatory risks related to the-rate application in spring 2016, including risks related to effective date timing, and a portion of refurb. costs-to-date of about $700-800M.

8. On January 25, 2017, the Ontario Energy Board (OEB) staff released their review of the Hydro One Transmission rate application (EB-2016-0160), and proposed a number of changes for the Board to rule on including a reduction in allowed capital expenditure, which would reduce the rate base and related return on capital, and OM&A related primarily to the compensation levels beyond the benchmark.

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Plan** | | | | | |
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

**Notes: The cumulative upside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Reflects OPG's Motion to Review application with the OEB for the Niagara Tunnel cost disallowance and the 2013 tax loss.

3. A 1% change in the forecast represents a change of approximately 206MW for Tx in peak demand based on 2015/2016revenue requirement.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE by 1% vs assumed ROEs in the Hydro One CEFD Forecast. Rounded to the nearest $5M.

5. Risk range for OPG reflects potential risk of higher ROE by 1% (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Rounded to the nearest $5M.

6. NOTE: The Scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan. This is the impact if Scenario 2 is realized.

**Ontario Electricity Financial Corporation**

**On Debt Revenue & Expenses Outlook**

**($ millions)**

*If* this tab is not needed, or only used for a one-off purpose, DELETE

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | 4,077 | 6,011 | 3,290 | 2,054 | 1,495 | 1,508 | 1,591 |
| less: interest income (to IOD) | 1 | 727 | 723 | 706 | 630 | 641 | 636 | 609 |
| less: Electricity Sector Dedicated Income from Prov | 2 | 1,038 | 3 | 287 | 21 | - | - | - |
| ***Adjustment to CRF revenue*** | | 2,312 | 5,315 | 2,297 | 1,403 | 854 | 872 | 982 |
| | | | | | | | | |
| **Expense** | | 2,481 | 2,336 | 2,093 | 1,531 | 1,516 | 1,448 | 1,323 |
| less: Interest expense - With Province (to IOD) | | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| less: Debt Guarantee Fee paid to Province | 3 | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| ***Adjustment to CRF expense*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| **Surplus/(Deficit) Impact - without IOD Adj.** | | 689 | 3,829 | 1,032 | 604 | 70 | 149 | 349 |
| **Surplus/(Deficit) Impact** | | 1,347 | 4,425 | 1,542 | 1,095 | 523 | 565 | 703 |
| **In 2008-09 RBP - Surplus/(Deficit)** | | - | - | - | - | - | - | - |
| **Adjustment required** | | 1,347 | 4,425 | 1,542 | 1,095 | 523 | 565 | 703 |
| | | | | | | | | |
| ***Operating expense split*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| ***Capital expense split*** | | - | - | - | - | - | - | - |
| ***Total*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| ***IOD*** | | 658 | 596 | 510 | 491 | 453 | 417 | 354 |

**Notes:**

1. OEFC interest income includes $520 million, or less (after H1 ownership broadening), annual interest payment from Province related to the Province's investment in OPG and Hydro One.

2. OEFC receives Electricity Sector Dedicated Income from the Province for the combined net income of OPG and Hydro One in excess of the Province's annual interest cost for its investment in these companies.

3. OEFC pays a Debt Guarantee Fee to the Province that is eliminated upon consolidation.

## Ontario Power Generation

### OPG Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | *243* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 108 | 59 | (75) | - | | | | |
| *ONFA Adjustments* | - | - | - | - | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

### OPG PIL - Budget 2017
**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 304 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **302** | **315** | **366** |

### OPG Income - June 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 299 | 97 | 732 | 625 | 1,066 |
| OPG Net Income After Tax | 334 | 574 | 291 | 377 | 480 | 678 | 726 | 913 |
| Extraordinary Gains | - | 243 | - | - | - | - | - | - |
| GA - OPG Trust Interest Revenue | | | | | 17.2 | 54.4 | 99.4 | 152.5 |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (78) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 49 | | | | |
| ONFA Adjustments | 367 | 180 | 247 | 49 | | | | |
| Other Fair Value Adjustments | 108 | 59 | (75) | | | | | |

**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 398 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 299 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 99 | 92 | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | **204** | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 16 | 13 | 16 | **14** | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **317** | **324** | **378** |
| | | | | | 24.87% | 16.08% | 15.56% |

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - June 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 680 | 742 | 802 | 862 | 931 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 742 | 802 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

## Provision for Electricity Sector

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 299 | 97 | 732 | 625 | 1,066 |
| Hydro One Income | 786 | 741 | 232 | 501 | 378 | 380 | 408 | 441 |
| **Total Income** | 1,120 | 1,558 | 523 | 800 | 475 | 1,113 | 1,034 | 1,507 |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (300) | (300) | (300) | (300) |
| Hydro One | | | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (514) | (454) | (454) | (454) | (454) |
| Interest Revennue to OEFC | | 520 | 520 | 514 | 454 | 454 | 454 | 454 |
| **Impact of OPG and Hydro One** | 600 | 1,038 | 3 | 286.5520 | 21 | 658 | 580 | 1,053 |
| **Other Adjustments*** | | | | | | | | |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| **Provision for Electricity Sector (without adjusting for unrealized losses)** | **599** | **1,038** | **3** | **286.5520** | **21** | **658** | **580** | **1,053** |

| ID# (Track | Fiscal Year | |
|---|---|---|
| n/a | n/a | |
| n/a | n/a | |
| | | Reduction in E |

**Notes:**

1. Provision for the fiscal year 2018-19 is assumed 0 based on the expectation that stranded debt would be eliminated by then.

| Value (Hardcoded) | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|
| 5126 | | ($M) Provinces Equity for Debt payment to OEFC for OPG | OEFC 1999-2000 FS, pg 24 | |
| 5.85% | | Annual Interest Costs | OEFC 1999-2000 FS, pg 26 | |

| | |
|---|---|
| OPG's Annual Interest Costs: | 300 |
| SDI for OPG's Annual Interest Costs: | -300 |

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | | |
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| OPG Net Income Adjustment | | | | |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| OPG Net Income Adjustment | | | | |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| ***Adjustment for Change in Due to Province*** | | | | |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at fiscal year end / latest quarter | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at fiscal year end / latest quarter | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Other Data

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 | 273 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Interest : | | | | | |
| OPG | 179 | 168 | 179 | 174 | 147 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) |
|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 |
| 20170510-2 | 2017-18 | $ 291,629,707 |
| 20170510-2 | 2018-19 | $ 324,906,017 |
| 20170510-2 | 2019-20 | $ 300,648,570 |
| 20170510-2 | 2020-21 | $ 273,240,858 |
| | | |
| 20170501-4 | 2016-17 | 179 |
| 20170501-4 | 2017-18 | 168 |
| 20170501-4 | 2018-19 | 179 |
| 20170501-4 | 2019-20 | 174 |
| 20170501-4 | 2020-21 | 147 |
| | | |
| 20170501-5 | 2016-17 | 1216 |
| 20170501-5 | 2017-18 | 1121 |
| 20170501-5 | 2018-19 | 1094 |
| 20170501-5 | 2019-20 | 1053 |
| 20170501-5 | 2020-21 | 963 |

| Value (Linked) | Description | Source I | Source (Link) |
|---|---|---|---|
| | The table below contains an updated preliminary I | SPFB Estimates, Email | |
| | • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| 179 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 168 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 179 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 174 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 147 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,216 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,121 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,094 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,053 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 963 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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**From:** John Kim
**To:** John Kim
**Subject:** Electricity Sector Outlook (2017 07 27).xlsm
**Date:** Tuesday, August 01, 2017 1:58:30 PM
**Attachments:** Electricity Sector Outlook (2017 07 27).xlsm

# Electricity Sector Outlook

## July 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 37 |
| Expense | MOF (OEFC) | 39 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF | 16 |
| Expense | MOF (OEFC) | 41 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 28 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 3 |

* Outlook reflects revenues from OPG, Hydro C

*

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# eck

| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | - | - |
| Provision for Electricity Sector | 287 | 21 | - | - |
| Provision for Electricity Sector4 | (287) | (21) | - | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 299 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 49 | - | - | - |
| HOI Income3 | 501 | 378 | 380 | 408 |
| Brampton Income | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 393 | 414 | 488 | 541 |
| Electricity Debt Retirement Charge5 | 625 | 623 | - | - |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | - | - | - | - |
| **Sub-Total** | **1,981** | **1,571** | **1,635** | **1,599** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) | (454) |
| Interest on Debt | (510) | (491) | (453) | (417) |
| **Impact on Surplus/Deficit** | **957** | **626** | **728** | **728** |
| ***check*** | **-** | **-** | **-** | **-** |

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| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (643) | (463) | (396) | (276) |
| Demand Mangement Support Costs6 | (10) | (10) | 0 | 0 |
| Provision for Electricity Sector | 138 | 706 | 0 | 0 |
| Provision for Electricity Sector | (138) | (706) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 471 | 586 | 673 | 705 |
| OPG - ONFA and other Fair Value Adjustments2 | 0 | 0 | 0 | 0 |
| HOI Income3 | 578 | 612 | 674 | 713 |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 515 | 480 | 532 | 481 |
| Electricity Debt Retirement Charge5 | 625 | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 643 | 463 | 396 | 276 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 5 | 5 | 5 | 5 |
| **Sub-Total** | **2,307** | **2,364** | **1,919** | **1,928** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | (635) | (657) | (617) | (633) |
| **Impact on Surplus/Deficit** | **1,180** | **1,215** | **810** | **803** |
| ***check*** | **-** | **-** | **-** | **-** |

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| | | | | |
|---|---|---|---|---|
| | | | ($ Millions) | |
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | **(96)** | **171** | **71** | **(25)** |
| Demand Management Support Costs | **-** | **-** | **-** | **-** |
| Provision for Electricity Sector | **149** | **(685)** | **-** | **-** |
| Provision for Electricity Sector | **(149)** | **685** | **-** | **-** |
| Other (Finance) | **-** | **-** | **-** | **-** |
| OPG Income | **(172)** | **(489)** | **59** | **(79)** |
| ONFA and other Fair Value Adjustments | **49** | **-** | **-** | **-** |
| HOI Income | **(77)** | **(234)** | **(294)** | **(304)** |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | **(122)** | **(66)** | **(44)** | **60** |
| Electricity Debt Retirement Charge | **-** | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **96** | **(171)** | **(71)** | **25** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** | **-** |
| Miscellaneous | **(5)** | **(5)** | **(5)** | **(5)** |
| **Sub-Total** | (327) | (794) | (284) | (328) |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 |
| Interest on Debt | 125 | 166 | 164 | 216 |
| **Impact on Surplus/Deficit** | **(224)** | **(590)** | **(82)** | **(74)** |
| ***check*** | **-** | **-** | ***0*** | **-** |

)ne, OEFC and PILS from MEUs, and

| 2020-21 |
|---|
| (273) |
| - |
| - |
| - |
| (6) |
| 1,066 |
| - |
| 441 |
| - |
| 681 |
| - |
| 273 |
| 28 |
| - |
| **2,209** |
| |
| (454) |
| (354) |
| **1,401** |
| - |

| 2020-21 |
|---|
| (248) |
| 0 |
| 0 |
| 0 |
| (6) |
| 734 |
| 0 |
| 737 |
| |
| 565 |
| 0 |
| 248 |
| 28 |
| 5 |
| **2,063** |
| |
| (492) |

| |
|---|
| (627) |
| **944** |
| - |

| |
|---|
| **2020-21** |
| **(25)** |
| **-** |
| **-** |
| **-** |
| **-** |
| **332** |
| **-** |
| **(296)** |
| |
| **116** |
| **-** |
| **25** |
| **-** |
| **(5)** |
| 147 |
| |
| 38 |
| 273 |
| **458** |
| - |

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Otherwise expect

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation, adjustment

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

it to be cleared

should be done. Even if its just making a negative to a positive. Perform all the calculations on the source tab then

bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AR29+'Hydro

One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Track Changes in Surplus/Defic

**Budget 2017 Outlook**
**Current Outlook**

| Date | Change ID# | Source in File | Description of Update |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA Update as of March 31 2017 |
| 5/1/2017 | 20170501-2 | | s. 50.3 Update for 2016-17 |
| 5/1/2017 | 20170501-3 | | Revised Provincial Interest Costs, DforE |
| 5/1/2017 | 20170501-4 | | Revised OPG Interest |
| 5/1/2017 | 20170501-5 | | Revised Debt Interest |
| 5/2/2017 | 20170502-1 | | OPG IFRS Risk in 2019-20 |
| 5/9/2017 | 20170509-1 | | Revised OPG 2016-17 Net Income |
| 5/10/2017 | 20170510-1 | | Updating H1 2016-17 Net Income for ESDI |
| 5/10/2017 | 20170510-2 | | Power Purchase Supply |
| 5/12/2017 | 20170512-1 | | H1 Model Forecasts - No Fiscal Update Resa |
| 5/15/2017 | 20170515-1 | | Update Budget 2017 Tabs to reflect fiscal pla |
| 5/15/2017 | 20170515-2 | | Update OPG forecasted PILS to reflect sourc |
| 5/17/2017 | 20170517-1 | | Update H1 2016-17 CIT |
| 5/17/2017 | 20170517-2 | | Re-inputting ONFA updates |
| 5/17/2017 | 20170517-3 | | Updating H1 Net Income to include Pref Shai |
| 5/18/2017 | 20170518-1 | | Updating OPG Income Tax Expense for 201 |
| 5/18/2017 | 20170518-2 | | Updating OPG non-income tax PILs |
| 5/18/2017 | 20170518-3 | | H1 Final Offering - Net Income Impacts and e |
| 6/15/2017 | 20170615-1 | | Updating with actual OPG IFRS Adjustment 2 |
| 6/22/2017 | 20170622-1 | | Utilizing H1 IFRS Adjustment for 2016-17 |
| 6/22/2017 | 20170622-2 | | **[NOT APPLIED]** Updating H1 Brampton (Inte |
| 6/26/2017 | 20170626-1 | | Shifted H1 Brampton 2016-17 NI to the 2017 |
| 6/29/2017 | 20170629-1 | | Removed H1 Brampton for 2016-17 (pending finals) |
| 7/6/2017 | 20170706-1 | | Reconfigured calculation of ESDI and MOF E |
| 7/11/2017 | 20170711-1 | | Reconfigured calculation of OPG 2017-18 Ne |
| 7/13/2017 | 20170713-1 | | Backup for the Provincial Interest cost |
| 7/17/2017 | 20170717-1 | | Linking source for Revenue Risks Tab |
| 7/24/2017 | 20170724-1 | | New source for Revenue Risks Tab |
| 7/25/2017 | 20170725-1 | | Revenue Risks Tab - ROE Risks |
| 7/26/2017 | 20170726-1 | | Updating OEB Risk for OPG |
| 7/27/2017 | 20170727-1 | | OEB Staff Report - H1 Tx - Revenue Risks |
| 7/27/2017 | 20170727-2 | | OPG Pensions - Cash vs Accrual Deferral Ac |

Update impact: copy and paste as values abo

it

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| | 930 | 789 | 939 | 1,157 |
| File | 957 | 626 | 728 | 728 |

| Expense / Revenue | Impacts by FY → | | | |
|---|---|---|---|---|
| Revenue | 41 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 26 | 39 |
| Expense | 0 | -31 | -67 | -76 |
| Expense | 0 | 0 | 0 | -200 |
| Revenue | -2 | 0 | 0 | 0 |
| Revenue | -39 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | - | - | - | - |
| n/a | - | - | - | - |
| es | - | - | - | - |
| Revenue | 4.7 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | 18 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | 8 | 9 | 12 | 3.5 |
| Revenue | 0 | -142 | -181 | -195 |
| Revenue | -3 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | -14.7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| t Income | - | - | - | - |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| ove | 0 | 0 | 0 | 0 |

| 2020-21 | |
|---|---|
| 1,676 | |
| 1,401 | |

| | Further Explanation of Change and source of data |
|---|---|
| 0 | Regular quarterly ONFA Update |
| 0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 12 | From FTD, revised OPG Interest (updated in 5/4/2017) |
| -78 | From FTD, revised Debt Interest (updated in 5/4/2017) |
| 0 | Revised numbers from OEP with 2019-20 Risk |
| 0 | Updated numbers from OPG Q1 2017 FS |
| 0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0 | No Change to numbers, just re-inputting data and saving sources |
| 0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholde |
| 0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Sharehol |
| 1.75 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OP |
| -211 | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a |
| 0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OP |
| 0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Fin |
| 0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will sh |
| 0 | make decision on shifting when we know 2016-17 status. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided another scenario backup/source |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |

0

Will update once revised numbers are received.

impacts

er impact as well.
der
G about the BP
weighted average ownership for 2017-18. Also adjusted future net income attributed to the province.
CD.

ıancial Statements to produce an estimate. May require additional calculations.
ıift this to 2017-18.

If this tab is not needed, or onl
used for a one-off purpose, DELE

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of [illegible] 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | [illegible] | 1,049 | 1,198 | 1,347 | [illegible] | [illegible] |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,232 | 515 | 480 | 532 | 481 | 565 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 | 276 | 248 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 5 | 5 | 5 | 5 | 5 | 5 |
| **Total Electricity Revenue[3]** | 5,391 | 2,966 | 2,843 | 2,321 | 2,209 | 2,317 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG July 2017 Financial Outlook[1] | (13) | (125) | (58) | (36) | 68 | 123 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (330) | (480) | (678) | (726) | (913) |
| Hydro One July 2017 Financial Outlook Update[3] | 430 | (41) | (154) | (195) | (208) | (223) |
| MEUs PILs | 2 | 0 | 5 | 5 | 5 | 5 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | (9) | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) |
| Power Supply Contract Recoveries[5] | 91 | 96 | (171) | (71) | 25 | 25 |
| **Total Revenue Items On Deck** | 387 | (405) | (863) | (980) | (841) | (988) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of July 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 849 | 475 | 1,113 | 1,034 | 1,507 |
| Taxation Revenue | 3,228 | 393 | 414 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,736 | 1,878 | 1,966 | 1,906 | 2,489 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,778 | 2,561 | 1,980 | 1,341 | 1,368 | 1,329 |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | 3,772 | 782 | 727 | 103 | 191 | 242 |
| Electricity Summary - On Deck | 3,856 | 957 | 626 | 728 | 728 | 1,401 |
| | 84 | 174 | -102 | 625 | 537 | 1159 |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG July 2017 Financial Outlook | (5) | 317 | 312 |
| ONFA and other Fair Value Accounting Adjustments | (330) | | (330) |
| Hydro One July2017 Financial Outlook | (39) | 32 | (7) |
| MEU PILs | | 80 | 80 |
| | (374) | 429 | 55 |

If this tab is not needed, or c
used for a one-off purpose, Dl

## Electricity Sector Outlook (PSAB)

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Finance - Own Account | 7 | 6 | 6 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,159 | 1,127 | 1,149 | 1,109 |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Power Supply Contract Costs | 1,296 | 950 | 784 | 643 | 463 | 396 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,949 | 1,776 | 1,618 | 1,511 |

### Details on Change in Expenditure Outlook

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Public Accounts** | | | | | | |
| **Finance - Own Account** | - | - | (43) | (103) | (204) | (202) |
| Interest on Debt | - | - | - | - | - | - |
| Power Supply Contract Costs | - | - | 91 | 96 | (171) | (71) |
| **Total Updates:** | - | - | 48 | (7) | (375) | (273) |

### On Deck Expenditure Outlook as of July 2017

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

### Expense Items On Deck

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Finance - Own Account*** | - | - | - | - | - | - |
| **Interest on Debt*** | - | - | - | - | - | - |
| Power Supply Contract Costs* | - | - | - | - | - | - |
| **Total Expense Items "On Deck":** | - | - | - | - | - | - |

* Updated based on OEFC audited financial statements.

### On Deck Expenditure Outlook as of July 2017

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | - | 9 | 8 | 10 | 10 | - |
| **Total Electricity Expenditures** | 2,551 | 2,143 | 2,006 | 1,779 | 1,253 | 1,238 |

### Additional Expenditure Risks

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Finance - Own Account** | | | | | | |
| **Interest on Debt** | | | | | | |
| Power Supply Contract Costs | | | | | | |
| Total Additional Risks: | - | - | - | - | - | - |

### Risk Based Expenditure Outlook

| ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

## Electricity Sector Outlook (PSAB)

| ($million) | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|
| **Budget 2016 Outlook as of January 2016** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 257 | 471 | 586 | 673 |
| OPG - ONFA and other Fair Value Adjustments[2] | 241 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | (168) | 578 | 612 | 674 |
| **Total OPG and HOI Income** | **330** | **1,049** | **1,198** | **1,347** |
| | | | | |
| **Other Fees and Licences** | **127** | **127** | **125** | **123** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | - | (138) | (706) | - |
| Public Debt Interest - Electricity Sector | (508) | (492) | (492) | (492) |
| **Subtotal** | (508) | (630) | (1,198) | (492) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(508)** | **(630)** | **(1,198)** | **(492)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,232 | 515 | 480 | 532 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 868 | 625 | 623 | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (127) | (125) | (123) |
| Miscellaneous | 5 | 5 | 5 | 5 |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (651) | (635) | (657) | (617) |
| Power Supply Contract Costs | (784) | (643) | (463) | (396) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Mangement Support Costs[6] | (9) | (10) | (10) | - |
| Provision for Electricity Sector | - | 138 | 706 | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,485** | **634** | **1,090** | **(168)** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

**Notes: All the Hydro One ownership broadening impacts, other than the initial IPO in 2015, are in the asset optimisation line (Sales and Rental) and not in the current Outlook file.**

**Notes:**

1.Reflects OPG October 2015 report for 2015-16. Out-years reflect OPG's 2015 business plan and long-term outlook to 2018-19 (as fiscalized by OPG, received February 11, 2015). 2019-20 and 2020-21 estimates are preliminary and based on OPG's long-term model provided in 2015 and fiscalized by CEFD staff, to be updated.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2015.

3. Hydro One 2015-16 to 2020-21 projections are based on its 2015 Business plan, adjusted for latest information, including its 2015-17 distribution rate decIsion, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial consolidation adjustments, minus the interest costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Management Support Costs | 9 | 10 | 10 | - |
| Provision for Electricity Sector | - | (138) | (706) | - |
| Other (Finance) | 6 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **-** | **138** | **706** | **-** |

## 2) DETAIL LINES

| REVENUE | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **330** | **1,049** | **1,198** | **1,347** |
| *Public Debt Interest - Electricity Sector exp* | *508* | *492* | *492* | *492* |
| *equals ampount above $520M (not incl ONFA)* | *0* | *138* | *706* | *0* |
| *of which: ONFA Adjustments*** | *241* | *0* | *0* | *0* |
| *check total* | *749* | *630* | *1,198* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | |
| Other Fees and Licences | | | | |
| Provision for Electricity Sector | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 3,232 | 515 | 480 | 532 |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | |
| Miscellaneous | 5 | 5 | 5 | 5 |
| **SUBTOTAL** | **5,391** | **2,966** | **2,843** | **2,321** |
| | | | | |
| **EXPENSE** | | | | |
| | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | |
| Provision for Electricity Sector | | | | |
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Mangement Support Costs | 9 | 10 | 10 | 0 |
| **less provision** | 0 | (138) | (706) | 0 |
| Other OEFC Expenses | 6 | 6 | 6 | 6 |
| **SUBTOTAL** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **FINANCE** | | | | |
| Provision for Electricity Sector | 0 | 138 | 706 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 508 | 492 | 492 | 492 |
| **SUBTOTAL** | **508** | **630** | **1,198** | **492** |
| | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | |
| OEFC Debt interest | 1,344 | 1,326 | 1,337 | 1,282 |
| interest payments to OEFC from Other than Province | (185) | (199) | (188) | (173) |
| interest to OEFC from Province | (508) | (492) | (492) | (492) |
| **SUBTOTAL** | **651** | **635** | **657** | **617** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Revenues)** | **1,038** | **3** | **342** | **125** | **-** |

If this table is not needed, or only used for a one-off purpose, DELETE

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **842** | **617** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONF* | *520* | *520* | *342* | *125* | *0* |
| *w[illegible] ONFA adjustments* | *[illegible]2* | *[illegible]2* | *8* | *0* | *0* |
| *[illegible]ck to* | *[illegible]7* | *[illegible]5* | *842* | *617* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,709** | **2,011** | **2,136** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (342) | (125) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **412** | **183** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **834** | **617** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of July 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 299 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 49 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 501 | 378 | 380 |
| Brampton Income | | 20 | - | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **849** | **475** | **1,113** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (287) | (21) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,558) | (523) | (800) | (475) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(800)** | **(475)** | **(454)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 393 | 414 | 488 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (510) | (491) | (453) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 287 | 21 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **786** | **524** | **(21)** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **957** | **626** | **728** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (287) | (21) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **468** | **286** | **331** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **1,038** | **3** | **287** | **21** | **-** |

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **849** | **475** | **1,113** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *514* | *454* | *454* |
| *equals amount above $520M (not incl ONFA)* | *1,038* | *3* | *287* | *21* | *0* |
| *of which: ONFA Adjustments*** | *239* | *172* | *49* | *0* | *0* |
| *check total* | *1,797* | *695* | *849* | *475* | *454* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 393 | 414 | 488 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,736** | **1,878** | **1,966** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (287) | (21) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **468** | **286** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 287 | 21 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 514 | 454 | 454 |
| **SUBTOTAL** | **1,558** | **523** | **800** | **475** | **454** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (187) |
| interest to OEFC from Province | (520) | (520) | (514) | (454) | (454) |
| **SUBTOTAL** | **658** | **596** | **510** | **491** | **453** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **957** | **626** | **728** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2016 as of July 2017** | | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | 34 | (172) | (489) | 59 | (79) | 332 | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | (69) | 49 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 424 | (77) | (234) | (294) | (304) | (296) | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections prc CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger v Inc. |
| **Total OPG and HOI Income** | **-** | **389** | (200) | (723) | (235) | (384) | 36 | |
| **Other Fees and Licences** | **-** | **-** | (5) | (23) | (32) | (34) | (41) | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | (3) | (149) | 685 | - | - | - | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in 2 came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-17 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for th after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | (12) | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | - | (15) | (170) | 723 | 38 | 38 | 38 | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **(15)** | (170) | 723 | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (4) | (122) | (66) | (44) | 60 | 116 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | (9) | - | - | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | 91 | 96 | (171) | (71) | 25 | 25 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generatior Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DCI<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | 5 | 23 | 32 | 34 | 41 | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | 4 | (5) | (5) | (5) | (5) | (5) | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | 55 | 125 | 166 | 164 | 216 | 273 | |
| Power Supply Contract Costs | - | (91) | (96) | 171 | 71 | (25) | (25) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1 | - | - | - | - | - | |
| Provision for Electricity Sector | - | 3 | 149 | (685) | - | - | - | |
| Other (Finance) | - | (1) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **49** | 152 | (567) | 147 | 305 | 425 | |
| **Impact on Surplus/(Deficit)** | **-** | **423** | (224) | (590) | (82) | (74) | 458 | |
| **Total revenue Impact** | **-** | **471** | **(231)** | **(965)** | **(355)** | | **172** | |
| Total revenue Impact - less power supply contract recoveries | - | 380 | (327) | (794) | (284) | | 147 | |
| **Total Expenditure impact** | **-** | **48** | **(7)** | **(375)** | **(273)** | | **(286)** | |

## 2) DETAIL LINES

| **REVENUE** | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **389** | **389** | **(200)** | **(723)** | **(235)** | **(384)** |
| *Public Debt Interest - Electricity Sector exp* | *12* | *12* | *22* | *(38)* | *(38)* | *(38)* |
| *equals amount above $520M (not incl ONFA)* | *3* | *3* | *149* | *(685)* | *0* | *0* |
| *of which: ONFA Adjustments* | *(69)* | *(69)* | *49* | *0* | *0* | *0* |
| *check total* | *(54)* | *(54)* | *219* | *(723)* | *(38)* | *(38)* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (4) | (4) | (122) | (66) | (44) | 60 |
| Electricity Debt Retirement Charge | (9) | (9) | 0 | 0 | 0 | 0 |
| Power Supply Contract Recoveries | 91 | 91 | 96 | (171) | (71) | 25 |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 4 | 4 | (5) | (5) | (5) | (5) |
| **SUBTOTAL** | **471** | **471** | **(231)** | **(965)** | **(355)** | **(304)** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 91 | 91 | 96 | (171) | (71) | 25 |
| Demand Management Support Costs | 13 | (1) | - | - | - | - |
| **less provision** | (3) | (3) | (149) | 685 | 0 | 0 |
| Other OEFC Expenses | 1 | 1 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **102** | **88** | **(53)** | **514** | **(71)** | **25** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | 3 | 3 | 149 | (685) | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Public Debt Interest - Electricity Sector (Treasury Program) | 12 | 12 | 22 | (38) | (38) | (38) |
| **SUBTOTAL** | **15** | **15** | **170** | **(723)** | **(38)** | **(38)** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | (25) | (110) | (216) | (188) | (227) |
| interest payments to OEFC from Other than Province | (8) | (18) | 7 | 12 | (14) | (27) |
| interest to OEFC from Province | | (12) | (22) | 38 | 38 | 38 |
| **SUBTOTAL** | **(16)** | **(55)** | **(125)** | **(166)** | **(164)** | **(216)** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **370** | **423** | **(224)** | **(590)** | **(82)** | **(74)** |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**Budget 2016 Outlook as of January 2016**

| | Actual 2014-15 | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 868 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 281 | 437 | 382 | 414 |
| Legacy Hydro One (Including Brampton) | 95 | 2,913 | 7 | 7 | 7 |
| Hydro One CIT dedicated to OEFC | | 13 | 26 | 28 | 30 |
| MEUs | 32 | 25 | 44 | 63 | 81 |
| Total PILs & CIT dedicated to OEFC | 180 | 3,232 | 515 | 480 | 532 |
| Interest : | | | | | |
| OPG | 191 | 177 | 191 | 180 | 165 |
| H1 | | | | | |
| IESO | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 508 | 492 | 492 | 492 |
| Other | 13 | 5 | 5 | 5 | 5 |
| Total Interest | 727 | 693 | 691 | 680 | 665 |
| Power Supply Contract Recoveries | 950 | 784 | 643 | 463 | 396 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | - | 138 | 706 | - |
| Gain to OEFC under s. 50.3 | - | 150 | - | - | - |
| Miscellaneous | 9 | 5 | 5 | 5 | 5 |
| | 4,077 | 5,904 | 2,746 | 3,031 | 1,639 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,344 | 1,326 | 1,337 | 1,282 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 9 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 784 | 643 | 463 | 396 |
| Debt Guarantee fee | 131 | 127 | 127 | 125 | 123 |
| Operating | 6 | 6 | 6 | 6 | 6 |
| | 2,481 | 2,270 | 2,112 | 1,941 | 1,807 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,634** | **634** | **1,090** | **(168)** |
| **Stranded Debt - Year End** | **8,185** | **4,551** | **3,917** | **2,827** | **2,995** |
| | 658 | 651 | 635 | 657 | 617 |

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of March 2017**

| | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | 3 | 20 | 20 | 22 |
| MEUs | 32 | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 373 | 405 | 476 |
| Interest : | | | | | |
| OPG | 191 | 173 | 179 | 168 | 153 |
| H1 | | | | | |
| IESO | 3 | 2 | 3 | 3 | 3 |
| Province | 520 | 520 | 492 | 492 | 492 |
| Other | 13 | 28 | 10 | 5 | 5 |
| Total Interest | 727 | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | - | 172 | - | - | - |
| Miscellaneous | 9 | 9 | - | - | - |
| | 4,077 | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 131 | 127 | 122 | 102 | 91 |
| Operating | 6 | 7 | 6 | 6 | 6 |
| | 2,481 | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | | 87 | | | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 658 | 596 | 532 | 422 | 374 |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of July 2017**

| | Actual | | | | | | | | | | Actual | Actual | Actual | Actual | Plan | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Revenue** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | | | | | | | | | | |
| Revenue Pool Residual | 24 | | | | | | | | | | | | | | | | |
| Debt Retirement Charge | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944.00 | 952 | 939 | 954 | 956 | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | | | | | | | | | | | | | |
| OPG | 389 | 268 | 114 | 554 | 302 | 108 | 542 | 353 | 114.00 | 149 | 193 | 407 | 53 | 268 | 317 | 324 | 378 |
| Legacy Hydro One (Including Brampton) | 266 | 221 | 214 | 193 | 230 | 221 | 113 | 60 | 92.00 | 145 | 100 | 98 | 95 | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | | | | | | | | | | | | | 3 | 25 | 20 | 22 |
| MEUs | 56 | 138 | 183 | 202 | 226 | 217 | 175 | 103 | 115.00 | 73 | 31 | 38 | 32 | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321.00 | 367 | 324 | 543 | 180 | 3,228 | 393 | 414 | 488 |
| Interest : | | | | | | | | | | | | | | | | | |
| OPG | 191 | 191 | 191 | 217 | 196 | 194 | 213 | 210 | 200.00 | 196 | 186 | 187 | 191 | 173 | 179 | 168 | 179 |
| H1 | 214 | 5 | - | - | - | | | | | | | | | | | | |
| IESO | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 1 | 0.70 | 2 | 2 | 2 | 3 | 2 | 3 | 3 | 3 |
| Province | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520.00 | 520 | 520 | 520 | 520 | 520 | 514 | 454 | 454 |
| Other | 33 | 49 | 24 | (6) | 4 | 56 | 50 | 15 | 21.50 | 24 | 10 | 10 | 13 | 28 | 10 | 5 | 5 |
| Total Interest | 964 | 771 | 741 | 737 | 725 | 776 | 789 | 746 | 742.20 | 742 | 717 | 719 | 727 | 723 | 706 | 630 | 641 |
| Power Supply Contract Recoveries | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,372 | 1,323 | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339.00 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 197 | - | - | - | 67 | 422 | - | 644 | 771.00 | 495 | 516 | 599 | 1,038 | 3 | 287 | 21 | - |
| Gain to OEFC under s. 50.3 | | | | | | | | | | | | | - | 172 | 411 | - | - |
| Miscellaneous | 10 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8.00 | 9 | 11 | 8 | 9 | 9 | - | - | - |
| | 3,797 | 3,022 | 3,105 | 3,954 | 3,821 | 4,058 | 3,923 | 4,577 | 4,413.17 | 4,254 | 4,093 | 4,362 | 4,077 | 6,041 | 3,290 | 2,054 | 1,495 |
| **Expense** | | | | | | | | | | | | | | | | | |
| Debt interest | 2,014 | 1,890 | 1,785 | 1,802 | 1,808 | 1,862 | 1,733 | 1,624 | 1,594.00 | 1,592 | 1,565 | 1,447 | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | 162 | 142 | 93 | 69 | 25 | | | | | | | | | | | | |
| Demand Management Support Costs | | | | | | | | | | | | | 9 | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | 105 | 91 | 69 | 60 | 59 | 57 | 47 | 28 | 26.00 | 18 | - | - | - | - | - | - | |
| Power Supply Contract Costs | 786 | 807 | 840 | 811 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,375 | 1,323 | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 147 | 134 | 138 | 138 | 140 | 139 | 141 | 138 | 137.00 | 136 | 135 | 136 | 131 | 127 | 122 | 102 | 91 |
| Operating | 16 | 2 | 13 | 4 | 32 | 7 | 6 | 6 | 6.00 | 6 | 6 | 7 | 6 | 7 | 6 | 6 | 6 |
| | 3,895 | 3,389 | 2,918 | 2,884 | 2,927 | 2,994 | 2,880 | 3,205 | 3,050.97 | 3,127 | 3,029 | 2,886 | 2,481 | 2,336 | 2,093 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362.20** | **1,127** | **1,064** | **1,476** | **1,596** | **3,705** | **1,197** | **524** | **(21)** |
| Prior period adjustment | | | | | | | | | | | | | | 87 | | | |
| **Stranded Debt - Year End** | **20,183** | **20,550** | **20,363** | **19,293** | **18,289** | **17,225** | **16,182** | **14,810** | **13,448.16** | **12,321** | **11,257** | **9,781** | **8,185** | **4,393** | **3,196** | **2,672** | **2,693** |
| | | | | | 1,083 | 1,086 | 944 | 878 | 852 | 850 | 848 | 728 | 658 | 596 | 510 | 491 | 453 |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2016 as of July 2017

| | Plan | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | (9) | - | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | (13) | (120) | (58) | (36) | 68 | 123 | |
| Legacy Hydro One (Including Brampton) | 16 | - | (5) | (5) | (5) | (5) | |
| Hydro One CIT dedicated to OEFC | (10) | (2) | (8) | (8) | (8) | (7) | |
| MEUs | 2 | - | 5 | 5 | 5 | 5 | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (4) | (122) | (66) | (44) | 60 | 116 | |
| Interest : | | | | | | | |
| OPG | (4) | (12) | (12) | 14 | 27 | - | |
| H1 | - | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | - | |
| Province | 12 | 22 | (38) | (38) | (38) | (38) | |
| Other | 23 | 5 | - | - | - | - | |
| Total Interest | 30 | 15 | (50) | (24) | (11) | (38) | |
| Power Supply Contract Recoveries | 91 | 96 | (171) | (71) | 25 | 25 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | 3 | 149 | (685) | - | - | - | |
| Gain to OEFC under s. 50.3 | 22 | 411 | - | - | - | - | |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) | |
| | 137 | 544 | (977) | (144) | 69 | 98 | |
| **Expense** | | | | | | | |
| Debt interest | (25) | (110) | (216) | (188) | (227) | (311) | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | (1) | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | 91 | 96 | (171) | (71) | 25 | 25 | |
| Debt Guarantee fee | - | (5) | (23) | (32) | (34) | (41) | |
| Operating | 1 | - | - | - | - | - | |
| | 66 | (19) | (410) | (291) | (236) | (327) | |
| **Excess (Deficiency) of Revenue over Expense** | **71** | **563** | **(567)** | **147** | | | |
| **Stranded Debt - Year End** | **(158)** | **(721)** | **(154)** | **(301)** | **(606)** | **(1,031)** | |

## Electricity Sector Outlook (PSAB)

### Negative Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | TBD | TBD | TBD | TBD |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (14) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (475) | | | |
| OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6] | - | (75) | (425) | (525) | (675) | TBD |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[6] | | (75) | (400) | (475) | (700) | (750) |
| OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6] | | (1,000) | (375) | (400) | (400) | TBD |
| Additional regulatory risk - Timing, Darlington Refurb Project & Others[7] | - | | (660) | | | |
| **Total - Scenario 1** | - | (436) | (2,061) | (1,043) | (1,281) | (547) |
| **Total - Scenario 2** | - | (1,361) | (2,011) | (918) | (1,006) | (547) |

**Notes: The cumulative downside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Under the Ontario Nuclear Funds Agreement (ONFA), OPG has established two segregated funds, the Decommissioning Segregated Fund (DSF) and for the Used Fuel Segregated Fund (UFSF). The risk shown is based on 1% decline on a realized basis in the DSF and UFSF, less the portion in the DSF assumed to be attributable to OPG's Bruce assets that is recoverable from consumers through the Bruce Variance Account.

3. Risk range for OPG reflects potential risk of lower ROE by 0.5% vs assumed ROEs in OPG's 2016 business plan and corresponding rate application. Also reflects how the proposed deemed equity of 49% might actually revert to the prior approved 45% weighting.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities.

6. The Ontario Auditor General recommended in the 2016 AG Report that the Province of Ontario include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards potentially as soon as the 2016-17 fiscal year. Estimated impacts to the Province by OPG being consolidated on an IFRS basis with respect to its nuclear liabilities under two methodologies are summarized in Scenarios 1 and 2. (Following work on the next Reference Plan, the potential impact to the 2021-22 fiscal year and going forward would be known.) **NOTE: The scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan.**

7. Additional regulatory risks related to the rate application in spring 2016, including risks related to effective date timing, and a portion of refurb. costs-to-date of about $700-800M.

8. On January 25, 2017, the Ontario Energy Board (OEB) staff released their review of the Hydro One Transmission rate application (EB-2016-0160), and proposed a number of changes for the Board to rule on including a reduction in allowed capital expenditure, which would reduce the rate base and related return on capital, and OM&A related primarily to the compensation levels beyond the benchmark.

## Electricity Sector Outlook (PSAB)

### Positive Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

**Notes: The cumulative upside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Reflects OPG's Motion to Review application with the OEB for the Niagara Tunnel cost disallowance and the 2013 tax loss.

3. A 1% change in the forecast represents a change of approximately 206MW for Tx in peak demand based on 2015/2016revenue requirement.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE by 1% vs assumed ROEs in the Hydro One CEFD Forecast. Rounded to the nearest $5M.

5. Risk range for OPG reflects potential risk of higher ROE by 1% (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Rounded to the nearest $5M.

6. NOTE: The Scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan. This is the impact if Scenario 2 is realized.

**Ontario Electricity Financial Corporation**

**On Debt Revenue & Expenses Outlook**

**($ millions)**

*If* this tab is not needed, or only used for a one-off purpose, DELETE

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | 4,077 | 6,011 | 3,290 | 2,054 | 1,495 | 1,508 | 1,591 |
| less: interest income (to IOD) | 1 | 727 | 723 | 706 | 630 | 641 | 636 | 609 |
| less: Electricity Sector Dedicated Income from Prov | 2 | 1,038 | 3 | 287 | 21 | - | - | - |
| ***Adjustment to CRF revenue*** | | 2,312 | 5,315 | 2,297 | 1,403 | 854 | 872 | 982 |
| | | | | | | | | |
| **Expense** | | 2,481 | 2,336 | 2,093 | 1,531 | 1,516 | 1,448 | 1,323 |
| less: Interest expense - With Province (to IOD) | | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| less: Debt Guarantee Fee paid to Province | 3 | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| ***Adjustment to CRF expense*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| **Surplus/(Deficit) Impact - without IOD Adj.** | | 689 | 3,829 | 1,032 | 604 | 70 | 149 | 349 |
| **Surplus/(Deficit) Impact** | | 1,347 | 4,425 | 1,542 | 1,095 | 523 | 565 | 703 |
| **In 2008-09 RBP - Surplus/(Deficit)** | | - | - | - | - | - | - | - |
| **Adjustment required** | | 1,347 | 4,425 | 1,542 | 1,095 | 523 | 565 | 703 |
| | | | | | | | | |
| ***Operating expense split*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| ***Capital expense split*** | | - | - | - | - | - | - | - |
| ***Total*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| ***IOD*** | | 658 | 596 | 510 | 491 | 453 | 417 | 354 |

**Notes:**

1. OEFC interest income includes $520 million, or less (after H1 ownership broadening), annual interest payment from Province related to the Province's investment in OPG and Hydro One.

2. OEFC receives Electricity Sector Dedicated Income from the Province for the combined net income of OPG and Hydro One in excess of the Province's annual interest cost for its investment in these companies.

3. OEFC pays a Debt Guarantee Fee to the Province that is eliminated upon consolidation.

## Ontario Power Generation

### OPG Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | *243* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 108 | 59 | (75) | 8 | | | | |
| *ONFA Adjustments* | - | - | - | 8 | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

### OPG PIL - Budget 2017
**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 304 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **302** | **315** | **366** |

### OPG Income - July 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 299 | 97 | 732 | 625 | 1,066 |
| OPG Net Income After Tax | 334 | 574 | 291 | 377 | **480** | 678 | 726 | 913 |
| Extraordinary Gains | - | 243 | - | - | - | - | - | - |
| GA - OPG Trust Interest Revenue | | | | | 17.2 | 54.4 | 99.4 | 152.5 |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (78) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 49 | | | | |
| ONFA Adjustments | 367 | 180 | 247 | 49 | | | | |
| Other Fair Value Adjustments | 108 | 59 | (75) | | | | | |

**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 398 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 299 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 99 | **92** | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | **204** | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 16 | 13 | 16 | **14** | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **317** | **324** | **378** |
| | | | | | 24.87% | 16.08% | 15.56% |

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - July 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 680 | 742 | 802 | 862 | 931 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 742 | 802 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

## Provision for Electricity Sector

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 299.0000 | 97 | 732 | 625 | 1,066 |
| Hydro One Income | 786 | 741 | 232 | 501.3520 | 378 | 380 | 408 | 441 |
| (Brampton once/if available) | | | | | | | | |
| **Total Income** | 1,120 | 1,558.00 | 523.0000 | 800.3520 | 475 | 1,113 | 1,034 | 1,507 |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (300) | (300) | (300) | (300) |
| Hydro One | | | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (514) | (454) | (454) | (454) | (454) |
| Interest Revennue to OEFC | | 520 | 520 | 514 | 454 | 454 | 454 | 454 |
| **Impact of OPG and Hydro One** | 600.0000 | 1,038.0000 | 3.0000 | 287 | 21 | 658 | 580 | 1,053 |
| **Other Adjustments**[1] | | | | 3 | | | | |
| **MOF Expense** | | | - | 290 | | | | |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| **Provision for Electricity Sector (without adjusting for unrealized losses)** | **599** | **1,038** | **3** | **286.5520** | **21** | **658** | **580** | **1,053** |
| | - | - | - | | | | | |

| ID# (Track Cha | Fiscal Year | |
|---|---|---|
| n/a | n/a | |
| n/a | n/a | |
| | | |
| | | |
| | | |
| | | |
| | | Reduction in E |
| 20170713-1 | 2016-17 | |
| | | Provincial Interest |
| | | Rounded |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy

| Value (Hardcoded) | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|
| 5126 | | ($M) Provinces Equity for Debt payment to OEFC for OPG | OEFC 1999-2000 FS, pg 24 | |
| 5.85% | | Annual Interest Costs | OEFC 1999-2000 FS, pg 26 | |

| | |
|---|---|
| OPG's Annual Interest Costs: | 300 |
| SDI for OPG's Annual Interest Costs: | -300 |

| | | | | |
|---|---|---|---|---|
| -513768360.73 | | Provincial interest cost for equity investment in OPG, H1 in 2016 | Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |

-513.7683607
-513.8

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | | |
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| OPG Net Income Adjustment | | | | |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| OPG Net Income Adjustment | | | | |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| ***Adjustment for Change in Due to Province*** | | | | |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at fiscal year end / latest quarter | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at fiscal year end / latest quarter | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Other Data

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 | 273 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 179 | 168 | 179 | 174 | 147 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) |
|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 |
| 20170510-2 | 2017-18 | $ 291,629,707 |
| 20170510-2 | 2018-19 | $ 324,906,017 |
| 20170510-2 | 2019-20 | $ 300,648,570 |
| 20170510-2 | 2020-21 | $ 273,240,858 |
| | | |
| 20170501-4 | 2016-17 | 179 |
| 20170501-4 | 2017-18 | 168 |
| 20170501-4 | 2018-19 | 179 |
| 20170501-4 | 2019-20 | 174 |
| 20170501-4 | 2020-21 | 147 |
| | | |
| 20170501-5 | 2016-17 | 1216 |
| 20170501-5 | 2017-18 | 1121 |
| 20170501-5 | 2018-19 | 1094 |
| 20170501-5 | 2019-20 | 1053 |
| 20170501-5 | 2020-21 | 963 |

| Value (Linked) | Description | Source I | Source (Link) |
|---|---|---|---|
| | The table below contains an updated preliminary N | SPFB Estimates, Email | |
| | • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| | | SPFB Estimates, BN | |
| 179 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 168 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 179 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 174 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 147 | OPG - Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,216 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,121 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,094 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 1,053 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |
| 963 | OEFC Debt Interest | Provide | S:\Users\CEF\Hydro 2017\OEFC\I |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

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**From:** John Kim
**To:** Bruno Amara
**Subject:** Electricity Sector Outlook (2017 08 31).xlsm
**Date:** Wednesday, April 25, 2018 11:59:55 AM
**Attachments:** Electricity Sector Outlook (2017 08 31).xlsm

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Found it in one of the old Outlook versions.

# Electricity Sector Outlook

## August 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 37 |
| Expense | MOF (OEFC) | 39 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF | 16 |
| Expense | MOF (OEFC) | 41 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 28 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 3 |

* Outlook reflects revenues from OPG, Hydro C

*

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# eck

| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (838) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (8) | (10) | - | - |
| Provision for Electricity Sector | 290 | 248 | - | - |
| Provision for Electricity Sector4 | (290) | (248) | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) |
| OPG Income1 | 299 | 182 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 43 | - | - | - |
| HOI Income3 | 500 | 520 | 562 | 604 |
| Brampton Income | 18 | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 364 | 408 | 488 | 541 |
| Electricity Debt Retirement Charge5 | 621 | 623 | - | - |
| Power Supply Contract Recoveries | 838 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 14 | - | - | - |
| **Sub-Total** | **1,973** | **1,791** | **1,817** | **1,795** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) | (454) |
| Interest on Debt | (510) | (491) | (453) | (417) |
| **Impact on Surplus/Deficit** | **949** | **846** | **910** | **924** |
| ***check*** | **-** | **-** | **-** | **-** |

# et17

| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | 0 | 0 |
| Provision for Electricity Sector | 342 | 125 | 0 | 0 |
| Provision for Electricity Sector | (342) | (125) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 304 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 8 | 0 | 0 | 0 |
| HOI Income3 | 516 | 520 | 562 | 603 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 373 | 405 | 476 | 538 |
| Electricity Debt Retirement Charge5 | 625 | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Sub-Total** | **1,939** | **1,703** | **1,805** | **1,791** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | (532) | (422) | (374) | (342) |
| **Impact on Surplus/Deficit** | **915** | **789** | **939** | **957** |
| ***check*** | ***(15)*** | ***-*** | ***-*** | ***-*** |

# ge

| | ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | **(99)** | **0** | **0** | **0** |
| Demand Management Support Costs | **2** | **-** | **-** | **-** |
| Provision for Electricity Sector | **(53)** | **123** | **-** | **-** |
| Provision for Electricity Sector | **53** | **(123)** | **-** | **-** |
| Other (Finance) | **(1)** | **-** | **-** | **-** |
| OPG Income | **(5)** | **85** | **-** | **-** |
| ONFA and other Fair Value Adjustments | **35** | **-** | **-** | **-** |
| HOI Income | **2** | **0** | **0** | **0** |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | **(9)** | **3** | **12** | **4** |
| Electricity Debt Retirement Charge | **(4)** | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **99** | **(0)** | **(0)** | **(0)** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** | **-** |
| Miscellaneous | **14** | **-** | **-** | **-** |
| **Sub-Total** | 33 | 88 | 12 | 4 |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 |
| Interest on Debt | 22 | (69) | (79) | (75) |
| **Impact on Surplus/Deficit** | **33** | **57** | **(29)** | **(33)** |
| ***check*** | ***15*** | ***(0)*** | ***(0)*** | ***0*** |

)ne, OEFC and PILS from MEUs, and

| 2020-21 |
|---|
| (273) |
| - |
| - |
| - |
| (6) |
| 1,066 |
| - |
| 652 |
| - |
| 681 |
| - |
| 273 |
| 28 |
| - |
| **2,420** |
| |
| (454) |
| (354) |
| **1,612** |
| - |

| 2020-21 |
|---|
| (273) |
| 0 |
| 0 |
| 0 |
| (6) |
| 1,066 |
| 0 |
| 652 |
| |
| 679 |
| 0 |
| 273 |
| 28 |
| 0 |
| **2,418** |
| |
| (492) |

| |
|---|
| (250) |
| **1,676** |
| **-** |

| |
|---|
| **2020-21** |
| **(0)** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **0** |
| |
| **2** |
| **-** |
| **0** |
| **-** |
| **-** |
| 2 |
| |
| 38 |
| (104) |
| **(64)** |
| ***0*** |

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Track Changes in Surplus/Defic

**Budget 2017 Outlook**
**Current Outlook**

| Date | Change ID# | Source in File | Tab | Description of Update |
|---|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | | ONFA Update as of March 31 2017 |
| 5/1/2017 | 20170501-2 | Link | | s. 50.3 Update for 2016-17 |
| 5/1/2017 | 20170501-3 | Link | | Revised Provincial Interest Costs, DforE |
| 5/1/2017 | 20170501-4 | Link | | Revised OPG Interest |
| 5/1/2017 | 20170501-5 | Link | | Revised Debt Interest |
| 5/2/2017 | 20170502-1 | Link | | OPG IFRS Risk in 2019-20 |
| 5/9/2017 | 20170509-1 | Link | | Revised OPG 2016-17 Net Income |
| 5/10/2017 | 20170510-1 | Link | | Updating H1 2016-17 Net Income for ESDI |
| 5/10/2017 | 20170510-2 | Link | | Power Purchase Supply |
| 5/12/2017 | 20170512-1 | Link | | H1 Model Forecasts - No Fiscal Update Resa |
| 5/15/2017 | 20170515-1 | Link? | | Update Budget 2017 Tabs to reflect fiscal pla |
| 5/15/2017 | 20170515-2 | Link | | Update OPG forecasted PILS to reflect sourc |
| 5/17/2017 | 20170517-1 | Link | | Update H1 2016-17 CIT |
| 5/17/2017 | 20170517-2 | Link | | Re-inputting ONFA updates |
| 5/17/2017 | 20170517-3 | | | Updating H1 Net Income to include Pref Shai |
| 5/18/2017 | 20170518-1 | Link | | Updating OPG Income Tax Expense for 2016 |
| 5/18/2017 | 20170518-2 | Link | | Updating OPG non-income tax PILs |
| 5/18/2017 | 20170518-3 | | | H1 Final Offering - Net Income Impacts and e |
| 6/15/2017 | 20170615-1 | Link | | Updating with actual OPG IFRS Adjustment 2 |
| 6/22/2017 | 20170622-1 | Link | | Utilizing H1 IFRS Adjustment for 2016-17 |
| 6/22/2017 | 20170622-2 | Link | | **[NOT APPLIED]** Updating H1 Brampton (Inte |
| 6/26/2017 | 20170626-1 | | | Shifted H1 Brampton 2016-17 NI to the 2017 |
| | | | | Removed H1 Brampton for 2016-17 |
| 6/29/2017 | 20170629-1 | | | (pending finals) |
| 7/6/2017 | 20170706-1 | | | Reconfigured calculation of ESDI and MOF E |
| 7/11/2017 | 20170711-1 | | | Reconfigured calculation of OPG 2017-18 Ne |
| 7/13/2017 | 20170713-1 | Link | | Backup for the Provincial Interest cost |
| 7/17/2017 | 20170717-1 | Link | | Linking source for Revenue Risks Tab |
| 7/24/2017 | 20170724-1 | Link | | New source for Revenue Risks Tab |
| 7/25/2017 | 20170725-1 | Link | | Revenue Risks Tab - ROE Risks |
| 7/26/2017 | 20170726-1 | Link | | Updating OEB Risk for OPG |
| 7/27/2017 | 20170727-1 | Link | | OEB Staff Report - H1 Tx - Revenue Risks |
| 7/27/2017 | 20170727-2 | Link | | OPG Pensions - Cash vs Accrual Deferral Ac |
| 7/31/2017 | 20170731-1 | | | Updating Links in Electricity Summary Chang |
| 7/31/2017 | 20170731-2 | Link | | Preliminary estimate for Hydro One Brampto |
| 7/31/2017 | 20170731-3 | Link | | Updating DRC for Actuals 2016-17 (Based o |
| 8/11/2017 | 20170811-1 | Link | | Updating PILs for 2016-17 Baced on Actuals |
| 8/15/2017 | 20170815-1 | | | OPG Non-ONFA Fair Value Adjustment |
| 8/15/2017 | 20170815-2 | | | Round all Hydro One ownership assumptions |
| 8/15/2017 | 20170815-3 | | | H1 Equity Adjustment rounding. |
| 8/15/2017 | 20170815-4 | | | Revising source of ESDI, Dedicated Electricit |
| 8/15/2017 | 20170815-5 | | | 2016-17 - Update Power Supply Recoveries f |
| 8/15/2017 | 20170815-6 | | | 2016-17 - Updating Miscellaneous/Other in O |
| 8/15/2017 | 20170815-7 | | | Updated Interest On Debt |
| 8/15/2017 | 20170815-8 | | | 2016-17 - Demand Management Support Cos |
| 8/15/2017 | 20170815-9 | | | 2017-18 - Demand Management Support Cos |
| 8/15/2017 | 20170815-10 | | | 2016-17 - Updating Operating Expense in OE |

| | | | | |
|---|---|---|---|---|
| 8/17/2017 | 20170817-1 | Link | Provision | Sourcing Provision for Electricity Sector from |
| 8/17/2017 | 20170817-2 | Link | Hydro One | Revised 2016-17 Brampton Amount for Publi |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) | OPG Pensions - Cash vs Accrual Deferral Ac |
| 8/22/2017 | 20170822-1 | Link | OPG | OPG Net Income and PILs for June Results |
| 8/25/2017 | 20170825-1 | | Hydro One | Reverting H1 Ownership change (undoing 20 |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) | Updating Risks based on Hydro One Q2 Res |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) | Avista Acquisition Risks |

Update impact: copy and paste as values abo

it

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| | 930 | 789 | 939 | 1,157 |
| File | 949 | 846 | 910 | 924 |

| Expense / Revenue | Impacts by FY → | | | |
|---|---|---|---|---|
| Revenue | 41 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 26 | 39 |
| Expense | 0 | -31 | -67 | -76 |
| Expense | 0 | 0 | 0 | -200 |
| Revenue | -2 | 0 | 0 | 0 |
| Revenue | -39 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | - | - | - | - |
| n/a | - | - | - | - |
| es | - | - | - | - |
| Revenue | 4.7 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | 18 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | 8 | 9 | 12 | 3.5 |
| Revenue | 0 | -142 | -181 | -195 |
| Revenue | -3 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | 0 | 0 | 0 | 0 |
| | | | | |
| Revenue | -14.7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| t Income | - | - | - | - |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| Revenue | 15 | 0 | 0 | 0 |
| Revenue | -4 | 0 | 0 | 0 |
| Revenue | -29 | 0 | 0 | 0 |
| Revenue | -6 | 0 | 0 | 0 |
| Revenue | -0.00704 | -0.000640557 | 0 | 0 |
| Revenue | -1.67 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| EFC FS to Actuals | 14 | 0 | 0 | 0 |
| | | | | |
| sts Update | 1.8 | 0 | 0 | 0 |
| sts (no change) | 0 | 0 | 0 | 0 |
| FC | -1 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| Revenue | - | - | - | - |
| Revenue | 3 | 0 | 0 | 0 |
| counts (Revenue Risks | 0 | 0 | 0 | 0 |
| Revenue | 0 | 79 | 0 | 0 |
| 170518-3) | 0 | 142 | 182 | 195 |
| n/a | 0 | 0 | 0 | 0 |
| ove | 0 | 0 | 0 | 0 |

| 2020-21 | |
|---|---|
| 1,676 | |
| 1,612 | |

| | Further Explanation of Change and source of data |
|---|---|
| 0 | Regular quarterly ONFA Update |
| 0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 12 | From FTD, revised OPG Interest (updated in 5/4/2017) |
| -78 | From FTD, revised Debt Interest (updated in 5/4/2017) |
| 0 | Revised numbers from OEP with 2019-20 Risk |
| 0 | Updated numbers from OPG Q1 2017 FS |
| 0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0 | No Change to numbers, just re-inputting data and saving sources |
| 0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholde |
| 0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Sharehol |
| 1.75 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OP |
| -211 | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a |
| 0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OP |
| 0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Fin |
| 0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will sh |
| 0 | make decision on shifting when we know 2016-17 status. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided another scenario backup/source |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On D |
| 0 | Adjustment to ESDI to include Hydro One Brampton |
| 0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 num |
| 0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent v |
| 0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| 0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and D |
| 0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| 0 | Updating Miscellaneous to OEFC AR actuals |
| | **[REVISED NUMBERS FROM FTD] COMING SOON** |
| 0 | |
| 0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere ar |

| | |
|---|---|
| - | No change to numbers. Just re-organized spreadsheet |
| 0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0 | Revising for OPG's Q3 Finances |
| 0 | Revising OPG's Net Income for latest monthly report |
| 211 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other a |
| 0 | Updating Risks based on Hydro One Q2 Results Model |

0

Data Validation:
Options
Revenue (F
OPG
Hydro One
Provision
ONFA
Other Data

Will update once revised numbers are received.

impacts

er impact as well.
der
G about the BP
weighted average ownership for 2017-18. Also adjusted future net income attributed to the province.
CD.

ıancial Statements to produce an estimate. May require additional calculations.
ift this to 2017-18.

eck (from 2016 and On Deck)

ıbers to reflect this.

with OPCD.

edicated Earnings in Public Accounts.

ıd sources.

areas to ensure broadening change and reduction in net income happens concurrently in forecasts.

Risks)

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of Budget 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | 719 | 842 | 617 | 1,294 | 1,229 | 1,717 |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue[3]** | 5,862 | 2,709 | 2,011 | 2,136 | 2,098 | 2,697 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG August 2017 Financial Outlook[1] | 0 | (83) | 88 | 12 | 4 | 2 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (336) | (480) | (678) | (726) | (913) |
| Hydro One August 2017 Financial Outlook Update[3] | 20 | (23) | 0 | 0 | 0 | 0 |
| MEUs PILs | 0 | 68 | 0 | 0 | 0 | 0 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | 0 | (4) | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 14 | 0 | 0 | 0 | 0 |
| ; | 0 | 99 | (0) | (0) | (0) | 0 |
| **Total Revenue Items On Deck** | (99) | (266) | (392) | (666) | (722) | (910) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of August 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 860 | 702 | 1,294 | 1,229 | 1,718 |
| Taxation Revenue | 3,228 | 364 | 408 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,826 | 2,099 | 2,148 | 2,101 | 2,700 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,763 | 2,443 | 1,619 | 1,470 | 1,375 | 1,787 |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | 3,757 | 664 | 366 | 232 | 198 | 699 |
| Electricity Summary - On Deck | 3,856 | 957 | 626 | 728 | 728 | 1,401 |
| | 99 | 293 | 259 | 496 | 531 | 702 |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG August 2017 Financial Outlook | (5) | 224 | 219 |
| ONFA and other Fair Value Accounting Adjustments | (336) | | (336) |
| Hydro One August2017 Financial Outlook | (24) | - | (24) |
| MEU PILs | | 80 | 80 |
| | (365) | 304 | (62) |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Revenues)** | **1,038** | **3** | **342** | **125** | **-** |

If this table is not needed, or only used for a one-off purpose, DELETE

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **842** | **617** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONF* | *520* | *520* | *342* | *125* | *0* |
| *w[illegible] ONFA adjustments* | *[illegible]2* | *[illegible]2* | *8* | *0* | *0* |
| *[illegible]ck to* | *[illegible]7* | *[illegible]5* | *842* | *617* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,709** | **2,011** | **2,136** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (342) | (125) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **412** | **183** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **834** | **617** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of August 2017** | | | | | |
| | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 299 | 182 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 520 | 562 |
| Brampton Income | | 20 | 18 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **860** | **702** | **1,294** |
| | | | | | |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| | | | | | |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | - | (290) | (248) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,558) | (520) | (803) | (702) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(520)** | **(803)** | **(702)** | **(454)** |
| | | | | | |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 364 | 408 | 488 |
| | | | | | |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - |
| | | | | | |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (510) | (491) | (453) |
| Power Supply Contract Costs | (950) | (875) | (838) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - |
| Provision for Electricity Sector | 1,038 | - | 290 | 248 | - |
| Other (Finance) | (6) | (7) | (7) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,530** | **770** | **744** | **(21)** |
| | | | | | |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **949** | **846** | **910** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 8 | 10 | - |
| Provision for Electricity Sector | (1,038) | - | (290) | (248) | - |
| Other (Finance) | 6 | 7 | 7 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **890** | **563** | **59** | **331** |
| | | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **1,038** | **-** | **290** | **248** | **-** |

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **860** | **702** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *514* | *454* | *454* |
| *equals amount above $520M (not incl ONFA)* | *1,038* | *0* | *290* | *248* | *0* |
| *of which: ONFA Adjustments*** | *239* | *172* | *43* | *0* | *0* |
| *check total* | *1,797* | *692* | *846* | *702* | *454* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 364 | 408 | 488 |
| Electricity Debt Retirement Charge | 956 | 859 | 621 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 14 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,826** | **2,099** | **2,148** |
| | | | | | |
| **EXPENSE** | | | | | |
| | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 8 | 10 | 0 |
| **less provision** | (1,038) | 0 | (290) | (248) | 0 |
| Other OEFC Expenses | 6 | 7 | 7 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **890** | **563** | **59** | **331** |
| | | | | | |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 0 | 290 | 248 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 514 | 454 | 454 |
| **SUBTOTAL** | **1,558** | **520** | **803** | **702** | **454** |
| | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (187) |
| interest to OEFC from Province | (520) | (520) | (514) | (454) | (454) |
| **SUBTOTAL** | **658** | **596** | **510** | **491** | **453** |
| | | | | | |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **949** | **846** | **910** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of August 2017** | | | | | | | | ***Last updated X, to be updated upon next request*** |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | - | (5) | 85 | - | - | - | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | - | 35 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 20 | 2 | 0 | 0 | 0 | 0 | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections pro CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger Inc. |
| **Total OPG and HOI Income** | **-** | **-** | 17 | 85 | 0 | 0 | 0 | |
| **Other Fees and Licences** | **-** | **-** | - | - | - | - | - | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | 3 | 53 | (123) | - | - | - | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-1 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for t after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | - | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | - | 3 | 31 | (85) | 38 | 38 | 38 | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **3** | 31 | (85) | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | - | (9) | 3 | 12 | 4 | 2 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | - | (4) | - | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | - | 99 | (0) | (0) | (0) | 0 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generation Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DC<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | - | 14 | - | - | - | - | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | - | 22 | (69) | (79) | (75) | (104) | |
| Power Supply Contract Costs | - | - | (99) | 0 | 0 | 0 | (0) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | - | 2 | - | - | - | - | |
| Provision for Electricity Sector | - | (3) | (53) | 123 | - | - | - | |
| Other (Finance) | - | - | (1) | - | - | - | - | |
| **Total OEFC Income** | **-** | **(3)** | (30) | 57 | (67) | (71) | (102) | |
| **Impact on Surplus/(Deficit)** | **-** | **-** | 19 | 57 | (29) | (33) | (64) | |
| **Total revenue Impact** | **-** | **-** | **117** | **88** | **12** | | **3** | |
| Total revenue Impact - less power supply contract recoveries | - | - | 18 | 88 | 12 | | 2 | |
| **Total Expenditure impact** | **-** | **-** | **98** | **31** | **41** | | **66** | |

## 2) DETAIL LINES

| **REVENUE** | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **0** | **0** | **17** | **85** | **0** | **0** |
| *Public Debt Interest - Electricity Sector exp* | *0* | *0* | *22* | *(38)* | *(38)* | *(38)* |
| *equals amount above $520M (not incl ONFA)* | *(3)* | *(3)* | *(53)* | *123* | *0* | *0* |
| *of which: ONFA Adjustments* | *0* | *0* | *35* | *0* | *0* | *0* |
| *check total* | *(3)* | *(3)* | *4* | *85* | *(38)* | *(38)* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 0 | 0 | (9) | 3 | 12 | 4 |
| Electricity Debt Retirement Charge | 0 | 0 | (4) | 0 | 0 | 0 |
| Power Supply Contract Recoveries | 0 | 0 | 99 | (0) | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 0 | 0 | 14 | 0 | 0 | 0 |
| **SUBTOTAL** | **0** | **0** | **117** | **88** | **12** | **4** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 0 | 0 | 99 | (0) | (0) | (0) |
| Demand Management Support Costs | 13 | - | (2) | - | - | - |
| **less provision** | 3 | 3 | 53 | (123) | 0 | 0 |
| Other OEFC Expenses | 0 | 0 | 1 | 0 | 0 | 0 |
| **SUBTOTAL** | **16** | **3** | **151** | **(124)** | **(0)** | **(0)** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | (3) | (3) | (53) | 123 | 0 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 0 | 0 | 22 | (38) | (38) | (38) |

| | | | | | | |
|---|---|---|---|---|---|---|
| **SUBTOTAL** | **(3)** | **(3)** | **(31)** | **85** | **(38)** | **(38)** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | 0 | 0 | 31 | 67 | 76 |
| interest payments to OEFC from Other than Province | (8) | 0 | 0 | 0 | (26) | (39) |
| interest to OEFC from Province | | 0 | (22) | 38 | 38 | 38 |
| **SUBTOTAL** | **(16)** | **0** | **(22)** | **69** | **79** | **75** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **3** | **0** | **19** | **57** | **(29)** | **(33)** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of March 2017

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 |
| MEUs | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 |
| Interest : | | | | |
| OPG | 173 | 179 | 168 | 153 |
| H1 | | | | |
| IESO | 2 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - |
| Miscellaneous | 9 | - | - | - |
| | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 596 | 532 | 422 | 374 |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of August 2017**

| | Interim (Actuals) 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue Pool Residual | | | |
| Debt Retirement Charge | 621 | 623 | - |
| Payments-in-lieu of tax: | | | |
| OPG | 223.6 | 318 | 378 |
| Legacy Hydro One (Including Brampton) | 4.1 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 25 | 20 | 22 |
| MEUs | 112 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 364 | 408 | 488 |
| Interest : | | | |
| OPG | 179 | 168 | 179 |
| H1 | | | |
| IESO | 3 | 3 | 3 |
| Province | 514 | 454 | 454 |
| Other | 10 | 5 | 5 |
| Total Interest | 706 | 630 | 641 |
| Power Supply Contract Recoveries | 838 | 292 | 325 |
| Amortization of NUG liability | 129 | 74 | 41 |
| Electricity sector dedicated income | 302 | 248 | - |
| Gain to OEFC under s. 50.3 | 411 | - | - |
| Miscellaneous | 14 | - | - |
| | 3,385 | 2,275 | 1,495 |
| **Expense** | | | |
| Debt interest | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | |
| Demand Management Support Costs | 8 | 10 | - |
| Amortization of deferred debt costs | - | - | |
| Power Supply Contract Costs | 838 | 292 | 325 |
| Debt Guarantee fee | 122 | 102 | 91 |
| Operating | 7 | 6 | 6 |
| | 2,191 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | **1,194** | **744** | **(21)** |
| Prior period adjustment | | | |
| **Stranded Debt - Year End** | **3,199** | **2,455** | **2,476** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2017 as of August 2017

| | Plan | | | | | | *Last updated X, to be updated upon next request* |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | **Explanation of Change** |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | - | (4) | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | - | (78) | 3 | 12 | 4 | 2 | |
| Legacy Hydro One (Including Brampton) | - | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | - | 5 | - | - | - | - | |
| MEUs | - | 68 | - | - | - | - | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | - | (9) | 3 | 12 | 4 | 2 | |
| Interest : | | | | | | | |
| OPG | - | - | - | 26 | 39 | 12 | |
| H1 | - | - | - | - | - | - | |
| IESO | - | - | - | - | - | - | |
| Province | - | 22 | (38) | (38) | (38) | (38) | |
| Other | - | - | - | - | - | - | |
| Total Interest | - | 22 | (38) | (12) | 1 | (26) | |
| Power Supply Contract Recoveries | - | 99 | (0) | (0) | (0) | 0 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | - | (41) | 123 | - | - | - | |
| Gain to OEFC under s. 50.3 | - | 411 | - | - | - | - | |
| Miscellaneous | - | 14 | - | - | - | - | |
| | - | 492 | 88 | (0) | 4 | (24) | |
| **Expense** | | | | | | | |
| Debt interest | - | - | 31 | 67 | 76 | 78 | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | - | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | - | 99 | (0) | (0) | (0) | 0 | |
| Debt Guarantee fee | - | - | - | - | - | - | |
| Operating | - | 1 | - | - | - | - | |
| | - | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **-** | **394** | **57** | **(67)** | | | |
| **Stranded Debt - Year End** | **4,393** | **3,199** | **2,455** | **2,476** | **2,415** | **2,148** | |

## Electricity Sector Outlook (PSAB)

### Negative Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | TBD | TBD | TBD | TBD |
| **Generic** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| **Regulatory** | | | | | | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (14) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (533) | | | |
| Regulatory Risk - Darlington Refurb Project[7] | | | (300) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | | | (360) | | | |
| **Accounting** | | | | | | |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update | | (75) | (400) | (475) | (700) | (750) |
| **Other Updates** | | | | | | |
| H1 Quarterly Update | | | (12) | (0) | (0) | (0) |
| Avista Acquisition - Termination fee | | | (103) | | | |
| Avista Acquisition - 1 year of Debenture Interest Costs | | | (62) | | | |
| ~~OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6]~~ | ~~-~~ | ~~(75)~~ | ~~(425)~~ | ~~(525)~~ | ~~(675)~~ | ~~TBD~~ |
| ~~OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6]~~ | | ~~(1,000)~~ | ~~(375)~~ | ~~(400)~~ | ~~(400)~~ | ~~TBD~~ |
| **Total - Scenario 1** | - | (436) | (2,296) | (1,044) | (1,281) | (1,297) |
| **Total - Scenario 2** | - | (1,361) | (2,246) | (919) | (1,006) | (1,297) |

## Electricity Sector Outlook (PSAB)

### Positive Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

## Ontario Power Generation

### OPG Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | *243* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 108 | 59 | (75) | 8 | | | | |
| *ONFA Adjustments* | - | - | - | 8 | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

### OPG PIL - Budget 2017
**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 304 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **302** | **315** | **366** |

### OPG Income - August 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 299 | 182 | 732 | 625 | 1,066 |
| OPG Net Income After Tax | 334 | 574 | 291 | 377 | **565** | 678 | 726 | 913 |
| Extraordinary Gains | - | 243 | - | - | - | - | - | - |
| GA - OPG Trust Interest Revenue | | | | | 17.2 | 54.4 | 99.4 | 152.5 |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (78) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 43 | | | | |
| ONFA Adjustments | 367 | 180 | 247 | 49 | | | | |
| Other Fair Value Adjustments | 108 | 59 | (75) | (6) | | | | |

**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 308 | 657 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 299 | 182 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 9 | **86** | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **224** | **318** | **378** |
| | | | | | 2.80% | 13.09% | 15.56% |

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 680 | 742 | 802 | 862 | 931 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 742 | 802 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

## Provision for Electricity Sector

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 299.0000 | 182 | 732 | 625 | 1,066 |
| Hydro One Income | 786 | 741 | 232 | 501.3450 | 520 | 562 | 604 | 652 |
| Hydro One Brampton (if applied separately) | | | | 15.0000 | | | | |
| **Total Income** | 1,120 | 1,558.00 | 523.0000 | 815.3450 | 702 | 1,294 | 1,229 | 1,718 |
| | | | | | | | | |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (300) | (300) | (300) | (300) |
| Hydro One | | | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (514) | (454) | (454) | (454) | (454) |
| Interest Revennue to OEFC | | 520 | 520 | 514 | 454 | 454 | 454 | 454 |
| | | | | | | | | |
| **Impact of OPG and Hydro One** | 600.0000 | 1,038.0000 | 3.0000 | 302 | 248 | 840 | 775 | 1,264 |
| **Other Adjustments**[1] | | | | 3 | | | | |
| **Excluding Brampton**[2] | | | | (15) | | | | |
| **MOF Expense** | | | - | 290 | | | | |
| | | | | | | | | |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| **Dedicated Electricity Earnings (as Per Public Accounts)** | **599** | **1,038** | **-** | **289.5450** | **248** | **840** | **775** | **1,264** |
| *Ministry of Finance Expense (negative sign)* | | | - | (289.5450) | (248.1467) | | | |
| Electricity Sector Dedicated Income (as per OEFC FS) | - | - | 3 | 302 | 248 | | | |

| ID# (Track Cha | Fiscal Year |
|---|---|
| n/a | n/a |
| n/a | n/a |
| | |
| | |
| | |
| | Reduction in E |
| 20170713-1 | 2016-17 |
| | Provincial Interest |
| | Rounded |
| 20170817-1 | 2015-16 |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy
2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Value (Hardcoded) | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|
| 5126 | | ($M) Provinces Equity for Debt payment to OEFC for OPG | OEFC 1999-2000 FS, pg 24 | |
| 5.85% | | Annual Interest Costs | OEFC 1999-2000 FS, pg 26 | |
| | | | | |
| | | | | |
| | | OPG's Annual Interest Costs: | 300 | |
| | | SDI for OPG's Annual Interest Costs: | -300 | |
| -513768360.73 | | Provincial interest cost for equity investment in OPG, H1 in 2016 | Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |
| | | | | |
| -513.7683607 | | | | |
| -513.8 | | | | |
| | | | | |
| 0 | | Ontario Electricity Financial Corporation Dedicated Electricity Ea | 2015-16 Public Accoun | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\08. August\Backup\20170817-1 - Provision for Electricity Sector\PA 2015-16 - Vol 1.pdf |

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | | |
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| OPG Net Income Adjustment | | | | |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| OPG Net Income Adjustment | | | | |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| ***Adjustment for Change in Due to Province*** | | | | |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at fiscal year end / latest quarter | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at fiscal year end / latest quarter | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Other Data

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Debt Retirement Charge | 621 | 0 | 0 | 0 | 0 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 838 | 292 | 325 | 301 | 273 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 179 | 168 | 179 | 174 | 147 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| MEU - PIL Income Tax | 109.8 | | | | |
| MEU - PIL Property Tax | 0.6 | | | | |
| MEU - GRC | 1.2 | | | | |
| TOTAL MEU PILs | 111.6 | | | | |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Miscellaneous/Other (OEFC FS) | 14 | | | | |
| Demand Management Support Cos | 8 | 10 | | | |
| Operating [Expense] | 7 | 6 | 6 | 6 | 6 |
| Interest on nuclear risk funding | - | - | - | - | - |
| Amortization of deferred debt costs | - | - | - | - | - |
| **Expense (Electrictiy Summary Tab)** | | | | | |
| Other (Finance) | -7 | -6 | -6 | -6 | -6 |
| Demand Management Support Cos | -8 | -10 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) |
|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 |
| 20170510-2 | 2017-18 | $ 291,629,707 |
| 20170510-2 | 2018-19 | $ 324,906,017 |
| 20170510-2 | 2019-20 | $ 300,648,570 |
| 20170510-2 | 2020-21 | $ 273,240,858 |
| | | |
| 20170501-4 | 2016-17 | 179 |
| 20170501-4 | 2017-18 | 168 |
| 20170501-4 | 2018-19 | 179 |
| 20170501-4 | 2019-20 | 174 |
| 20170501-4 | 2020-21 | 147 |
| | | |
| 20170501-5 | 2016-17 | 1216 |
| 20170501-5 | 2017-18 | 1121 |
| 20170501-5 | 2018-19 | 1094 |
| 20170501-5 | 2019-20 | 1053 |
| 20170501-5 | 2020-21 | 963 |
| | | |
| | | |
| 20170731-3 | 2016-17 | 621 |
| | | |
| 20170811-1 | 2016-17 | 109.8 |
| 20170811-1 | 2016-17 | 0.6 |
| 20170811-1 | 2016-17 | 1.2 |
| | | |
| 20170815-5 | 2016-17 | $ 838,000,000 |
| 20170815-6 | 2016-17 | $ 14,000,000 |
| | | |
| 20170815-8 | 2016-17 | 8 |
| 20170815-9 | 2017-18 | 10 |
| 20170815-10 | 2016-17 | 7 |
| 20170815-10 | 2017-18 | 6 |
| 20170815-10 | 2018-19 | 6 |
| 20170815-10 | 2019-20 | 6 |
| 20170815-10 | 2020-21 | 6 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | The table below contains an updated preliminary N | SPFB Estimates, Email | |
| | • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 168 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 174 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 147 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,216 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,121 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,094 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,053 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 963 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| | Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Re |
| | Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Re |
| | Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2( |
| | OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2( |
| | Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2( |
| | No source available. Just brought the information to this tab. | | |

017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for

017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for

017\OEFC\RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.

017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary

eport - English.pdf
eport - English.pdf

017\OEFC\RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017
017\OEFC\RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEF
017\OEFC\RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Repo

· Board -April 2017.xlsx
· Board -April 2017.xlsx
· Board -April 2017.xlsx
· Board -April 2017.xlsx
· Board -April 2017.xlsx

· Board -April 2017.xlsx
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ort - English.pdf

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Electricity Sector Outlook (2017 09 18).xlsm |
| **Date:** | Monday, September 18, 2017 4:19:33 PM |
| **Attachments:** | Electricity Sector Outlook (2017 09 18).xlsm |

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Update risk page to included nuclear liability cash vs. accrual risk. I also update the footnotes to suggest this and pension risk are mitigated by OEB staff report recommendations and Pension report recommendation. But notes that OEB Board could make its own decision.

Risk page still to be updated, including ordering footnotes properly, updating H1 risk as necessary, reviewing upside risks.

# Electricity Sector Outlook

## August 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

For Discussion

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |

| | | |
|---|---|---|
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

| | |
|---|---|
| | 17 |
| | 36 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

FOR EFB USE ONLY

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |


| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

# *

# 1

# eck

$ Millions

| MOF Expense Items (consolidated) | Actual | | Curren |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (838) | (292) | (325) |
| Demand Management Support Costs | (8) | (10) | - |
| Provision for Electricity Sector | 290 | 269 | - |
| Provision for Electricity Sector | (290) | (269) | - |
| Other (Finance) | (7) | (6) | (6) |
| **Total MOF Expense** | **(853)** | **(308)** | **(331)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 299 | 198 | 732 |
| OPG - ONFA and other Fair Value Adjustments | 43 | - | - |
| HOI Income | 500 | 525 | 567 |
| Brampton Income | 18 | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 334 | 407 | 488 |
| Electricity Debt Retirement Charge | 621 | 623 | - |
| Power Supply Contract Recoveries | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 |
| Miscellaneous | 14 | - | - |
| **Total MOF Revenue** | **2,795** | **2,119** | **2,153** |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) |
| Interest on Debt | (513) | (491) | (453) |
| **Total OFA IOD Expense** | **(1,027)** | **(945)** | **(907)** |
| **Impact on Surplus/Deficit** | **915** | **867** | **915** |
| ***check*** | **-** | **-** | **-** |

# et17

$ Millions

| MOF Expense Items (consolidated) | Interim | | F |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (739) | (292) | (325) |
| Demand Management Support Costs | (10) | (10) | 0 |
| Provision for Electricity Sector | 342 | 125 | 0 |
| Provision for Electricity Sector | (342) | (125) | 0 |
| Other (Finance) | (6) | (6) | (6) |
| **Total MOF Expense** | **(755)** | **(308)** | **(331)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments | 8 | 0 | 0 |
| HOI Income | 516 | 520 | 562 |
| Brampton Income | 15 | | |

| | | | |
|---|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 |
| Miscellaneous | 0 | 0 | 0 |
| **Total MOF Revenue** | **2,709** | **2,011** | **2,136** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) |
| Interest on Debt | (532) | (422) | (374) |
| **Total OFA IOD Expense** | **(1,024)** | **(914)** | **(866)** |
| | | | |
| **Impact on Surplus/Deficit** | **930** | **789** | **939** |
| | - | - | - |

# ge

| **MOF Expense Items (consolidated)** | **$ Millions** | | |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (99) | 0 | 0 |
| Demand Management Support Costs | 2 | 0 | 0 |
| Provision for Electricity Sector | (53) | 145 | 0 |
| Provision for Electricity Sector | 53 | (145) | 0 |
| Other (Finance) | (1) | 0 | 0 |
| **Total MOF Expense** | **(98)** | **0** | **0** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | (5) | 101 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 35 | 0 | 0 |
| HOI Income | (16) | 6 | 6 |
| Brampton Income | 3 | 0 | 0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (40) | 2 | 12 |
| Electricity Debt Retirement Charge | (4) | 0 | 0 |
| Power Supply Contract Recoveries | 99 | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | (0) | (0) |
| Miscellaneous | 14 | 0 | 0 |
| **Total MOF Revenue** | **87** | **108** | **18** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 |
| Interest on Debt | 19 | (69) | (79) |
| **Total OFA IOD Expense** | **(3)** | **(31)** | **(41)** |
| | | | |
| **Impact on Surplus/Deficit** | **(15)** | **78** | **(23)** |
| | *0* | *(0)* | *(0)* |

***Previous Changes Hard-coded***

| **MOF Expense Items (consolidated)** | **$ Millions** |
|---|---|

| Item | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|
| Power Supply Contract Costs | (99) | 0 | 0 |
| Demand Management Support Costs | 2 | 0 | 0 |
| Provision for Electricity Sector | (53) | 145 | 0 |
| Provision for Electricity Sector | 53 | (145) | 0 |
| Other (Finance) | (1) | 0 | 0 |
| **Total MOF Expense** | **(98)** | **0** | **0** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | (5) | 101 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 35 | 0 | 0 |
| HOI Income | (16) | 6 | 6 |
| Brampton Income | 3 | 0 | 0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (40) | 2 | 12 |
| Electricity Debt Retirement Charge | (4) | 0 | 0 |
| Power Supply Contract Recoveries | 99 | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | (0) | (0) |
| Miscellaneous | 14 | 0 | 0 |
| **Total MOF Revenue** | **87** | **108** | **18** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 |
| Interest on Debt | 19 | (69) | (79) |
| **Total OFA IOD Expense** | **(3)** | **(31)** | **(41)** |
| | | | |
| **Impact on Surplus/Deficit** | **(15)** | **78** | **(23)** |

***Impact of Current Updates***

| **MOF Expense Items (consolidated)** | **$ Millions** | | |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | - | - | - |
| Demand Management Support Costs | - | - | - |
| Provision for Electricity Sector | - | - | - |
| Provision for Electricity Sector | - | - | - |
| Other (Finance) | - | - | - |
| **Total MOF Expense** | - | - | - |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | - | - | - |
| OPG - ONFA and other Fair Value Adjustments | - | - | - |
| HOI Income | - | - | - |
| Brampton Income | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | - | - | - |
| Electricity Debt Retirement Charge | - | - | - |
| Power Supply Contract Recoveries | - | - | - |
| Net Reduction of Power Purchase Contracts | - | - | - |
| Miscellaneous | - | - | - |
| **Total MOF Revenue** | - | - | - |
| | | | |
| **OFA IOD Expense** | - | - | - |
| Public Debt Interest - Electricity Sector | - | - | - |
| Interest on Debt | - | - | - |
| **Total OFA IOD Expense** | - | - | - |

| | | | |
|---|---|---|---|
| **Impact on Surplus/Deficit** | **-** | **-** | **-** |

## ıt Outlook

| 2019-20 | 2020-21 |
|---|---|
| (301) | (273) |
| - | - |
| - | - |
| - | - |
| (6) | (6) |
| **(307)** | **(279)** |

| | |
|---|---|
| 625 | 1,066 |
| - | - |
| 609 | 658 |
| - | - |
| 541 | 681 |
| - | - |
| 301 | 273 |
| 30 | 28 |
| - | - |
| **2,107** | **2,705** |

| | |
|---|---|
| (454) | (454) |
| (417) | (354) |
| **(871)** | **(808)** |
| **929** | **1,618** |
| - | - |

## ?lan

| 2019-20 | 2020-21 |
|---|---|
| (301) | (273) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| (6) | (6) |
| **(307)** | **(279)** |

| | |
|---|---|
| 625 | 1,066 |
| 0 | 0 |
| 603 | 652 |

| | |
|---|---|
| 538 | 679 |
| 0 | 0 |
| 301 | 273 |
| 30 | 28 |
| 0 | 0 |
| **2,098** | **2,697** |

| | |
|---|---|
| (492) | (492) |
| (342) | (250) |
| **(834)** | **(742)** |
| **957** | **1,676** |
| - | - |

| 2019-20 | 2020-21 |
|---|---|
| 0 | (0) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| **0** | **(0)** |

| | |
|---|---|
| 0 | 0 |
| 0 | 0 |
| 6 | 6 |
| 0 | 0 |
| 4 | 2 |
| 0 | 0 |
| (0) | 0 |
| (0) | (0) |
| 0 | 0 |
| **9** | **8** |

| | |
|---|---|
| 38 | 38 |
| (75) | (104) |
| **(37)** | **(66)** |
| **(28)** | **(58)** |
| ***(0)*** | ***(0)*** |

| 2019-20 | 2020-21 |
|---|---|
| 0 | (0) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| **0** | **(0)** |
| | |
| 0 | 0 |
| 0 | 0 |
| 6 | 6 |
| 0 | 0 |
| 4 | 2 |
| 0 | 0 |
| (0) | 0 |
| (0) | (0) |
| 0 | 0 |
| **9** | **8** |
| | |
| 38 | 38 |
| (75) | (104) |
| **(37)** | **(66)** |
| | |
| **(28)** | **(58)** |

| 2019-20 | 2020-21 |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| | |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
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| - | - |
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| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | -

-  -

| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/1/2017 | 20170501-5 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |

| | | | |
|---|---|---|---|
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |

# Track Changes in Surplus/Deficit

| |
|---|
| **Budget 2017 Outlook** |
| **Current Outlook** |
| **Change Since Budget** |

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised OPG Interest |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at D |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at D |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at D |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |

| |
|---|
| Reconfigured calculation of ESDI and MOF ESDI Expense |
| Reconfigured calculation of OPG 2017-18 Net Income |
| Backup for the Provincial Interest cost |
| Linking source for Revenue Risks Tab |
| New source for Revenue Risks Tab |
| Revenue Risks Tab - ROE Risks |
| Updating OEB Risk for OPG |

OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Updated Interest On Debt, 2016-17
2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 r
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income

Update impact: copy and paste as values above

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

$ Millions

| | | 2016-17 | 2017-18 |
|---|---|---|---|
| | | 930 | 789 |
| | File | 915 | 867 |
| | | -15 | 78 |
| | ***check*** | ***0*** | ***0*** |

| **Outlook line affected** | **Expense / Rever** | **Impacts by FY →** | |
|---|---|---|---|
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 |
| N/A | | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 |
| Interest on Debt | Revenue | 0.0 | 0.0 |
| Interest on Debt | Expense | 0.0 | (31.0) |
| OPG Income | Expense | 0.0 | 0.0 |
| OPG Income | Revenue | (2.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | |
| HOI Income | Revenue | (39.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(39.4)** | |
| Provision for Electricity Sector (MOF) | Expense | 39.4 | |
| | Revenue | - | - |
| | Revenue | - | - |
| | n/a | - | - |
| | | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 |
| | Revenue | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **18.0** | |
| Provision for Electricity Sector (MOF) | Expense | (18.0) | |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 |
| HOI Income | Revenue | 0.0 | (141.5) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 |
| OPG Income | Revenue | (3.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | |
| HOI Income | Revenue | 7.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | |
| | Revenue | - | - |
| | Revenue | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | |
| | Revenue | - | - |
| | | - | - |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |

| | | | |
|---|---|---|---|
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) |
| HOI Income | Revenue | (1.7) | 0.0 |
| | Revenue | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | |
| Miscellaneous | Revenue | **14.0** | 0.0 |
| Interest on Debt | Expense | (3.0) | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 |
| | | 0.0 | 0.0 |
| Other (Finance) | Expense | **(1.0)** | 0.0 |
| | Revenue | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 |
| | | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) |
| HOI Income | Revenue | 0.0 | 141.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) |
| | n/a | 0.0 | 0.0 |
| | | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) |
| | Revenue | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) |
| | | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | **12.4** |
| Provision for Electricity Sector (MOF) | Expense | | (12.4) |
| umber is not a hardcoded formula in the cell | n/a | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) |

| | | | |
|---|---|---|---|
| | | **0** | **0** |
| **Summary of Changes To date** | | | |
| Power Supply Contract Costs | | 99.0 | 0.0 |
| Demand Management Support Costs | | 1.8 | 0.0 |
| Provision for Electricity Sector OEFC) | | **(19.1)** | **131.2** |
| Provision for Electricity Sector (MOF) | | 19.1 | (131.2) |
| Other (Finance) | | (1.0) | 0.0 |
| OPG Income | | (5.0) | 101.0 |
| ONFA and other Fair Value Adjustments | | 35.0 | 0.0 |
| HOI Income | | (16.1) | 5.7 |
| Brampton Income | | 3.3 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | (39.7) | 2.0 |
| Electricity Debt Retirement Charge | | (4.0) | 0.0 |
| Power Supply Contract Recoveries | | (99.0) | 0.0 |
| Net Reduction of Power Purchase Contracts | | 0.05 | (0.08) |
| Miscellaneous | | **14.0** | **0.0** |
| Public Debt Interest - Electricity Sector | | | |
| Interest on Debt | | (3.0) | (31.0) |
| | | **-14.58** | **77.62** |
| | *check* | *0.00* | *0.00* |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 939 | 957 | 1,676 |
| 915 | 929 | 1,618 |
| -23 | -28 | -58 |
| ***0*** | ***0*** | ***0*** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 26.0 | 39.0 | 12.3 |
| (67.0) | (76.0) | (78.0) |
| 0.0 | | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | (0.0) | 0.0 |
| | | |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| (181.4) | (194.9) | (210.6) |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 181.8 | 195.4 | 211.1 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 5.3 | 5.3 | 5.3 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| **0** | **0** | **0** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| **0.0** | **0.0** | **0.0** |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 5.7 | 5.8 | 5.8 |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.10) | (0.06) | (0.03) |
| **0.0** | **0.0** | **0.0** |
| | | |
| (41.0) | (37.0) | (65.8) |
| **-23.38** | **-27.81** | **-58.24** |
| *0.00* | *0.00* | *0.00* |

**Further Explanation of Change and source of data**

Regular quarterly ONFA Update
Benefit to OEFC under s.50.3: $411M gain, SIFB
Change to OEFC payment for interest costs of Debt for Equity Swap
From FTD, revised OPG Interest (updated in 5/4/2017)
From FTD, revised Debt Interest (updated in 5/4/2017)
Revised numbers from OEP with 2019-20 Risk
Updated numbers from OPG Q1 2017 FS

Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will update onc

No Change to numbers, just re-inputting data and saving sources
No Change to numbers, just re-inputting data and saving sources
No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impacts
No Change to numbers, just re-inputting data and saving sources
Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF
No Change to numbers, just re-inputting data and saving sources
Only included H1 Net Income - Common Shareholders before. Added preferred shareholder impact as we

Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder
Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG about the BP
Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a weighted avera

Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD.

Based on KPMG analysis, then fiscalization and other adjustments from OPCD.

**[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financial Statemer
Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift this to 2017-1
make decision on shifting when we know 2016-17 status.

No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided another scenario backup/source
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.

No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck (from 2016
Adjustment to ESDI to include Hydro One Brampton

Finalizing 2016-17 DRC Based on Draft OEFC AR
Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers to reflect t
2016-17 - Non-ONFA Fair Value Adjustment
Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with OPCD.
Revising Hydro One Amount for consistency with OPCD. Equity Adjustments
Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedicated Earnir
Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals

Updating Miscellaneous to OEFC AR actuals
Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) )

2017-18 - Demand Management Support Costs (no change) - Linking correctly
2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and sources.
No change to numbers. Just re-organized spreadsheet
Revised H1 Brampton Net Income (for GBE Line only)
Revising for OPG's Q3 Finances
Revising OPG's Net Income for latest monthly report

Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other areas to ensure

Updating Risks based on Hydro One Q2 Results Model
Updated two Risk components for the Avista Acquisition.
No significant changes, but used actual amortization liability schedule. Hence the rounding impacts/change
Updating Debt Guarantee for actuals based on OEFC AR
Revising OPG's Net Income for latest monthly report

Linking interest revenue data for 2017-18 to 2020-21
OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings
Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Shares

Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are not hardcodec
Updated PILs to include OPCD public accounts adjustment

Data Validation:

Options
Revenue (Risks)
OPG
Hydro One
Provision

ONFA
Other Data

:e revised numbers are received.

ll.

ıge ownership for 2017-18. Also adjusted future net income attributed to the province.

nts to produce an estimate. May require additional calculations.
18.

and On Deck)

his.

ıgs in Public Accounts.

broadening change and reduction in net income happens concurrently in forecasts.

es.

ı directly

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | 2018-19 Pl |
|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 |
| Brampton Income | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** |
| | | | | |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | - | - | - |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - |
| Other (Finance) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (3) | (342) | (125) | - |
| Other (Finance) | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **887** | **412** | **183** | **331** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **3** | **342** | **125** | **-** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| **On Deck Outlook as of August 2017** | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 291 | 299 | 198 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | 236 | 500 | 525 | 567 |
| Brampton Income | 20 | 18 | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **724** | **1,300** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | - | (290) | (269) | |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) |
| **Subtotal** | (520) | (803) | (724) | (454) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(724)** | **(454)** |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 334 | 407 | 488 |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 14 | - | - |
| **Expenses** | | | | |
| Interest on Debt | (596) | (513) | (491) | (453) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - |
| Provision for Electricity Sector | - | 290 | 269 | - |
| Other (Finance) | (7) | (7) | (6) | (6) |
| **Total OEFC Income** | **3,530** | **737** | **765** | **(21)** |
| **Impact on Surplus/(Deficit)** | **3,856** | **915** | **867** | **915** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | 8 | 8 | 10 | - |
| Provision for Electricity Sector | - | (290) | (269) | - |
| Other (Finance) | 7 | 7 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **890** | **563** | **38** | **331** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **-** | **290** | **269** | **-** |

## Electricity Sector Change Since Budget

$ Millions

| ($million) | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of August 2017** | | | | | | | *to update* |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income | - | (5) | 101 | - | - | - | |
| ONFA and other Fair Value Adjustments | - | 35 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | |
| HOI Income | 20 | (16) | 6 | 6 | 6 | 6 | |
| Brampton Income | | 3.3 | | | | | |
| **Total OPG and HOI Income** | **-** | 17 | 106.692 | 6 | 6 | 6 | |
| **Other Fees and Licences** | **-** | - | - | - | - | - | |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector | 3 | 53 | (145) | - | - | - | |
| Public Debt Interest - Electricity Sector | - | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | 3 | 31 | (106.692) | 38 | 38 | 38 | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **3** | 31 | (107) | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (40) | 2 | 12 | 4 | 2 | |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge | - | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | - | 99 | (0) | (0) | (0) | 0 | |
| Net Reduction of Power Purchase Contracts | - | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | | - | |
| Miscellaneous | - | 14 | - | - | - | - | |
| **Expenses** | | | | | | | |
| Interest on Debt | - | 19 | (69) | (79) | (75) | (104) | |
| Power Supply Contract Costs | - | (99) | 0 | 0 | 0 | (0) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (3) | (53) | 145 | - | - | - | |
| Other (Finance) | - | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **(3)** | (63) | 78 | (67) | (72) | (102) | |
| **Impact on Surplus/(Deficit)** | **-** | (14.58) | 78 | (23) | (28) | (58) | |
| **Total revenue Impact** | **-** | **87** | **108** | **18** | | **8** | |
| Total revenue Impact - less power supply contract recoverie | - | (12) | 109 | 18 | | 8 | |
| **Total Expenditure impact** | **-** | **101** | **31** | **41** | | **66** | |

(3.00)

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | (95) | (100) | (105) | (110) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | (240) | (240) | (240) | (180) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (25) | (43) |
| Lower Hydro One Return on Equity (ROE)[4] | (10) | (39) | (41) | (43) |
| **Regulatory** | | | | |
| Hydro One Tx rate application - OEB staff report[8] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | (533) | | | |
| ~~Regulatory Risk - Timing of Rate Decision~~[7] | ~~(480)~~ | | | |
| ~~OPG Submission Update (Dec 2016)~~ | ~~(61)~~ | ~~(46)~~ | ~~(49)~~ | ~~(61)~~ |
| OEB Staff Recommendations to the Board (May 2017)[10] | (175) | (143) | (151) | (175) |
| Nuclear Liabilities Cash vs. Accrual[7] | (450) | (450) | (450) | (450) |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[6] | - | (475) | (500) | (750) |
| **Other Updates** | | | | |
| H1 Quarterly Update | 0 | (0) | (0) | (0) |
| Avista Acquisition - Termination fee | (103) | | | |
| Avista Acquisition - 1 year of Debenture Interest Costs | (62) | | | |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[3] | 15 | 15 | 15 | 15 |
| **Regulatory** | | | | |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - |
| Higher Hydro One Return on Equity (ROE)[4] | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | 6 | 25 | 30 | 55 |
| ~~Revenue risk if Scenario 2 IFRS Consolidation risk.~~[6] | ~~#REF!~~ | ~~#REF!~~ | ~~#REF!~~ | |
| | ~~#REF!~~ | ~~#REF!~~ | ~~#REF!~~ | ~~220~~ |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | 2018-19 Pl |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 |
| MEUs | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 |
| Interest : | | | | |
| OPG | 173 | 179 | 168 | 153 |
| H1 | | | | |
| IESO | 2 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - |
| Miscellaneous | 9 | - | - | - |
| | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 596 | 532 | 422 | 374 |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of August 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 224 | 317 | 378 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 |
| MEUs | 27 | 112 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 407 | 488 |
| Interest : | | | | |
| OPG | 173 | 167 | 168 | 179 |
| H1 | | | | |
| IESO | 2 | 2 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 |
| Other | 28 | 20 | 5 | 5 |
| Total Interest | 723 | 703 | 630 | 641 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 302 | 269 | 0 |
| Gain to OEFC under s. 50.3 | 172 | 411 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 |
| | 6,041 | 3,382 | 2,295 | 1,495 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 7 | 6 | 6 |
| | 2,336 | 2,191 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **1,191** | **765** | **(21)** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | **4,393** | **3,202** | **2,437** | **2,459** |
| | 596 | | | |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of August 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 2 | 12 | 4 | 2 | |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | |
| MEUs | 68 | - | - | - | - | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 2 | 12 | 4 | 2 | |
| Interest : | | | | | | |
| OPG | (12) | - | 26 | 39 | 12 | |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | |
| Other | 10 | - | - | - | - | |
| Total Interest | 19 | (38) | (12) | 1 | (26) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 145 | - | - | - | |
| Gain to OEFC under s. 50.3 | 411 | - | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 108 | (0) | 4 | (24) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **78** | **(67)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,437** | **2,459** | **2,398** | **2,130** | |

## Provision for Electricity Sector

(Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings) **$ Millions**

| | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 198 | 732 | 625 | 1,066 |
| Hydro One Income | 232 | 501 | 525 | 567 | 609 | 658 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **724** | **1,300** | **1,234** | **1,723** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **269** | **846** | **780** | **1,269** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[1]** | | 3 | | | | |
| **Exclude Brampton[2]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **269** | **846** | **780** | **1,269** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **269** | **846** | **780** | **1,269** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **269** | | | |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy
2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Source Details | Source (Link) |
|---|---|
| OEFC 1999-2000 FS, pg 24 | |
| OEFC 1999-2000 FS, pg 26 | |
| Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |
| 2015-16 Public Accoun | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\08. August\Backup\20170817-1 - Provision for Electricity Sector\PA 2015-16 - Vol 1.pdf |

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - August 2017

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG Net Income | 291 | 377 | 803 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (222) | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 17 | 54 | 99 | 153 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[2] | | (78.00) | (400) | | (200) | |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **198** | **732** | **625** | **1,066** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **198** | **732** | **625** | **1,066** |

### OPG PIL - August 2017

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Income Before Tax | 383 | 308 | 666 | 867 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 198 | 732 |
| OPG Income Tax (PILs) | 92 | 9 | 159 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (74) | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **317** | **378** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.
2. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan
3. This reflects interest earnings on GA financing costs which are consolidated back to Province (check wording)

| | | | | | | |
|---|---|---|---|---|---|---|
| | 291 | 299 | 198 | 732 | 625 | 1066 |

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 670 | 680 | 725 | 784 | 844 | 913 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 725 | 784 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

| Hydro One Ownership Calculation: | |
|---|---|
| Total number of shares outstanding[1] | 595,000,000 |
| | |
| **IPO November 2015** | |
| Initial Public Offering(2015)[2] | 81,100,000 |
| Over allotment option (2015)[3] | 8,150,000 |
| Sales to PWU/SEP Trusts | 5,646,340 |
| Total | 94,896,340 |
| | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** |
| | |
| **Secondary Offering April 2016** | |
| Secondary Offering (2016) | 72,434,800 |
| Over allotment option (2016) | 10,865,200 |
| Total | 83,300,000 |
| | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** |
| | |
| **Final Offering May 2017** | |
| Final Offering (2017) | 120,000,000 |
| Over allotment option (2017) | - |
| Total | 120,000,000 |
| | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** |
| | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 |
| | **2.5%** |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** |
| | |
| **Avista Impact (projected closing date 2nd half of 2018)** | |
| Contingent Convertible Debenture | $1,540,000,000 |
| Conversion Price | $21 |
| Potential Dilution (# Shares) | 71,962,617 |
| | |
| Revised Total number of shares outstanding | **666,962,617** |
| | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.

2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO

3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option

4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing Send of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Public Debt Interest and Section 50.3 payments

| | $ Millions | | |
|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening | | (29) | (66) |
| Government Annual Interest Costs - Hydro One | 220 | 191 | 154 |
| **Gain to OEFC under s. 50.3** | 172 | 411 | 0 |

## OPG Public Debt Interest

| | $ Millions | | |
|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** |
| OPG | 300 | 300 | 300 |
| **Total Public Debt Interest** | 520 | 514 | 454 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| 154 | 154 | 154 |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 300 | 300 | 300 |
| 454 | 454 | 454 |

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 168 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 5 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 174 | 147 |
| 3 | 3 | 3 |
| 5 | 5 | 5 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 168 | 168 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 174 | 174 |
| 20170501-4 | 2020-21 | 147 | 147 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 5 | 5 |
| 20170906-1 | 2018-19 | 5 | 5 |
| 20170906-1 | 2019-20 | 5 | 5 |
| 20170906-1 | 2020-21 | 5 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

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RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

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## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of Budget 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | 719 | 842 | 617 | 1,294 | 1,229 | 1,717 |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue[3]** | 5,862 | 2,709 | 2,011 | 2,136 | 2,098 | 2,697 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG August 2017 Financial Outlook[1] | 0 | (83) | 103 | 12 | 4 | 2 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (336) | (480) | (678) | (726) | (913) |
| Hydro One August 2017 Financial Outlook Update[3] | 20 | (23) | (12) | (12) | (12) | (12) |
| MEUs PILs | 0 | 68 | 0 | 0 | 0 | 0 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | 0 | (4) | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 14 | 0 | 0 | 0 | 0 |
| ; | 0 | 99 | (0) | (0) | (0) | 0 |
| **Total Revenue Items On Deck** | (99) | (266) | (389) | (678) | (735) | (923) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of August 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 860 | 724 | 1,300 | 1,234 | 1,723 |
| Taxation Revenue | 3,228 | 334 | 407 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,795 | 2,119 | 2,153 | 2,107 | 2,705 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,763 | 2,443 | 1,622 | 1,458 | 1,363 | 1,774 |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | 3,757 | 664 | 369 | 220 | 185 | 687 |
| Electricity Summary - On Deck | 3,856 | 957 | 626 | 728 | 728 | 1,401 |
| | 99 | 293 | 257 | 509 | 543 | 714 |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| **Revenue Items On Deck - Changes Compared to Budget** | **Net Income** | **PILs** | **Total** |
| OPG August 2017 Financial Outlook | (5) | 224 | 219 |
| ONFA and other Fair Value Accounting Adjustments | (336) | | (336) |
| Hydro One August2017 Financial Outlook | (24) | - | (24) |
| MEU PILs | | 80 | 80 |
| | (365) | 304 | (62) |

**NEW HYDRO ONE AND RELATED WORKSHEETS DEVELOPED - CAN DELETE THIS AT SOME POINT.**

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 680 | 725 | 784 | 844 | 913 |
| Hydro One - Net Income Attributable to Preferred Shareh | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 725 | 784 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Electricity Sector Outlook (2017 12 08).xlsm |
| **Date:** | Friday, December 08, 2017 11:59:12 AM |
| **Attachments:** | Electricity Sector Outlook (2017 12 08).xlsm |

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Revised outlook with minor change as discussed.

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 306 | - | - | - |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (306) | - | - | - |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 430 | 245 | 108 | 291 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | - | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 326 | 387 | 418 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 484 | 488 | 541 | 681 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,232** | **1,425** | **1,368** | **1,691** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **996** | **202** | **196** | **610** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 181 | 0 | 0 | 0 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (181) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | 0 | 0 | 0 |
| | | | **Total MOF Expense** | **0** | **0** | **0** | **(0)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 333 | (487) | (517) | (774) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (234) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 79 | 12 | 4 | 2 |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **221** | **(710)** | **(730)** | **(1,006)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **207** | **(736)** | **(761)** | **(1,066)** |
| | | | ***check*** | ***(0)*** | ***-*** | ***-*** | ***-*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a h
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share  (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

| | |
|---|---|
| November 1 and November 7 Hydro One model updates | Expense |
| November 1 and November 7 Hydro One model updates | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Revise Hydro Model to reverse OEB tax decision ongoing annual impact | Expense |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Undo allocation adjustment in H1 tab (now that provincial shares are updated) | Revenue |
| Updating OPG Revenue Risks from rate application | Revenue |
| Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side) | Revenue |
| | Revenue |
| | Revenue |
| | Revenue |
| This line show net impact of latest change. READ COMMENT | Expense |
| | Expense |
| | Expense |
| | Expense |
| | Expense |

Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue
Revenue

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 996 | 202 | 196 |
| | | -15 | 207 | -736 | -761 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| ardcoded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 71.2 | 3.3 | (6.8) |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **198.9** | **(745.0)** | **(771.1)** |
| ***check*** | ***0.0*** | ***(7.8)*** | ***(8.7)*** | ***(10.3)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (0.1) | 0.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | |
|---|---|---|---|---|
| OPG Income | 0.0 | 0.0 | 0.0 | 0.0 |
| ONFA and other Fair Value Adjustments | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (0.0) | 0.0 | 0.0 | 0.0 |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | (7.8) | (8.7) | (10.3) |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **(7.8)** | **(8.7)** | **(10.3)** |

| 2020-21 |
|---|
| 1,676 |
| 610 |
| -1,066 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | |
| | |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |

| |
|---|
| ***0*** |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| (10.5) |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,078)** |
| |
| ***(12.2)*** |

***t***

| |
|---|
| 0.2 |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |

| |
|---|
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| (12.5) |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(12.2)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

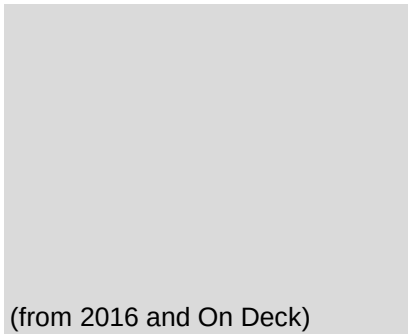
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 430 | 245 | 108 | 291 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 326 | 387 | 418 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **760** | **572** | **496** | **710** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (306) | | | |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (760) | (454) | (454) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(760)** | **(454)** | **(454)** | **(454)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 484 | 488 | 541 | 681 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 306 | - | - | - |
| Other (Finance) | (7) | (7) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,549** | **737** | **894** | **(6)** | **67** | **274** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **996** | **202** | **196** | **610** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | - | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Change Since Budget

**$ Millions**

| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 333 | (487) | (517) | (774) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase mainly due to re-categorization of of OPG head office facilities from Sales and Rentals to OPG net income. Also deferral of Pickering Unit 6 planned outage to Jan 18, deferral of sale of land at Hearn site from Q1 2017 to later in 2017, partially offsdet by lower gropss margin.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS afdjustment impacts in those years. |
| ONFA and other Fair Value Adjustments | 35 | - | - | - | - | Largely revision to ONFA fair value as of March 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (234) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) recategorization of Hydro One disposition impacts from sales and Rentals to Hydro One net income, ii) impact of OEB decision on Hydro One rates, iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19) and iv) update to Hydro One model update based on Hydro One Q2 results. |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **142.8** | **(722)** | **(733)** | **(1,008)** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (181) | - | - | - | Changes in the Proviision (ESDI) expense reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| **Total Electricity Expenses of the Province** | **31** | **(143)** | **38** | **38** | **38** | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 79 | 12 | 4 | 2 | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | Higher than projected at Interim. |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2016-17 higher than projected at Interim.<br>2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 181 | - | - | - | Changes in the Proviision (ESDI) expense (negative expense or revenue to OEFC) reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Other (Finance) | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **(63)** | **207** | **(52)** | **(66)** | **(96)** | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **207** | **(736)** | **(761)** | **(1,066)** | |

**Information: Breakdown of change between revenue and expense**

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Revenue Impact | 87 | 221 | (710) | (730) | (1,006) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 26 | 31 | 60 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | (600) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | (540) | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | (187) | (162) | (179) | (210) |
| Nuclear Liabilities Cash vs. Accrual[9] | (450) | (450) | (450) | (450) |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks | | | | |
| **Other Risks** | | | | |
| Avista Acquisition - Termination fee | (51) | | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimi**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities. OEB September 2017 Report, recommends continuance of variance account which would mitigate this risk. However, the final decision (expected in Fall 2017) will be with the OEB Board.

7. Risk refelects OPG impact if the OEB rate rulings are applied as of the final decision date rather than retroactive to January 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive.

8. Reflects OEB staff report (May 2017) reccomendations with respect to OPG's rate application. (Inlcudes OPG rate application updates).

9. Risk refelects impact of OEB decision that OPG switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB staff report (May 2017) appears to mitigate this risk as it makes no decision and recommends revisiting this issue in 5 years at next OEB application.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. The estimated annual ongoing impact of this is factored into the current outlook. This risk reflects the impact if a decision is made by Hydro One that the impact of the ruling has to be accounted for as an immediate one-time write-down.
Note: Corresponding Positive Revenue Risks would also need to be incorporated for 2018-19 to 2020-21 if this risk is to be recognized. The risk reflect ther roughly 50% proncial ownership pending recategorization from teh AO Sales and Rentals outlook.

11. OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. This Electricity Outlook pick up teh additional IFRS risk.
Table below outlines OPG IFRS Risks versus what is built into the Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase (as of September 2017 Q3)[5] | 171 | | | |

**zation strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 [and the secondary offering in April 2016], are in the asset optimisation line (Sales and Rentals) and not in the current Outlook file.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 394 | 378 | 411 | 539 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 484 | 488 | 541 | 681 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 306 | 0 | 0 | 0 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,974 | 1,510 | 1,514 | 1,597 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 7 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,191 | 1,531 | 1,516 | 1,448 | 1,323 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,444** | **(6)** | **67** | **274** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,758** | **1,764** | **1,698** | **1,424** |

**1**

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2 2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 79 | 12 | 4 | 2 | 2016-17 variance is largely due to method of reporting OPG PILs by OEFC and OPG. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 79 | 12 | 4 | 2 | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (219) | - | - | - | Changes to ESDI (offset ny MoF Provision expense) largely reflect combined revisions to OPG and Hydro One net income and revisions to public debt intetest. |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 387 | 15 | 10 | (18) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **357** | **(52)** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,758** | **1,764** | **1,698** | **1,424** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 430 | 245 | 108 | 291 |
| Hydro One Income[1] | 232 | 501 | 329 | 326 | 387 | 418 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **760** | **572** | **496** | **710** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **306** | **118** | **41** | **255** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **306** | **118** | **41** | **255** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **306** | **118** | **41** | **255** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **306** | | | |

**Notes:**

1. The Hydro One financials above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - October 2017

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 818 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283 | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[3] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **430** | **245** | **108** | **291** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **430** | **245** | **108** | **291** |

### OPG PIL - August 2017

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 684 | 380 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 430 | 245 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **394** | **378** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 | |
| | **2.5%** | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - October 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** |

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in Apr
the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the P

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| **154** | **154** | **154** |
| 300 | 300 | 300 |
| **454** | **454** | **454** |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

il 2016. Net estimated fiscal impacts related to rovinces Revenue outlook.

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Cc:** | Shajee Kathirgamanathan; Esther Jeon |
| **Subject:** | Electricity Sector Outlook (2018 01 08)_unpacked_v04.xlsm |
| **Date:** | Monday, January 08, 2018 4:30:23 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 08)_unpacked_v04.xlsm |

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John

Attached is the Electricity Outlook with re-categorization for Asset Optimization. Unpacking involved two changes. 1) building back in net income and PILs impacts of OPG's 2017-18 head office properties sale and 2) updating provincial ownership of Hydro One , form about 70% at Budget to around 50% or lower for the current outlook.

We included a summary table on Cover Sheet (line 97) which shows all the changes since Budget due to forecast updates and unpacking. The unpacking impacts are fiscally-neutral n=but there were relatively small updates to AO targets. These are summarized in this table.

There may be further changes to AO related to Lakeview sales expected before the end of the fiscal year. As this has not yet occurred that amount would remain in Sales and Rentals for now. We have coordinated with SIFB and FTD on this outlook and "unpacking" exercise".

Bruno

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 24 | 9 | - | 48 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (24) | (9) | - | (48) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 149 | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 327 | 388 | 419 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 377 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,906** | **1,138** | **1,048** | **1,341** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **779** | **57** | **42** | **429** |
| | | | ***check*** | ***-*** | ***-*** | ***(0)*** | ***-*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (101) | 9 | 0 | 48 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 101 | (9) | 0 | (48) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 52 | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (233) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (28) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(105)** | **(997)** | **(1,049)** | **(1,356)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(10)** | **(882)** | **(914)** | **(1,247)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 779 | 57 | 42 |
| | | -15 | -10 | -882 | -914 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| | *0* | *0* | *0* | *0* |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***216.5*** | ***144.9*** | ***152.7*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (110.2) | (142.2) | (167.0) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 281.4 | (9.0) | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (281.4) | 9.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 281.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (0.1) | (0.3) | (0.4) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 106.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 110.2 | 142.2 | 167.0 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **216.5** | **144.9** | **152.7** |

| 2020-21 |
|---|
| 1,676 |
| 429 |
| -1,247 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | |

| |
|---|
| *0* |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***180.0*** |

***t***

| |
|---|
| |
| (170.4) |
| 0.0 |
| (47.6) |
| 47.6 |
| 0.0 |
| 135.3 |
| 0.0 |
| (0.4) |
| 0.0 |
| 44.9 |
| 0.0 |
| 170.4 |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **180.0** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

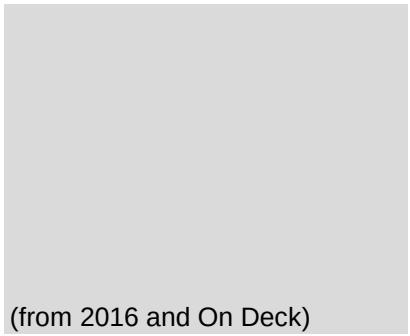
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 149 | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 327 | 388 | 419 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **650** | **463** | **381** | **575** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (24) | (9) | - | (48) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (478) | (463) | (454) | (502) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(478)** | **(463)** | **(454)** | **(502)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 377 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 24 | 9 | - | 48 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **506** | **(42)** | **17** | **265** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **779** | **57** | **42** | **429** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 52 | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (233) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **33.0** | **(831)** | **(848)** | **(1,143)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 101 | (9) | - | (48) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **138** | **29** | **38** | **(10)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (101) | 9 | - | 48 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(181)** | **(88)** | **(115)** | **(105)** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(10)** | **(882)** | **(914)** | **(1,247)** | |
| | | | | | | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (105) | (997) | (1,049) | (1,356) | |
| | | | | | | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | TBD | TBD | TBD |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed from 2017-18. OEB September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 287 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 377 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 24 | 9 | 0 | 48 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,477 | 1,340 | 1,309 | 1,429 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,056** | **(42)** | **17** | **265** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (28) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (501) | 9 | - | 48 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (111) | (155) | (195) | (186) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(31)** | **(88)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 149 | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 329 | 327 | 388 | 419 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **478** | **463** | **381** | **575** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **24** | **9** | **(73)** | **121** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **24** | **9** | **(73)** | **121** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | (73) |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | (73) | 73 |
| Ending Balance | 0 | 0 | 0 | 0 | (73) | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **24** | **9** | **0** | **48** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **24** | **9** | **0** | **48** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283.27 | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **149** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **320** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 149 | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **287** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 183 | 134 | 103 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** Bruno Amara
**To:** John Kim
**Subject:** Electricity Sector Outlook (2018 02 15)_v5.xlsm
**Date:** Thursday, February 15, 2018 6:09:08 PM
**Attachments:** Electricity Sector Outlook (2018 02 15)_v5.xlsm

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Dates fixed in this version

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**Feb-18**

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 530 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,754** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (472) | (468) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(926)** | **(872)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,631** | **302** | **592** | **540** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 125 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **743** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (50) | (94) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(12)** | **(6)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **841** | **(637)** | **(364)** | **(1,136)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,631 | 302 | 592 |
| | | -15 | 841 | -637 | -364 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 5.5 | 12.0 | (5.0) |
| | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 540 |
| -1,136 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)
(4.4)

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

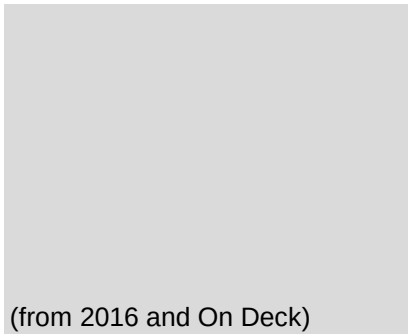
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 530 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (472) | (468) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,335** | **203** | **494** | **449** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,631** | **302** | **592** | **540** |
| *variance to OEFC check* | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower expenses than assumed at the time of Budget 2017.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (50) | (94) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **647** | **157** | **362** | **79** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **841** | **-637** | **-364** | **-1,136** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 743 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (98) | (135) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (340) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks<br>($ millions) | Plan<br>2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**' or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of February 2018

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 530 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 160 | 182 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 637 | 609 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,275 | 1,568 | 1,781 | 1,600 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,866** | **203** | **494** | **449** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,336** | **1,134** | **639** | **190** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 125 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (8) | 29 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (31) | (44) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 688 | 73 | 277 | (15) | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **779** | **157** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,336** | **1,134** | **639** | **190** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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ı_Mar15_if apply Jan1_Apr21.xls
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** John Kim
**To:** John Kim
**Subject:** Electricity Sector Outlook (2018 05 18).xlsm
**Date:** Tuesday, May 22, 2018 10:05:50 AM
**Attachments:** Electricity Sector Outlook (2018 05 18).xlsm

# Electricity Sector Outlook
## April 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 957 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (957) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 1,031 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 209 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 368 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 497 | 370 | 516 | 530 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,965** | **1,447** | **1,820** | **1,775** |
| **Expense** | | | MoF Public Debt Interest (Hydro One/OPG) | (457) | (404) | (404) | (404) |
| **Expense** | | | Net OEFC Interest on Debt | (474) | (484) | (473) | (402) |
| | | | **Sub-total** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,836** | **369** | **802** | **860** |
| | | | ***check*** | ***0*** | ***0*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 18

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 812 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (812) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 369 | 512 | 526 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,804** | **1,445** | **1,816** | **1,772** |
| | | **17** | MoF Public Debt Interest (Hydro One/OPG) | (454) | (404) | (404) | (404) |
| | | **36** | Net OEFC Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Sub-total** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **368** | **798** | **856** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 145 | 0 | 0 | 0 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (145) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | 0 | 0 | 0 |
| | | | **Total MOF Expense** | **0** | **0** | **0** | **0** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 126 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 15 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | 22 | 0 | 0 | 0 |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (2) | 2 | 4 | 4 |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **161** | **2** | **4** | **4** |
| | | **17** | MoF Public Debt Interest (Hydro One/OPG) | (3) | 0 | 0 | 0 |
| | | **36** | Net OEFC Interest on Debt | 3 | 0 | 0 | 0 |
| | | | **Sub-total** | **0** | **0** | **0** | **0** |
| | | | **Impact on Surplus/Deficit** | **161** | **2** | **4** | **4** |
| | | | ***check*** | ***0*** | ***0*** | ***0*** | ***0*** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | | (290) | (812) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,266) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,266)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 499 | 369 | 512 | 526 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | | 290 | 812 | 449 | 736 | 711 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,394** | **269** | **700** | **765** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

| | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **On Deck Outlook as of April 2018** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 299 | 1,031 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 43 | 209 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - |
| HOI Income[3] | 500 | 368 | 353 | 412 | 438 |
| Brampton Income | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **860** | **1,608** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (290) | (957) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (514) | (457) | (404) | (404) | (404) |
| **Subtotal** | (803) | (1,414) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(803)** | **(1,414)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 334 | 497 | 370 | 516 | 530 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 14 | - | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (513) | (474) | (484) | (473) | (402) |
| Power Supply Contract Costs | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 290 | 957 | 449 | 736 | 711 |
| Other (Finance) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **737** | **1,540** | **270** | **704** | **769** |
| **Impact on Surplus/(Deficit)** | **915** | **1,836** | **369** | **802** | **860** |
| *variance to OEFC check* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of April 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | - | 126 | - | - | - | |
| ONFA and other Fair Value Adjustments | - | 15 | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | - | 22 | - | - | - | |
| Brampton Income | - | - | - | - | - | |
| **Total OPG and HOI Income** | **-** | **162.8** | **-** | **-** | **-** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | - | (145) | - | - | - | |
| Public Debt Interest - Electricity Sector | - | (3) | - | - | - | |
| **Total Electricity Expenses of the Province** | **-** | **(147.8)** | **-** | **-** | **-** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (2) | 2 | 4 | 4 | |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | - | - | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | - | 3 | - | - | - | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Provision for Electricity Sector | - | 145 | - | - | - | |
| Other (Finance) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **146** | **2** | **4** | **4** | |
| **Impact on Surplus/(Deficit)[1]** | **0** | **161** | **2** | **4** | **4** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | - | 161 | 2 | 4 | 4 | |
| Total Expenditure impact | - | - | (0) | 0 | - | |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 4/13/2018 | 20180413-1 | | Hydro One |
| 4/23/2018 | 20180423-1 | | OPG |
| 5/1/2018 | 20180501-1 | | PDI and 50.3 |
| 5/15/2018 | | | Hydro One |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Hydro One |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | OPG |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/18/2018 | | | Provision |
| 5/18/2018 | | | Provision |

**FOR EFB USE ONLY**

**Budget 2018 Outlook**
**Current Outlook**
**Change Since Budget**

| Description of Update |
| --- |
| Updated Current Corporate Taxes |
| ONFA adjustment March 2018 |
| Revised s50.3 number for 2017-18 |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Updated OPG Revenue for 2017-18 |
| Updated OPG Revenue for 2017-18 |
| Updated OPG Revenue for 2017-18 |
| Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |
| Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |

This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| | | 1,675 | 368 | 798 | 856 |
| | File | 1,836 | 369 | 802 | 860 |
| | | 161 | 2 | 4 | 4 |
| | ***check*** | ***0*** | ***0*** | ***0*** | ***0*** |

| Outlook line affected | Expense / Rever | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| HOI Income | Revenue | (2.1) | 1.5 | 3.9 | 3.7 |
| OPG Income | Revenue | 15.1 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 21.5 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 21.5 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (21.5) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.2 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.2 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (0.2) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 126.0 | 0 | 0 | 0 |
| Provision for Electricity Sector (OEFC) | Expense | 126.0 | 0 | 0 | 0 |
| Provision for Electricity Sector (MOF) | Expense | (126.0) | 0 | 0 | 0 |
| Provision for Electricity Sector (OEFC) | Expense | (3) | 0 | 0 | 0 |
| Provision for Electricity Sector (MOF) | Expense | 3 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| | | *0.0* | *0* | *0* | *0* |

| 2021-22 |
|---|
| |
| |

| 2021-22 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Updated Current Corproate Taxes for Hydro One from the H1 Model |
| 0.0 | ONFA adjustment March 2018 |
| 0.0 | Revsied s50.3 number for 2017-18 |
| 0.0 | Replaced Q4 Forecast estimates with Hydro One Q1 Actuals |
| 0.0 | |
| 0.0 | |
| 0.0 | Replaced Q4 Forecast estimates with Hydro One Q1 Actuals |
| 0.0 | |
| 0.0 | |
| 0 | Replaced 2017-18 Estimates with Actuals from 2017 Q2 to 2018 Q1 |
| 0 | |
| 0 | |
| 0 | Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |
| 0 | Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |

Data Validation:

- Options
- Revenue (F
- OPG
- Hydro One
- Provision
- PDI and 50
- ONFA
- Other Data

Risks)

.3

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | (40) |
| Operations Maintainance & Administration (labour costs etc.) | | 0 - (100) | 0 - (100) | 0 - (100) | 0 - (100) |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to retirement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| OPG earnings impact due to June 1, 2017 effective date[6] | 325 | | | |
| **Accounting** | | | | |
| | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

6.OPG earnings in 2017 are negatively impacted by a partial-year effective date of June 1, 2017 for new regulated rates, which resulted in forgone net income of $325 million. On January 17, 2018, OPG filed a Notice of Motion to review and vary the Decision in relation to the approval of an effective date of June 1, 2017 for new payment amounts rather than the January 1, 2017 effective date requested in OPG's application. The final decision is still pending

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | Plan 2018-19 | Plan 2019-20 | Plan 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 499 | 369 | 512 | 526 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 812 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3 | 172 | 411 | 531 | - | - | - |
| Miscellaneous | 9 | 14 | - | - | - | - |
| | 6,041 | 3,382 | 3,334 | 1,634 | 1,987 | 1,916 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **1,191** | **1,926** | **269** | **700** | **765** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,202** | **1,277** | **1,008** | **308** | **(457)** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of April 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 22 | 23 | 27 | 29 |
| MEUs | 27 | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 497 | 370 | 516 | 530 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 457 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 635 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 957 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,480 | 1,636 | 1,991 | 1,919 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **2,071** | **270** | **704** | **769** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,131** | **861** | **157** | **(612)** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of April 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | - | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | - | - | - | - | - | |
| Legacy Hydro One (Including Brampton) | - | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | - | (2) | 2 | 4 | 4 | |
| MEUs | - | - | - | - | - | |
| Total PILs | - | (2) | 2 | 4 | 4 | |
| Interest : | | | | | | |
| OPG | - | - | - | - | - | |
| H1 | - | - | - | - | - | |
| IESO | - | - | - | - | - | |
| Province | - | 3 | - | - | - | |
| Other | - | - | - | - | - | |
| Total Interest | - | 3 | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Amortization of NUG liability | - | - | - | - | - | |
| Electricity sector dedicated income | - | 145 | - | - | - | |
| Gain to OEFC under s. 50.3 | - | (0) | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| | - | 146 | 2 | 4 | 4 | |
| **Expense** | | | | | | |
| Debt interest | - | - | - | - | - | |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | - | - | - | - | - | |
| | - | - | - | - | - | |
| **Excess (Deficiency) of Revenue over Expense** | **-** | **146** | **2** | **4** | **4** | |
| **Stranded Debt - Year End** | **-** | **(146)** | **(147)** | **(151)** | **(155)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 574 | 291 | 299 | 1,031.000 | 500 | 728 | 677 |
| Hydro One Income[1] | 786 | 741 | 232 | 501 | 368.205 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | | | 15 | | | | |
| **Total Income** | **1,120** | **1,315** | **523** | **815** | **1,399.205** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (299.871) | (300) | (300) | (300) |
| OPG Fair Hydro Plan Equity Injection Interest Expense | | | | | (3.000) | | | |
| Hydro One[1] | | | | | (154.255) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | -520 | -520 | **(520)** | **(514)** | **(457.126)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | 600 | 795 | **3** | **302** | **942.080** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | | | |
| **Prior-year Adjustment[2]** | | | | 3 | 15 | | | |
| **Exclude Brampton[3]** | | | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | | | **0** | **290** | **957** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **599** | **795** | **0** | **290** | **957** | **449** | **736** | **711** |
| OEFC adjustment | | | | | (15) | | | |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **0** | **-243** | **3** | **302** | **942** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue2 | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk3 | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - Budget 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Cu 2018-19 |
|---|---|---|---|---|
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

### OPG Income - January 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| OPG Net Income | 291 | 377 | 1,331 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **1,031** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 209 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **209** | | | | |
| **OPG Net Income** | **463** | **342** | **1,240** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Cu 2018-19 |
|---|---|---|---|---|
| Income Before Tax | 383 | 308 | 1,252 | 554 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 1,031 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

**Hydro One Income - Budget 2018**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

**Hydro One (100% Ownership)**
**($ millions)**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | C 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

**Hydro One Income - December 2017**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

**Hydro One (100% Ownership)**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | C 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **OPG Fair Hydro Plan Equity Injection Interest Expense** | | | 3 | | | |
| **Total Public Debt Interest** | **520** | **514** | **457** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 49.88% Provincial share allocation as of the Final offering in May 2017 and a 47.74% Provincial share allocation as of First nations share sale in December 2017 . Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| (116) | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| **104** | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| **404** | | | | | | | |

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\int | |
| s. 50.3 | 2017-18 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Ba |

| | | | | | | |
|---|---|---|---|---|---|---|
| 20180501-1 | 2017-18 | $463,203,399 | $463,203,399 | May 2017 Disp | Email, information from SIFB | \\ofina.on.ca\ofa |
| 20180501-1 | 2017-18 | $68,247,419 | $68,247,419 | Feb 2017 Disp | Email, information from SIFB | \\ofina.on.ca\ofa |
| | | $531,450,818 | | | | |
| | Rounded to $M | $531.45 | | | | |

erest from Province.pdf

ck-up files

adfs\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\05. May\Backup\20180501-1 - 2017-18 s50.3 Backup Information
adfs\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\05. May\Backup\20180501-1 - 2017-18 s50.3 Backup Information

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 98 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |
| | 2021-22 | $ 98,255,464 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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orecast for Board -April 2017.xlsx
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ı_Mar15_if apply Jan1_Apr21.xls
ı_Mar15_if apply Jan1_Apr21.xls
ı_Mar15_if apply Jan1_Apr21.xls
ı_Mar15_if apply Jan1_Apr21.xls

ual Report - English.pdf

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Electricity Sector Outlook 2018 Budget-FINALBA.xlsm |
| **Date:** | Thursday, May 03, 2018 1:25:41 PM |
| **Attachments:** | Electricity Sector Outlook 2018 Budget-FINALBA.xlsm |

---

Hi John

Let me know when you have a couple of minutes to discuss.

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

Note. This is same as Budget version but wit

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 797 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (797) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 369 | 512 | 526 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,804** | **1,445** | **1,816** | **1,772** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **368** | **798** | **856** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 672 | 449 | 736 | 711 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (672) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 808 | (232) | 103 | (389) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 93 | (107) | (26) | (152) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **793** | **(690)** | **(281)** | **(925)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **886** | **(571)** | **(158)** | **(820)** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

## Electricity Sector Outlook

| | 1999-00 | 2000-01 | 2001-02 |
|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | |
| OPG Income | 512 | 397 | (167) |
| OPG - ONFA and other Fair Value Adjustments[2] | | | |
| Hydro One - Unrealized Gains Adjustment | | | |
| HOI Income[3] | 391 | 386 | 346 |
| Brampton Income | | | |
| **Total OPG and HOI Income** | **903** | **783** | **179** |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** | **153** |
| **OEFC Income** | | | |
| **Taxation Revenue** | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 | 387 |
| **Other Revenue** | | | |
| Electricity Debt Retirement Charge[5] | - | - | - |
| Power Supply Contract Recoveries | 741 | 695 | 815 |
| Interest : | | | |
| OPG | | | |
| H1 | | | |
| IESO | | | |
| Province | | | |
| Other | | | |
| Net Reduction of Power Purchase Contracts | - | - | - |
| Other Fees and Licences | (156) | (157) | (153) |
| Revenue Pool Residual | 172 | 748 | 1,296 |
| Miscellaneous | 27 | 27 | 18 |
| **Electricity Expenses of the Province** | | | |
| Provision for Electricity Sector[4] | Commerci | (263) | - |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) |
| **Subtotal** | (520) | (783) | (520) |
| Public Debt Interest - Impact of ONFA | **-** | **-** | **-** |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** | **-** |
| **Total Electricity Expenses of the Province** | **(520)** | **(783)** | **(520)** |
| **OEFC Expenses** | | | |
| Interest on Debt | (1,530) | (1,457) | (1,308) |
| Power Supply Contract Costs | (741) | (695) | (815) |
| net Power Supply Costs | - | - | - |
| Electricity Consumer Price Protection Fund | - | - | - |
| Demand Management Support Costs[6] | | | |
| Provision for Electricity Sector | 383 | 263 | - |
| Other (Finance) | (339) | (313) | (309) |
| **Total OEFC Income** | **(354)** | **18** | **(69)** |
| **Impact on Surplus/(Deficit)** | **(370)** | **(573)** | **(1,553)** |

| | | | |
|---|---|---|---|
| | -555 | -748 | -1296 |
| *variance to OEFC check* | - | - | - |

| | | | | Actual | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| | | | | | | | | | |
| 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 | 376 |
| | | | | | 288 | 266 | (384) | (243) | (120) |
| | | | | | | | | | (23) |
| 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639 |
| **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** | **872** |
| **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** | **136** |
| | | | | | | | | | |
| 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 |
| | | | | | | | | | |
| 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 |
| 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 | 1,372 |
| | | | | | | | | | |
| 191 | 191 | 191 | 217 | 196 | 194 | 213 | 210 | 200 | 196 |
| 214 | 5 | - | - | - | - | - | - | - | - |
| 6 | 6 | 6 | 6 | 6 | 6 | 6 | 1 | 1 | 2 |
| 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 |
| 33 | 49 | 24 | (6) | 4 | 56 | 50 | 15 | 22 | 24 |
| | | | | | | | | | |
| 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 |
| (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) | (136) |
| 24 | - | - | - | - | - | - | - | - | - |
| 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 | 9 |
| | | | | | | | | | |
| (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) |
| (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) |
| (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) | (1,015) |
| | 15 | - | - | - | - | - | - | - | - |
| (206) | 60 | 62 | 58 | 26 | - | - | - | - | - |
| **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** | **(1,015)** |
| | | | | | | | | | |
| (2,014) | (1,890) | (1,785) | (1,802) | (1,808) | (1,862) | (1,733) | (1,624) | (1,594) | (1,592) |
| (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) | (1,375) |
| (151) | (287) | (230) | (26) | - | - | - | - | - | (3) |
| (665) | (253) | 20 | - | - | - | - | - | - | - |
| | | | | | | | | | |
| 197 | - | - | - | 67 | 422 | - | 644 | 771 | 495 |
| (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) | (24) |
| **(98)** | **(367)** | **(1,479)** | **(400)** | **(815)** | **(1,762)** | **(517)** | **(2,120)** | **(2,511)** | **(1,921)** |
| | | | | | | | | | |
| **(181)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,123** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| -24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| (151) | (287) | (230) | (26) | | | | | | |

$ Millions

| 2012-13 | 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|---|---|
| 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 | 670 |
| (107) | 475 | 239 | 172 | 43 | 194 | - | - | - | - |
| - | 10 | (8) | - | - | - | - | - | - | - |
| 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 | 465 |
| | | | 20 | 18 | - | - | - | - | - |
| **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** | **1,135** |
| **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** | **91** |
| 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 | 560 |
| 939 | 954 | 956 | 859 | 621 | 604 | - | - | - | - |
| 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 | 98 |
| 186 | 187 | 191 | 173 | 167 | 155 | 166 | 158 | 131 | 119 |
| - | - | - | - | - | - | - | - | - | - |
| 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 | 404 |
| 10 | 10 | 13 | 28 | 20 | 20 | 20 | 10 | 10 | 10 |
| 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 | 28 |
| (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) | (91) |
| - | - | - | - | - | - | - | - | - | - |
| 11 | 8 | 9 | 9 | 14 | - | - | - | - | - |
| (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) | (731) |
| (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) | (404) |
| (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) | (1,135) |
| - | - | | | | | | | | |
| - | - | | | | | | | | |
| **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** | **(1,135)** |
| (1,565) | (1,447) | (1,385) | (1,319) | (1,216) | (1,109) | (1,077) | (1,048) | (950) | (818) |
| (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) | (98) |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| | | (9) | (8) | (8) | (10) | - | - | - | - |
| 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 | 731 |
| (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) | (7) |
| **(2,043)** | **(1,881)** | **(2,592)** | **1,989** | **(1,673)** | **(2,375)** | **(2,290)** | **(2,720)** | **(2,579)** | **(2,466)** |
| **1,093** | **2,098** | **1,715** | **3,876** | **915** | 1,675 | **368** | **798** | **856** | **1,030** |

1 0 0 - 0 - 0 0 0 0

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/16/2018 | | Other Data |

| | | |
|---|---|---|
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
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| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |
| 2/22/2018 | 20180222-1 | OPG |
| | | OPG |
| | | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other

ONFA consolidation adjustment for Dec 2017
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)
Update based on January 31, 2018 BSC material for OEFC YTD and Siva email
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Rounding adjustment
Push recovery out one-year

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,675 | 368 | 798 |
| | | -15 | 886 | -571 | -158 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |
| Interest on Debt | Expense | | (2.5) | 8.0 | (7.0) |

| | | | | |
|---|---|---|---|---|
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (35.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 100.0 | 100.0 | 225.0 |
| Provision for Electricity Sector (MOF) | Expense | (100.0) | (100.0) | (225.0) |
| OPG Income | Revenue | 100.0 | 100.0 | 225.0 |
| | | (0.0) | (0.0) | (0.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | (19.0) |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 856 |
| -820 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |
| 0.4 | |

| |
|---|
| 0.0 |
| (39.3) |
| 33.7 |
| (33.7) |
| (127.3) |
| (10.0) |
| (6.0) |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 180.7 |
| 180.7 |
| (180.7) |
| 3.0 |
| 3.0 |
| (3.0) |
| |
| |
| |
| (2.0) |
| 96.5 |
| 96.5 |
| (96.5) |
| 0.0 |
| 0.0 |
| 0.0 |
| 19.2 |
| 19.2 |
| (19.2) |
| 0.0 |
| 0.0 |
| 0.0 |
| 50.4 |
| (50.4) |
| (4.4) |
| 0.0 |
| 0.0 |
| 0.0 |
| 325.0 |
| (325.0) |
| 325.0 |
| (0.0) |
| (9.0) |
| |
| |
| ***0*** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

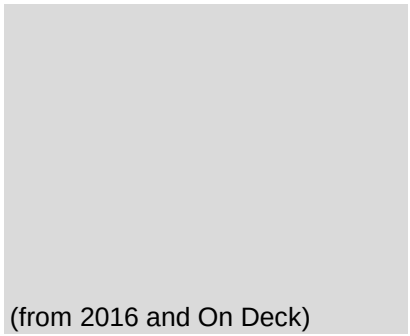
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual | | | | | | | | | | | | | | | Actual | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **On Deck Outlook as of February 2018** | | | | | | | | | | | | | | | | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | | | | | | | | | | | | | | | | |
| OPG Income[1] | 512 | 397 | (167) | 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 | 376 | 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | | | | | | | | | 288 | 266 | (384) | (243) | (120) | (107) | 475 | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | | | | | | | | | | | | | (23) | - | 10 | (8) | - | - | - | - | - | - |
| HOI Income[3] | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639 | 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | | | | | | | | | | | | | | | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **903** | **783** | **179** | **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** | **872** | **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** | **153** | **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** | **136** | **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | | | | | | | | | | | | | | | | |
| Provision for Electricity Sector[4] | Commercially Sensitive and Confidential Advice to Cabinet | (263) | - | (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (783) | (520) | (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) | (1,015) | (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | **-** | **-** | **-** | 15 | - | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** | **-** | (206) | 60 | 62 | 58 | 26 | - | - | - | - | - | - | - | | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(783)** | **(520)** | **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** | **(1,015)** | **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | | | | | | | | | | | | | | | | |
| **Taxation Revenue** | | | | | | | | | | | | | | | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 | 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| **Other Revenue** | | | | | | | | | | | | | | | | | | | | | | |
| Electricity Debt Retirement Charge[5] | - | - | - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 741 | 695 | 815 | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 | 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | - | - | - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (156) | (157) | (153) | (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) | (136) | (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 27 | 27 | 18 | 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 | 9 | 11 | 8 | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | | | | | | | | | | | | | | | | |
| Interest on Debt | (1,530) | (1,457) | (1,308) | (1,050) | (1,119) | (1,044) | (1,065) | (1,083) | (1,086) | (944) | (878) | (852) | (850) | (848) | (728) | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (741) | (695) | (815) | (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) | (1,375) | (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | (665) | (253) | 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | | | | | | | | | | | | | | | | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 383 | 263 | - | 197 | - | - | - | 67 | 422 | - | 644 | 771 | 495 | 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 |
| Other (Finance) | (339) | (313) | (309) | (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) | (24) | (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **(354)** | **18** | **(69)** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362** | **1,127** | **1,064** | **1,476** | **1,353** | **3,549** | **737** | **1,379** | **269** | **700** | **765** |
| **Impact on Surplus/(Deficit)** | **185** | **175** | **(257)** | **(157)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,120** | **1,092** | **2,098** | **1,715** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |
| *variance to OEFC check* | | | | | | | | | | | | | | | | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OPG Income | 512 | 397 | (167) | 340 | (399) | (60) | 603 | 495 | 807 | 183 | 391 | 414 | 256 | 137 | 809 | 813 | 463 | 342 | 1,099 | 500 | 728 | 677 |
| Hydro One Net Income | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 616 | 792 | 796 | 733 | 256 | 518 | 346 | 353 | 412 | 438 |
| Payments-in-Lieu of Taxes, including CIT | 1,089 | 907 | 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| Electricity Debt Retirement Charge | - | - | - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| OEFC Interest Revenue: Province | | | | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 |
| OEFC Interest Revenue: | | | | 444 | 251 | 221 | 217 | 205 | 256 | 269 | 226 | 222 | 222 | 198 | 199 | 207 | 203 | 189 | 178 | 189 | 171 | 144 |
| Net Reduction of Power Purchase Contracts | - | - | - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Dedicated Electricty Earnings | Commercia | (263) | - | (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| PDI Expense (Hydro One, OPG) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| Interest on Debt | (1,530) | (1,457) | (1,308) | (2,014) | (1,890) | (1,785) | (1,802) | (1,808) | (1,862) | (1,733) | (1,624) | (1,594) | (1,592) | (1,565) | (1,447) | (1,385) | (1,319) | (1,216) | (1,109) | (1,077) | (1,048) | (950) |
| Net Power Supply Costs | - | - | - | (151) | (287) | (230) | (26) | - | - | - | - | - | (3) | - | - | - | - | - | - | - | - | - |
| Other | (312) | (286) | (291) | (938) | (483) | (83) | (9) | (84) | (59) | (45) | (27) | (24) | (15) | 5 | 1 | (6) | (6) | (1) | (16) | (7) | (7) | (7) |
| **Impact on Surplus/(Deficit)** | **(370)** | **(573)** | **(1,553)** | **(181)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,120** | **1,093** | **2,098** | **1,715** | **3,876** | **915** | 1,675 | **368** | **798** | **856** |
| ***check*** | | | | | | | | | | | | | | | | 0 | - | 0 | - | 0 | 0 | 0 |

Chart Title

## Electricity Sector Outlook

| | 1999-00 | 2000-01 |
|---|---|---|
| **On Deck Outlook as of February 2018** | | |
| | | |
| **Income from Investment in Government Business Enterprises** | | |
| OPG Income[1] | 512 | 397 |
| OPG - ONFA and other Fair Value Adjustments[2] | | |
| Hydro One - Unrealized Gains Adjustment | | |
| HOI Income[3] | 391 | 386 |
| Brampton Income | | |
| **Total OPG and HOI Income** | **903** | **783** |
| | | |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** |
| | | |
| **Electricity Expenses of the Province** | | |
| Provision for Electricity Sector[4] | Commercially Sensitive a | (263) |
| Public Debt Interest - Electricity Sector | (520) | (520) |
| **Subtotal** | (520) | (783) |
| Public Debt Interest - Impact of ONFA | **-** | **-** |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** |
| **Total Electricity Expenses of the Province** | **(520)** | **(783)** |
| | | |
| **OEFC Income** | | |
| **Taxation Revenue** | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 |
| | | |
| **Other Revenue** | | |
| Electricity Debt Retirement Charge[5] | - | - |
| Power Supply Contract Recoveries | 741 | 695 |
| Net Reduction of Power Purchase Contracts | - | - |
| Other Fees and Licences | (156) | (157) |
| Revenue Pool Residual | 172 | 748 |
| Miscellaneous | 27 | 27 |
| | | |
| **Expenses** | | |
| Interest on Debt | (1,530) | (1,457) |
| Power Supply Contract Costs | (741) | (695) |
| Electricity Consumer Price Protection Fund | - | - |
| Demand Management Support Costs[6] | | |
| Provision for Electricity Sector | 383 | 263 |
| Other (Finance) | (339) | (313) |
| **Total OEFC Income** | **(354)** | **18** |
| | | |
| **Impact on Surplus/(Deficit)** | **185** | **175** |

| Actual | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2001-02** | **2002-03** | **2003-04** | **2004-05** | **2005-06** | **2006-07** | **2007-08** | **2008-09** | **2009-10** | **2010-11** |
| (167) | 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 |
| | | | | | | 288 | 266 | (384) | (243) |
| 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 |
| **179** | **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** |
| **153** | **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** |
| - | (197) | - | - | - | (67) | (422) | - | (644) | (771) |
| (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) |
| (520) | (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) |
| **-** | | 15 | - | - | - | - | - | - | - |
| **-** | (206) | 60 | 62 | 58 | 26 | - | - | - | - |
| **(520)** | **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** |
| 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 |
| - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 |
| 815 | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 |
| - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 |
| (153) | (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) |
| 1,296 | 24 | - | - | - | - | - | - | - | - |
| 18 | 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 |
| (1,308) | (1,050) | (1,119) | (1,044) | (1,065) | (1,083) | (1,086) | (944) | (878) | (852) |
| (815) | (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) |
| - | (665) | (253) | 20 | - | - | - | - | - | - |
| - | 197 | - | - | - | 67 | 422 | - | 644 | 771 |
| (309) | (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) |
| **(69)** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362** |
| **(257)** | **(157)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** |

$ Millions

| 2011-12 | 2012-13 | 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|
| 376 | 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| (120) | (107) | 475 | 239 | 172 | 43 | 194 | - | - | - |
| (23) | - | 10 | (8) | - | - | - | - | - | - |
| 639 | 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| | | | | 20 | 18 | - | - | - | - |
| **872** | **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **136** | **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| (1,015) | (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| - | - | - | | | | | | | |
| - | - | - | | | | | | | |
| **(1,015)** | **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| (136) | (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| - | - | - | - | - | - | - | - | - | - |
| 9 | 11 | 8 | 9 | 9 | 14 | - | - | - | - |
| (850) | (848) | (728) | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| (1,375) | (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| - | - | - | - | - | - | - | - | - | - |
| | | | (9) | (8) | (8) | (10) | - | - | - |
| 495 | 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 |
| (24) | (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **1,127** | **1,064** | **1,476** | **1,353** | **3,549** | **737** | **1,379** | **269** | **700** | **765** |
| **1,120** | **1,092** | **2,098** | **1,715** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |

| 2021-22 |
| --- |
| |
| |
| 670 |
| - |
| - |
| 465 |
| - |
| **1,135** |
| |
| **91** |
| |
| |
| (731) |
| (404) |
| (1,135) |
| |
| **(1,135)** |
| |
| |
| 560 |
| |
| |
| - |
| 98 |
| 28 |
| (91) |
| - |
| - |
| |
| |
| (282) |
| (98) |
| - |
| - |
| 731 |
| (7) |
| **939** |
| |
| **1,030** |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 808 | (232) | 103 | (389) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the completed sale of OPG head office properties and prospective sale of Lakeview lands. This accounts for $483M of the increase. Note that while the re-categorization itself is fiscally-neutral, net income impacts of the proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower projected IFRS adjustment (by $100M) for 2017-18 and lower OPG expenses than estimated at the time of Budget 2017.<br><br>2018-19 to 2020-21 chnages reflect the negative impact of higher projeceted IFRS adjustment impacts over that period partially offset by higher OPG net income in 2018-19 and 2020-21 and more than offset by higher OPG net income in 2019-20. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely due to revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **828.5** | **(441)** | **(89)** | **(603)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (672) | (449) | (736) | (711) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(635)** | **(361)** | **(648)** | **(623)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 93 | (107) | (26) | (152) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax components are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 672 | 449 | 736 | 711 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **692** | **223** | **568** | **395** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **886** | **-571** | **-158** | **-820** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 793 | (690) | (281) | (925) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | (40) |
| Operations Maintainance & Administration (labour costs etc.) | | 0 - (100) | 0 - (100) | 0 - (100) | 0 - (100) |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to retirement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy o**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**r updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of March 2017** **$ Millions**

| | Actual 2014-15 | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| Revenue Pool Residual | | | | | | | |
| Debt Retirement Charge | 956 | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | 53 | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 32 | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | | |
| OPG | 191 | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | | |
| IESO | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 13 | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 727 | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 1,038 | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | - | 172 | - | - | - | - | - |
| Miscellaneous | 9 | 9 | - | - | - | - | - |
| | 4,077 | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | | |
| Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | | |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | - | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 6 | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,481 | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | | 87 | | | | | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |
| | 658 | | | | | | |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of February 2018**

**$ Millions**

| | Actual | | | | | | | | | | Actual | Actual | Actual | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Revenue** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | | | | | | | | | | | | |
| Revenue Pool Residual | 24 | | | | | | | | | | | | | | | | | | |
| Debt Retirement Charge | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944.00 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | | | | | | | | | | | | | | |
| OPG | 389 | 268 | 114 | 554 | 302 | 108 | 542 | 353 | 114.00 | 149 | 193 | 407 | 53 | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 266 | 221 | 214 | 193 | 230 | 221 | 113 | 60 | 92.00 | 145 | 100 | 98 | 95 | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | | | | | | | | | | | | | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 56 | 138 | 183 | 202 | 226 | 217 | 175 | 103 | 115.00 | 73 | 31 | 38 | 32 | 27 | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321.00 | 367 | 324 | 543 | 180 | 3,228 | 364 | 499 | 369 | 512 | 526 |
| Interest : | | | | | | | | | | | | | | | | | | | |
| OPG | 191 | 191 | 191 | 217 | 196 | 194 | 213 | 210 | 200.00 | 196 | 186 | 187 | 191 | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | 214 | 5 | - | - | - | | | | | | | | | | | | | | |
| IESO | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 1 | 0.70 | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520.00 | 520 | 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 33 | 49 | 24 | (6) | 4 | 56 | 50 | 15 | 21.50 | 24 | 10 | 10 | 13 | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 964 | 771 | 741 | 737 | 725 | 776 | 789 | 746 | 742.20 | 742 | 717 | 719 | 727 | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339.00 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 197 | - | - | - | 67 | 422 | - | 644 | 771.00 | 495 | 516 | 599 | 1,038 | 3 | 302 | 797 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | | | | | | | | | | | | | 0 | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 10 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8.00 | 9 | 11 | 8 | 9 | 9 | 14 | 0 | 0 | 0 | 0 |
| | 3,797 | 3,022 | 3,105 | 3,954 | 3,821 | 4,058 | 3,923 | 4,577 | 4,413.17 | 4,254 | 4,093 | 4,362 | 4,077 | 6,041 | 3,382 | 3,319 | 1,634 | 1,987 | 1,916 |
| **Expense** | | | | | | | | | | | | | | | | | | | |
| Debt interest | 2,014 | 1,890 | 1,785 | 1,802 | 1,808 | 1,862 | 1,733 | 1,624 | 1,594.00 | 1,592 | 1,565 | 1,447 | 1,385 | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | 162 | 142 | 93 | 69 | 25 | | | | | | | | | | | | | | |
| Demand Management Support Costs | | | | | | | | | | | | | 9 | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 105 | 91 | 69 | 60 | 59 | 57 | 47 | 28 | 26.00 | 18 | - | 0 | 0 | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 786 | 807 | 840 | 811 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,375 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 147 | 134 | 138 | 138 | 140 | 139 | 141 | 138 | 137.00 | 136 | 135 | 136 | 131 | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 16 | 2 | 13 | 4 | 32 | 7 | 6 | 6 | 6.00 | 6 | 6 | 7 | 6 | 7 | 7 | 6 | 7 | 7 | 7 |
| | 3,895 | 3,389 | 2,918 | 2,884 | 2,927 | 2,994 | 2,880 | 3,205 | 3,050.97 | 3,127 | 3,029 | 2,886 | 2,481 | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362.20** | **1,127** | **1,064** | **1,476** | **1,596** | 3,705 | **1,191** | **1,911** | **269** | **700** | **765** |
| Prior period adjustment | | | | | | | | | | | | | | 87 | | | | | |
| **Stranded Debt - Year End** | **20,183** | **20,550** | **20,363** | **19,293** | **18,289** | **17,225** | **16,182** | **14,810** | **13,448.16** | **12,321** | **11,257** | **9,781** | **8,185** | 4,393 | **3,202** | **1,292** | **1,023** | **323** | **(442)** |

**1**

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2 2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | (35) | (18) | (19) | (9) | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. Reduction in 17-18 based on YTD actual MEU PILs. |
| Total PILs | (9) | 93 | (107) | (26) | (152) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and May 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 272 | 449 | 736 | 711 | Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income including the re-categorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>The increase in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 732 | 139 | 483 | 301 | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **823** | **223** | **568** | **395** | |
| **Stranded Debt - Year End** | **(391)** | **(1,214)** | **(1,437)** | **(2,005)** | **(2,400)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 905 | 500 | 728 | 677 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,251** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **797** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **797** | **449** | **736** | **711** |
| OEFC adjustment | | | | | | |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **797** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 49.88% Provincial share allocation as of the Final offering in May 2017 and a 47.74% Provincial share allocation as of First nations share sale in December 2017 . Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

**2020-21**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| (116) | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| **104** | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| **404** | | | | | | | |

**2020-21**

| | | | | | | |
|---|---|---|---|---|---|---|
| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| 0 n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | |
|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 98 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |
| | 2021-22 | $ 98,255,464 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Francisco Chinchon |
| **Cc:** | John Kim |
| **Subject:** | FW: Electricity Outlook Update (FES pw) |
| **Date:** | Friday, February 16, 2018 11:38:47 AM |
| **Attachments:** | Electricity Sector Outlook (2018 02 16).xlsm |

Hi Francisco

Let me know if you want a high level walk through of the Outlook before we send. See below the proposed cover email for the distribution.

Bruno

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**From:** Bruno Amara
**Sent:** Friday, February 16, 2018 11:15 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Electricity Outlook Update (FES pw)

Hi John

Just fyi. My draft cover email. I have taken care of most of Ron's comments. I will respond to him to let him know what we did/did not do.

Bruno

Hi

Please see attached ADM-approved Electricity Update and our notes below. The main change since the last January 10, 2018 distribution is the inclusion of results from OPG's 2018-2021 Business Plan. Note that OPG's Business Plan outlooks includes the impacts of the OEB rate decision. Notwithstanding these impacts, OPG results are higher in each year compared to the previous outlook. Note that Dedicated Electricity Earnings (or Electricity Sector Dedicated net income) outlook is updated based on these changes.

As in the previous electricity Outlook asset optimization impacts are now re-categorized. OPG net income now reflects estimated proceeds from OPG Lakeview properties as well as OPG head office sales in 2017-18. The full impacts of Hydro One broadening are fully reflected in Hydro One net income, lowering Hydro One net income. I.e., the current outlook now reflects provincial Hydro One ownership of about 50% in 2017-18 and 47% thereafter compared to 70% ownership assumed at Budget. These changes to OPG and Hydro One net income also affect the electricity provision (or ESDI).

The attached Electricity update as of February 16, 2018, which is subject to further updates.

Key changes to the electricity outlook since our January 10, 2018 update include the following.

- Inclusion of OPG 2018-2021 Business Plan results, including estimated proceeds from Lakeview in 2017-18 which were not previously included in OPG net income.
- Note: this also results in a update to Dedicated Electricity earnings expense lines (see Provision for the Electricity Sector)
- Based on PRRT approval, the current electricity update assumes that the electricity provision (ESDI) continues beyond 2017-18. There is no bottom line impact on consolidation, but does affect MOF provision expense and OEFC revenue.

There is still information to come that could change the outlook before the Document. Key information to come includes the following

- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Updates to ONFA adjustment result for 2017 (end of February results would be available early March)

Key Changes to Risks

- Added risk range for future ONFA adjustment amounts reflecting historic range of outcomes. Give the high degree of uncertainty and range of results ONFA adjustments are not forecasted.

Please let us know if you have any questions.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 534 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,739** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,610** | **286** | **592** | **540** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 128 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **728** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **821** | **(653)** | **(364)** | **(1,136)** |
| | | | ***check*** | ***(0)*** | ***-*** | ***-*** | ***-*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,610 | 286 | 592 |
| | | -15 | 821 | -653 | -364 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 540 |
| -1,136 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)
(4.4)
0.0
0.0

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

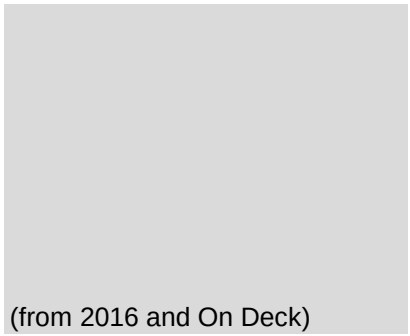
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income[1] | 574 | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **1,546** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector[4] | (795) | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (1,315) | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | | |
| **Total Electricity Expenses of the Province** | **(1,315)** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,247 | 334 | 534 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | |
| Interest on Debt | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 795 | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **1,353** | **3,549** | **737** | **1,314** | **187** | **494** | **449** |
| **Impact on Surplus/(Deficit)** | **1,715** | **3,876** | **915** | **1,610** | **286** | **592** | **540** |
| *variance to OEFC check* | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower expenses than assumed at the time of Budget 2017.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 128 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **627** | **141** | **362** | **79** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **821** | **-653** | **-364** | **-1,136** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 728 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

| Electricity Sector Change Since Previous Distribution | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | - | 656 | 263 | 510 | 196 | 2017-18 mainly Lakeview (+200) and OPG Provision and other improvements. |
| ONFA and other Fair Value Adjustments | - | 22 | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | - | 17 | 26 | 24 | 19 | |
| Brampton Income | - | - | - | - | - | |
| **Total OPG and HOI Income** | **-** | **695.5** | **290** | **534** | **215** | |
| | - | - | - | - | - | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| | - | - | - | - | - | |
| **Electricity Expenses of the Province** | - | - | - | - | - | |
| Provision for Electricity Sector | - | (673) | (340) | (511) | (338) | |
| Public Debt Interest - Electricity Sector | - | - | 50 | 50 | 50 | Update |
| **Total Electricity Expenses of the Province** | **-** | **(673)** | **(290)** | **(461)** | **(288)** | |

| **Electricity Sector Change Since Previous Distribution** | **$ Millions** | | | | | |
|---|---|---|---|---|---|---|
| ($million) | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **Explanation of Change** |
| | - | - | - | - | - | |
| **OEFC Income** | - | - | - | - | - | |
| **Taxation Revenue** | - | - | - | - | - | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | 156 | (65) | 28 | (100) | |
| | | | | | | 2017-18 mainly Lakeview (+70) and OPG Provision and other improvements. |
| | - | - | - | - | - | |
| **Other Revenue** | - | - | - | - | - | |
| Electricity Debt Retirement Charge | - | (19) | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| | - | - | - | - | - | |
| **Expenses** | - | - | - | - | - | |
| Interest on Debt | - | (2) | (46) | (62) | (54) | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Provision for Electricity Sector | - | 673 | 340 | 511 | 338 | |
| Other (Finance) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **808** | **229** | **477** | **184** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)[1]** | **0** | **831** | **229** | **550** | **111** | |
| | - | - | - | - | - | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | - | 833 | 225 | 562 | 115 | |
| | | | | | | |
| Total Expenditure impact | - | 2 | (4) | 12 | 4 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 534 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,254 | 1,552 | 1,781 | 1,600 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,846** | **187** | **494** | **449** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,357** | **1,170** | **676** | **227** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 128 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 667 | 57 | 277 | (15) | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **758** | **141** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,357** | **1,170** | **676** | **227** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | FW: Electricity Update |
| **Date:** | Tuesday, January 09, 2018 5:18:59 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 08)_unpacked_v05.xlsm |

fyi

---

**From:** Bruno Amara
**Sent:** Tuesday, January 09, 2018 5:19 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Ron

Please see attached with update footnotes and Pension risk revised per our discussion.

Bruno

---

**From:** Ronald Kwan
**Sent:** Tuesday, January 09, 2018 5:16 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Bruno,

Please send me the revised version.

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** January-09-18 11:12
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** Electricity Update

Hi Ron

I realize we did not update various footnotes to reflect unpacking in the version I sent to you last night. We have now done this. I also revised the Risk table to shift the pension risk forward one-year, noting that while this risk may be mitigated by findings of the OEB report, OEB will make final decision with deferred decision.  I haven't  forwarded this for now to avoid any confusion with edits

you may be making, but happy to do so.

Also we have coordinated with SIFB and FTD on the AO unpacking exercise to make sure we are all on same page before we share with Frost. We are just finalizing some summary tables on our unpacking exercise that we can send to you and/or walk you through.

I heard from CQSD late yesterday that wrap-up is on Monday. They would like to prepare ESDI update today for Helmut's review. I noted that we do have updates that we are finalizing and will send as soon as we can. We can check back to see if tomorrow will be OK as necessary.

I also let OPCD know that we are working on an update that will re-categorize AO impacts and will send them that version as it will be more accurate for Budget consolidation. But I will also offer them our Interim unpacked version if they want to use that for now.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 24 | 9 | - | 48 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (24) | (9) | - | (48) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 149 | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 327 | 388 | 419 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 377 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,906** | **1,138** | **1,048** | **1,341** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **779** | **57** | **42** | **429** |
| | | | ***check*** | ***-*** | ***-*** | ***(0)*** | ***-*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (101) | 9 | 0 | 48 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 101 | (9) | 0 | (48) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 52 | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (233) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (28) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(105)** | **(997)** | **(1,049)** | **(1,356)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(10)** | **(882)** | **(914)** | **(1,247)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 779 | 57 | 42 |
| | | -15 | -10 | -882 | -914 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| | *0* | *0* | *0* | *0* |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***216.5*** | ***144.9*** | ***152.7*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (110.2) | (142.2) | (167.0) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 281.4 | (9.0) | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (281.4) | 9.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 281.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (0.1) | (0.3) | (0.4) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 106.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 110.2 | 142.2 | 167.0 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **216.5** | **144.9** | **152.7** |

| 2020-21 |
|---|
| 1,676 |
| 429 |
| -1,247 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | |

| |
|---|
| *0* |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***180.0*** |

***t***

| |
|---|
| |
| (170.4) |
| 0.0 |
| (47.6) |
| 47.6 |
| 0.0 |
| 135.3 |
| 0.0 |
| (0.4) |
| 0.0 |
| 44.9 |
| 0.0 |
| 170.4 |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **180.0** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

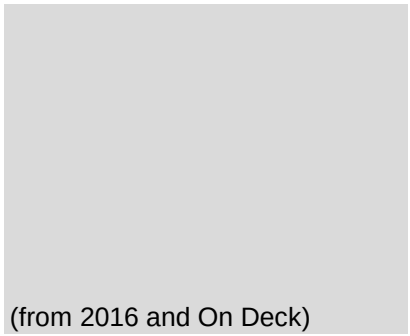
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 149 | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 327 | 388 | 419 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **650** | **463** | **381** | **575** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (24) | (9) | - | (48) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (478) | (463) | (454) | (502) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(478)** | **(463)** | **(454)** | **(502)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 377 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 24 | 9 | - | 48 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **506** | **(42)** | **17** | **265** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **779** | **57** | **42** | **429** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's latest monthly update and now includes re-caztegorization from Sales and Rentals to OPG net income (and OPG PILs) of OPG head office properties sale. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information and now reflect the re-categorization from sales and Rentals to Hydro One net income of the full impact of Hydro One broadening.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 52 | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017 largely offset by re-categorization from Sales and Rentals to OPG net income (and OPG PILs) of the slae of OPG head office properties. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (233) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) re-categorization from Sales and Rentals to Hydro One net income of the fll impact of Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **33.0** | **(831)** | **(848)** | **(1,143)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 101 | (9) | - | (48) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. Note ESDI is also lowered as HYdro One net income now reflects the full impact of Hydro One share sales. Part of this impact was previously reflected in Sales and Rentals. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **138** | **29** | **38** | **(10)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (101) | 9 | - | 48 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(181)** | **(88)** | **(115)** | **(105)** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(10)** | **(882)** | **(914)** | **(1,247)** | |
| | | | | | | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (105) | (997) | (1,049) | (1,356) | |
| | | | | | | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimiza**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. Howver, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**ıtion strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 287 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 377 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 24 | 9 | 0 | 48 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,477 | 1,340 | 1,309 | 1,429 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,056** | **(42)** | **17** | **265** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (28) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (501) | 9 | - | 48 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>ESDI is alo lowered as the full impact of Hydro One share dispositions is now refelected in lower Hydro One net income tothe Province. Part of this impact was previously reflected in Sales and Rentals.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (111) | (155) | (195) | (186) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(31)** | **(88)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 149 | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 329 | 327 | 388 | 419 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **478** | **463** | **381** | **575** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **24** | **9** | **(73)** | **121** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **24** | **9** | **(73)** | **121** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | (73) |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | (73) | 73 |
| Ending Balance | 0 | 0 | 0 | 0 | (73) | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **24** | **9** | **0** | **48** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **24** | **9** | **0** | **48** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283.27 | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **149** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **320** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 149 | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **287** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

ce-of-Ontario
ce-of-Ontario

ce-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 183 | 134 | 103 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | FW: Fair Hydro Plan |
| **Date:** | Friday, October 20, 2017 1:53:42 PM |
| **Attachments:** | GA financing Ont IOD Impact Estimation_Oct 20_2017.xlsx |

fyi

---

**From:** Matthew Breadner
**Sent:** Friday, October 20, 2017 1:50 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Sorry, forgot to update the password from last year.

Attached file using FES PW.

---

**From:** Matthew Breadner
**Sent:** Friday, October 20, 2017 1:48 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Shajee,

Please find the updated figures attached, on the first tab.

Thanks,
Matt

---

**From:** Matthew Breadner
**Sent:** Friday, October 20, 2017 1:30 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Yes, those numbers I have.

I can update them and pass it along.

Thanks,

Matt

---

**From:** Shajee Kathirgamanathan
**Sent:** Friday, October 20, 2017 1:28 PM
**To:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Alex et al.

Just want to clarify, the number in 2017-18 was 17.17672, not 7.17672. The first digit was caught off when copying/pasting. Sorry about that.

| | Plan | | | |
|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| *GA - OPG Trust Interest Revenue* | *17.17672* | *54.36776* | *99.39752* | *152.51747* |

We're still looking to find the email/attachment where we got the numbers originally as well so will share that if we find it.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Alexander Kraas
**Sent:** Friday, October 20, 2017 11:08 AM
**To:** IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: Fair Hydro Plan

Hello Matt;

Would you have an updated number available?

Best regards

Alex

---

**From:** Shajee Kathirgamanathan

**Sent:** Friday, October 20, 2017 10:46 AM
**To:** Christina Zhang <Christina.Zhang@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Christina, Alex

Hope you're well. Not sure if you're the right point of contact so please redirect me if necessary…

Last time when we provided these numbers for Budget, I understand we also asked for estimates from FTD on anticipated revenue for OPG Trust as a result of the Fair Hydro Plan.

The numbers we currently have in our Outlook are:

| | Plan | | | |
|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| *GA - OPG Trust Interest Revenue* | *7.17672* | *54.36776* | *99.39752* | *152.51747* |

Would you be able to provide updated numbers for our fiscal planning purposes as well?

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Christina Zhang
**Sent:** Wednesday, October 18, 2017 4:05 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Thank you!

---

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, October 18, 2017 3:59 PM
**To:** Christina Zhang <Christina.Zhang@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Christina,

Please see tab FES2017, attached.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Christina Zhang
**Sent:** Wednesday, October 18, 2017 3:46 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Shajee,

Thanks very much for sending this along. Could you please update and then send me the spreadsheet that I sent yesterday? In an effort to minimize errors and for documentation purposes, we always ask that responsible units to update their respective sections of the financing table.

Regards,
Christina

---

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, October 18, 2017 3:36 PM
**To:** Christina Zhang <Christina.Zhang@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Christina,

Please find attached a summary of the projections for the OPG Equity Injections.

Slide 4 would be most relevant for your purposes, as it contains the fiscal-year projection.

Please note, these are projections based on preliminary numbers provided from Ministry of Energy, and subject to change.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Christina Zhang
**Sent:** Tuesday, October 17, 2017 4:05 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi,

We're looking to see whether there's an update to the numbers in the spreadsheet embedded in the attached email. In particular, we're interested in the line titled "Provincial Borrowing Required" line. I believe this is the original email from Ricky. Please use the FES password.

Thanks,
Christina

---

**From:** John Kim
**Sent:** Tuesday, October 17, 2017 3:56 PM
**To:** Christina Zhang <Christina.Zhang@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Np…in anticipating of arriving at the FHP numbers, what information are you looking for? Just to give you heads up that the information will be basic.

Thanks,

John

---

**From:** Christina Zhang
**Sent:** Tuesday, October 17, 2017 3:29 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Much appreciated, John. Tomorrow should be fine but probably no later than that.

---

**From:** John Kim
**Sent:** Tuesday, October 17, 2017 3:24 PM
**To:** Christina Zhang <Christina.Zhang@ofina.on.ca>
**Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
**Subject:** Re: Fair Hydro Plan

Hopefully soon. We are seeking some clarifications from Energy as we speak. Anticipating tomorrow, hope it's okay.

Sent from my iPhone

On Oct 17, 2017, at 3:15 PM, Christina Zhang <Christina.Zhang@ofina.on.ca> wrote:

> Hi John,
>
> I just wanted to follow up on the FHP numbers for the financing table, which as you can expect, we're anxious to finalize. Any chance you'll be able to send the revised numbers by today or tomorrow?
>
> I'm taking over the financing table responsibilities from Ricky so please feel free to email me if you need anything on it.
>
> Thanks,
> Christina
>
> ---
>
> **From:** John Kim
> **Sent:** Saturday, October 14, 2017 12:41 PM
> **To:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>

**Cc:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; Christina Zhang <Christina.Zhang@ofina.on.ca>
**Subject:** Re: Fair Hydro Plan

Hi Ken,

Ron received information from energy which we are working on. Not sure the data is what we need but my team is working on it so we will share the assessment and data soon.

Thanks.

John

Sent from my iPhone

On Oct 14, 2017, at 11:14 AM, Ken Kandeepan <Ken.Kandeepan@ofina.on.ca> wrote:

> Hi John
>
> Just following up on this, any luck of revised estimated from MOE, a response Monday is fine.
>
> Thanks
>
> Ken k
>
> ---
>
> **From:** John Kim
> **Sent:** Tuesday, October 10, 2017 12:22 PM
> **To:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
> **Cc:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Subject:** RE: Fair Hydro Plan
>
> Hi Ken,
>
> The data we used to see the debt number being reduced to $20bn was not an official set of data. I am working to get a more official update from Energy but it is a process that requires approvals on their end.
>
> If you're okay with what Energy has described as preliminary then we can work to provide it. This has been getting escalated so if you can wait towards the end of the week then we may have something.

John

---

**From:** Ken Kandeepan
**Sent:** Tuesday, October 10, 2017 12:00 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
**Cc:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi John

What Ricky requires for the FES is the forecast amount of the 44% equity injection number for 17-18 and the two out years. Given that the total debt number has reduced to $20 Billion from the $28 B forecast at Budget time I guess there would be reductions in the first three years as well.

Thanks

Ken k

---

**From:** John Kim
**Sent:** Tuesday, October 10, 2017 11:21 AM
**To:** Ricky Lai <Ricky.Lai@ofina.on.ca>
**Cc:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Fair Hydro Plan

Hi Ricky,

There is no official updated information on the GA modelling. I have been looking for that from the Ministry of Energy without having any success.

Energy's response thus far is that they are still working on finalizing the FHP-related GA forecast.

In terms of FES, let me know what you are looking to do and the timeline you're working towards.

John

---

**From:** Ricky Lai

**Sent:** Friday, October 06, 2017 10:25 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
**Subject:** Fair Hydro Plan

Hi John,

In preparation for the upcoming FES, would you be able to provide an update to the Fair Hydro Plan numbers. I have attached the worksheet that we have used for the 2017 Budget (password protected using FES password).

Your input by the end of today would be appreciated.

Thanks.

Ricky

**Fiscal Year**

**Provincial Borrowing**

OEP forecast as of Oct.6 2017

**Interest Rate Forecast**

**IOD**
**2017-18**
**2018-19**
**2019-20**
**2020-21**
**Total Estimated IOD Impact**

| Fiscal Year Equivalent | 2017-18 |
|---|---|
| FY Adjusted Debt Requirement | 1938 |
| Provincial Borrowing Required | 853 |

| 2017-18 | | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| $M | | $M | $M | |
| | 853 | 979 | 1,023 | 1,035 |
| | OEP | OEP | OEP | 20-Year Average |
| | 2.9% | 3.6% | 4.3% | 4.7% |
| | | | | |
| | | | | |
| | 12 | 25 | 25 | 25 |
| | | 18 | 36 | 36 |
| | | | 22 | 44 |
| | | | | 24 |
| | **12** | **42** | **82** | **128** |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 2224 | 2326 | 2353 |
| 979 | 1023 | 1035 |

**Fiscal Year**

**Change in Provincial Borrowing**

OEP forecast as of Feb. 28

**Interest Rate Forecast**

## IOD from Change in Long-Term Borrowing

**2017-18**

**2018-19**

**2019-20**

**2020-21**

**Total IOD Impact**

Reported to Fiscal last Week

| GA Debt requirement | **2017** |
|---|---|
| Option 1 | 2501 |

| Fiscal Year Equivalent | 2017-18 |
|---|---|
| FY Adjusted Debt Requirement | 2502 |
| Provincial Borrowing Required | 1101 |

| 2017-18 | | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| $M | | $M | $M | |
| | 1,101 | 1,103 | 1,164 | 1,307 |
| | OEP | OEP | 15-Year Average | 15-Year Average |
| | 3.1% | 3.6% | 4.3% | 4.3% |
| | | | | |
| | | | | |
| | 17 | 34 | 34 | 34 |
| | | 20 | 40 | 40 |
| | | | 25 | 50 |
| | | | | 28 |
| | **17.177** | **54.368** | **99.398** | **152.517** |
| | 17 | 55 | 102 | |

| **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|
| 2508 | 2501 | 3075 | 2660 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 2506 | 2644 | 2971 |
| 1103 | 1164 | 1307 |

# GA Financing Model

By changing the inputs, one can model different scenarios for the GA Debt financing.

| | | |
|---|---|---|
| Total Principal ($M) | $ 20,332.32 | |
| Peak Debt ($M) | $ 26,336.62 | |
| Accumulated Interest ($M) | $ 18,129.40 | |
| Max Payment ($M) | $ 2,241.55 | |
| Interest Type | Annualized | Please Select |
| Final Payment made in Year | 2044 | |
| Maximum Payment ($M) | $ (2,241.55) | |
| Payment Periods | 12 | |
| Share of debt & interest | 44% | Can Change Sha |

| | | |
|---|---|---|
| Weighted-average interest rate | 3.12% | 3.63% |
| | | 0 |
| **Change in ratepayer cost** | | -2.79% |
| | **2017** | **2018** |
| IESO GA cost forecast + extrapolation | 12,095 | 11,835 |
| Option 1 - Ratepayer cost | 9,595 | 9,327 |
| | | |
| **GA Debt requirement** | | |
| Option 1 | 2,501 | 2,508 |
| | | |
| Interest | 3.17% | 3.69% |
| | | |
| Debt Beginning of year | 0 | 2,501 |
| Interest on Debt | 0 | 92 |
| Additional GA Drawdown, end of year | 2,501 | 2,508 |
| Debt End of year | 2,501 | 5,101 |
| | | |
| **Fiscalized (44% share) - $M** | **2017-18** | **2018-19** |
| Interest Cost | 10 | 55 |

Notes

1. Based on Ministry of Energy model and associated assumptions.
2. GA forecast, ratepayer payments, and interest costs subject to change.
3. To forecast the payment of the remaining balance, a cap of $2.242 bn above the true cost of G still accumulating over this period.

Please only change the yellow cells.

re here

| | | | | |
|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 0 | 0 | 0 | 0 | 0 |
| -2.95% | 0.47% | -10.01% | -0.05% | 0.32% |
| **2019** | **2020** | **2021** | **2022** | **2023** |
| 11,552 | 12,168 | 10,844 | 10,634 | 10,243 |
| 9,051 | 9,094 | 8,184 | 8,180 | 8,206 |
| | | | | |
| 2,501 | 3,075 | 2,660 | 2,454 | 2,038 |
| | | | | |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| | | | | |
| 5,101 | 7,825 | 11,243 | 14,396 | 17,482 |
| 224 | 343 | 493 | 631 | 767 |
| 2,501 | 3,075 | 2,660 | 2,454 | 2,038 |
| 7,825 | 11,243 | 14,396 | 17,482 | 20,286 |

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|
| 112 | 167 | 232 | 293 | 351 |

GA in any given year is applied. Thus, every year a maximum of $2.242 bn is recovered by ratepayers until the debt is p

| | | | | |
|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 0 | 0 | 0 | 0 | 0 |
| 18.73% | -4.38% | 9.88% | 12.11% | 13.81% |
| **2024** | **2025** | **2026** | **2027** | **2028** |
| 11,128 | 10,527 | 10,033 | 11,043 | 10,819 |
| 9,743 | 9,316 | 10,236 | 11,476 | 13,061 |
| | | | | |
| 1,386 | 1,211 | -203 | -433 | -2,242 |
| | | | | |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| | | | | |
| 20,286 | 22,561 | 24,762 | 25,645 | 26,337 |
| 890 | 989 | 1086 | 1125 | 1155 |
| 1,386 | 1,211 | -203 | -433 | -2,242 |
| 22,561 | 24,762 | 25,645 | 26,337 | 25,250 |

| 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---|---|---|---|---|
| 402 | 446 | 482 | 498 | 503 |

aid down, with interest

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| -6.20% | -2.34% | -8.92% | 1.52% | -5.26% | -4.60% | -20.95% |
| **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** |
| 10,009 | 9,721 | 8,654 | 8,820 | 8,238 | 7,756 | 5,662 |
| 12,250 | 11,963 | 10,896 | 11,061 | 10,480 | 9,998 | 7,904 |
| | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| 25,250 | 24,116 | 22,932 | 21,696 | 20,406 | 19,060 | 17,654 |
| 1107 | 1058 | 1006 | 952 | 895 | 836 | 774 |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 24,116 | 22,932 | 21,696 | 20,406 | 19,060 | 17,654 | 16,187 |

| 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 |
|---|---|---|---|---|---|---|
| 482 | 460 | 437 | 412 | 387 | 361 | 334 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| -3.46% | -3.41% | -3.36% | -3.31% | -3.26% | -3.20% | -3.15% |
| **2036** | **2037** | **2038** | **2039** | **2040** | **2041** | **2042** |
| 5,389 | 5,129 | 4,881 | 4,645 | 4,421 | 4,207 | 4,004 |
| 7,630 | 7,370 | 7,122 | 6,887 | 6,662 | 6,449 | 6,246 |
| | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| 16,187 | 14,655 | 13,056 | 11,387 | 9,645 | 7,827 | 5,928 |
| 710 | 643 | 573 | 499 | 423 | 343 | 260 |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 14,655 | 13,056 | 11,387 | 9,645 | 7,827 | 5,928 | 3,947 |

| **2036-37** | **2037-38** | **2038-39** | **2039-40** | **2040-41** | **2041-42** | **2042-43** |
|---|---|---|---|---|---|---|
| 305 | 275 | 244 | 211 | 177 | 142 | 105 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| -3.10% | -3.04% | -2.98% | -2.93% | -2.87% | -44.57% | -4.83% | -4.83% |
| **2043** | **2044** | **2045** | **2046** | **2047** | **2048** | **2049** | **2050** |
| 3,811 | 3,627 | 3,451 | 3,285 | 3,126 | 2,975 | 2,831 | 2,695 |
| 6,052 | 5,868 | 5,693 | 5,526 | 5,368 | 2,975 | 2,831 | 2,695 |
| | | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | 0 | 0 | 0 |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| 3,947 | 1,879 | 0 | 0 | 0 | 0 | 0 | 0 |
| 173 | 82 | 0 | 0 | 0 | 0 | 0 | 0 |
| -2,242 | -1,961 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,879 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| **2043-44** | **2044-45** | **2045-46** | **2046-47** | **2047-48** | **2048-49** | **2049-50** | **2050-51** |
|---|---|---|---|---|---|---|---|
| 66 | 27 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

| 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 2051-52 | 2052-53 | 2053-54 | 2054-55 | 2055-56 | 2056-57 | 2057-58 | 2058-59 | 2059-60 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

| 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% | 4.39% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 2060-61 | 2061-62 | 2062-63 | 2063-64 | 2064-65 | 2065-66 | 2066-67 | 2067-68 | 2068-69 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | |
|---|---|
| 4.30% | 4.30% |
| 1 | 1 |

| 2069 | 2070 |
|---|---|
| 0 | 0 |
| 4.39% | 4.39% |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |

| 2069-70 |
|---|
| 0 |

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara; Salman Qadir |
| **Cc:** | Shajee Kathirgamanathan; Adam Prokop; Gavin He |
| **Subject:** | FW: GA Financing / TB Sub |
| **Date:** | Monday, April 24, 2017 10:20:07 AM |
| **Attachments:** | Finance Structure_GA_Rationale for 51%.docx |

Take a look….

Bruno, pls. take a look at the TB request.

---

**From:** Montgomery, Kaitlin (MOF) [mailto:Kaitlin.Montgomery@ontario.ca]
**Sent:** Monday, April 24, 2017 10:18 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** GA Financing / TB Sub

Hey John,

Just following up on our conversation Friday. You had asked about the rationale for certain levels of financing – passing this note along that we just received from OPG. Let me know if you have further questions on this.

Secondly, I'm starting to pull together materials for the TB submission. The first is seeking appropriation for the equity injections, second is any PILs exemptions that the Province is comfortable with. Lastly, Scott thought you guys might also want something built into the submission about increased borrowing requirements of the IESO – would you be able to draft something for inclusion in the submission on this (if required)?

Let me know what you think.
Kaitlin

**CONFIDENTAL** **April 18, 2017**

## Ontario Power Generation

**Issue:** OPG has indicated that for the Trust to be consolidated into OPG there is a need to have at least 51% of the debt financing of the Trust originate directly from the external market. This requirement is supported by specific technical guidance on the topic as set out below.

*IFRS 10 – Consolidated Financial Statements* requires an investor to consider whether there are other parties who are acting on behalf of the investor by virtue of their relationship with it. That is, IFRS 10 requires consideration of whether the other parties (i.e. OPG) are acting as de facto agents for the investor (i.e. Province). If OPG is considered a de facto agent, the consolidation accounting objective will **not** be met.

There are a series of references in IFRS 10 (Section B75) that support this conclusion. Each of these elements must be examined in their totality to successfully address the consolidation principal of the Trust. The importance of each element is amplified due to the fact that OPG is a related party to the Province, which increases the importance of other tests being met. These tests include:

a) a party that received its interest in the investee as a contribution or loan from the investor.
***OPG will receive a 44% equity injection from the Province of Ontario, indirectly through the Ontario Financing Authority. Given that currently, the majority (currently 51%) of the Trust debt will be from External Markets and not the Province, it can be argued that OPG did not receive the majority of its interest in the investee as a contribution or loan from the Province. This criterion is not met and shows that OPG is a principal, not a de-facto agent.***

b) a party that has agreed not to sell, transfer or encumber its interests in the investee without the investor's prior approval
***There is a proposed clause that the Trust cannot be wound up without approval from the Minister of Energy, this criterion is met.***

c) a party that cannot finance its operations without subordinated financial support from the investor.
***OPG can finance its operations without subordinated financial support from the Province – criterion is not met.***

d) an investee for which the majority of the members of its governing body or for which its key management personnel are the same as those of the investor.
***OPG is a related party of the Province of Ontario, therefore this criterion is met.***

e) a party that has a close business relationship with the investor, such as the relationship between a professional service provider and one of its significant clients.
***OPG is a related party of the Province of Ontario, therefore this criterion is met.***

Given the number of factors met above, there may be a view that OPG could be considered a de facto agent of the Province through its related party relationship (4 out of 6 items are met). It is of vital importance, and as concurred by EY, that the majority of the debt in the Trust is not more than 44% funded by the Province (note that the remaining 5% of debt has to be funded externally by OPG in order to show that OPG has equity that is not sourced from the Province at risk). If the debt in the Trust is seen by the External Auditors as being principally funded by the Province, OPG would fail 5 out of 6 criteria above and be considered a de facto agent. As a result, proposed consolidation accounting would fail.

**From:** John Kim
**To:** Angie Georgakakos; Francisco Chinchon
**Subject:** FW: IOD related to OPG Trust
**Date:** Friday, March 03, 2017 2:33:06 PM

---

**From:** Ronald Kwan
**Sent:** Friday, March 03, 2017 1:23 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: IOD related to OPG Trust

Hi John,

I'm not sure I understand his comment on double-counting, unless he thinks OB/OEP will be automatically adjusting whatever net income number we provide (or they are otherwise carrying, by the IOD adjustment number that FTD provides.

I think it more likely that they expect us to do that at our end, but good to check with OB/OEP, and good to clarify with Ken what he means.

I think it's of course FTD that owns the IOD forecast. But, if he's basing just on the information from the CabSub, and you have more detailed numbers from Tim Christie / Energy, that may help refine the FTD modelling. And, I think it would be good for EFB modelling to at least have an interest rate scenario that aligns with the FTD assumption.

Thanks,
Ron

---

**From:** John Kim
**Sent:** March-02-17 10:00 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** Fw: IOD related to OPG Trust

FYI, if FTD wants to own the forecast, would there be an issue as long as it's coordinated?

---

**From:** Ken Kandeepan
**Sent:** March 2, 2017 8:58:21 PM
**To:** John Kim
**Subject:** Re: IOD related to OPG Trust

Why don't we have a conversation tomorrow about how this is going to work out in terms of who does what. That will ensure that there's no confusion and any double counting as we go forward.

Thanks

Ken k

On Mar 2, 2017, at 8:01 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Hi Ken,
>
> I understand IOD impact estimates were provided to Office of the Budget…..could I align the assumptions with you in terms of the calculations, in terms of interest rate, etc?
>
> We are looking to update the Outlook, as well.
>
> Thanks,
>
> John.
>
> Y. John Kim
> Director, Electricity Finance Branch
> Corporate & Electricity Finance Division
> Ontario Financing Authority
> Ph: 416-212-6996
> Email: john.kim@ofina.on.ca

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | Darren Scanlan |
| **Cc:** | John Kim |
| **Subject:** | FW: OEFC 2018 Annual Report |
| **Date:** | Friday, May 25, 2018 10:58:57 AM |
| **Attachments:** | 2018 OEFC Annual Report - DRAFTmarkup2-CEFDv4.docx<br>Electricity Sector Outlook (2018 05 25).xlsm |

---

Hi Darren,

The AR is saved here:
S:\Users\CEF\Hydro 2018\OEFC\Annual Report

And for reference, the latest Outlook is also attached and saved here:
S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\05. May

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** John Kim
**Sent:** Friday, May 25, 2018 9:58 AM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** FW: OEFC 2018 Annual Report

An ASAP request. Do you want to do it first and come by or we can do it together.

---

**From:** Usman Zahid
**Sent:** Friday, May 25, 2018 9:53 AM
**To:** Francisco Chinchon <Francisco.Chinchon@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Emily Kerr <Emily.Kerr@ofina.on.ca>
**Subject:** RE: OEFC 2018 Annual Report

Hi All,

Please see attached feedback from Ron.

Regards,
Usman

---

**From:** Usman Zahid
**Sent:** Friday, May 11, 2018 10:59 AM
**To:** Francisco Chinchon <Francisco.Chinchon@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Emily Kerr <Emily.Kerr@ofina.on.ca>
**Subject:** FW: OEFC 2018 Annual Report

Hi All,

Can you please provide any revisions next week Friday?

Regards,
Usman

---

**From:** Serena Ly
**Sent:** Friday, May 11, 2018 10:57 AM
**To:** Siva Nathan <Siva.Nathan@ofina.on.ca>; Robert Bozinoski <Robert.Bozinoski@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Linda Smith <Linda.Smith@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Joan Dougherty <Joan.Dougherty@ofina.on.ca>
**Cc:** Erica Wieder <Erica.Wieder@ofina.on.ca>; Nathan Yuen <Nathan.Yuen@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mara Collins <Mara.Collins@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
**Subject:** OEFC 2018 Annual Report

Good morning everyone,

The 2018 OEFC Annual Report has been posted on the portal and is located here:

**OEFC:**
http://portal.ofina.on.ca/sites/cmd/ir/2018%20OEFC%20Annual%20Report/Forms/AllItems.aspx

Please forward to relevant staff to review the document and provide any revisions by **Friday, May 25**.

Thank you,
Serena

Ontario

# 2018
## Annual Report

# OEFC
ONTARIO ELECTRICITY FINANCIAL CORPORATION

## Mandate

Ontario Electricity Financial Corporation (OEFC or the Corporation) is one of five entities established by the *Electricity Act, 1998* (the Act) as part of the restructuring of the former Ontario Hydro.

Under the Act, the former Ontario Hydro was restructured into Ontario Power Generation Inc. (OPG), Hydro One Inc. (now a subsidiary of Hydro One Ltd., or Hydro One), the Independent Electricity System Operator (IESO), the Electrical Safety Authority (ESA) and OEFC.

In accordance with the Act, OEFC has the following mandate:

- managing its debt, financial risks and liabilities, including the debt of the former Ontario Hydro;
- managing the former Ontario Hydro's contracts with non-utility generators (NUGs);
- receiving all payments and administering other assets, liabilities, rights and obligations of the Corporation that were not transferred to another of the former Ontario Hydro successor corporations and disposing of any of these items as it deems appropriate or as directed by the Minister of Finance;
- providing financial assistance to the successor corporations of Ontario Hydro;
- entering into financial and other agreements relating to the supply and demand management of electricity in Ontario; and
- performing any additional objects specified by the Lieutenant Governor in Council.

OEFC retains the services of the Ontario Financing Authority (OFA) and the Ministry of Finance to carry out its daily operations on a cost-recovery basis. The OFA is the agency of the Province of Ontario (the Province) responsible for Provincial borrowing and debt management.

## Table of Contents


**Statement from the Chair and Chief Executive Officer 2**

**Management's Discussion and Analysis 4**

Financial Results 4

Debt and Liabilities 5

Risk Management 7

Other Responsibilities 7

2018–19 Outlook 9

**Financial Statements 11**

Responsibility for Financial Reporting 11

Auditor's Report [PLACEHOLDER] 12

Office of the Auditor General of Ontario 12

Statement of Financial Position 13

Statement of Operations and Change in Unfunded Liability 14

Statement of Cash Flow 15

Notes to Financial Statements 16

**Corporate Governance 33**

Overview 33

Board of Directors 35

Risk Management Policies and Procedures 36

**Additional Sources of Information 39**

Internet 39

Inquiries 39

## Statement from the Chair and Chief Executive Officer

We are pleased to present OEFC's 2018 Annual Report, which describes the Corporation's operational highlights and financial results for the year ended March 31, 2018.

Revenue exceeded expense by $1.2xx billion in 2018–19, reducing the Corporation's unfunded liability from $xx4.4 billion to $xx3.2 billion as at March 31, 2018. This represents the second largest -one--year decline in the unfunded liability, driven by the last Provincial offering of Hydro One shares and the sale of OPG real estate properties.

The unfunded liability has declined for ~~thirteen~~ fourteen consecutive years. It is $xx16.2 billion less than the initial unfunded liability on April 1, 1999, when the former Ontario Hydro was restructured. Total debt and liabilities are $xx21.1 billion, down from the $38.1 billion inherited by the Corporation from the restructuring.

Cost savings of $xx14.3 million were achieved through the management of the power purchase agreements with non-utility generators (NUGs).

Looking ahead to 2018–19, and following the end of the DRC, the Corporation will continue to manage its debt and liabilities, using its remaining dedicated revenues under the Electricity Act, in a cost-effective manner and support the implementation of the government's electricity policies and initiatives.

Scott Thompson
Chair

Gadi Mayman
Vice-Chair and Chief Executive Officer

**Commented [RK1]:** I think that the statement should somehow note that 17-18 was the last year of the DRC.

And if this was the second largest one-year decline in the unfunded liability, it should be noted, and noted as driven bythe benefits to OEFC from the sale of OPG real estate properties and by the last Provincial offering of Hydro One shares.

**Commented [SK2R1]:** Sure. Addressed

## Management's Discussion and Analysis

- Financial Results
- Debt and Liabilities
- Risk Management
- Other Responsibilities
- 2018–19 Outlook

# Management's Discussion and Analysis

**201~~6~~7–1~~7~~8 HIGHLIGHTS**

- Annual excess of revenue over expense for OEFC of $xx~~1.2~~ billion, decreasing its unfunded liability by that amount, recording the second largest one-year decline to date.
- ~~Thir~~Fourteenth consecutive annual decline in OEFC's unfunded liability
- The last year of the DRC which ended for residential consumers as of December 31, 2015, and ended for all other consumers on March 31, 2018.
- Achieved cost-savings of $xx~~14.3~~ million by managing power purchase agreements

## Financial Results

### Revenue and Expense

Total revenue for 201~~6~~7–1~~7~~8 was $3,3~~8~~82 million, an ~~decrease~~/increase of $~~2,659~~50x million from 201~~5~~6–1~~6~~7 **[TBC]**. The ~~decrease~~ increasein revenue was primarily due to the last Provincial offering of Hydro One, the sale of OPG real estate properties and increased payments-in-lieu (PIL) of taxes~~significant one-time payments-in-lieu (PIL) of taxes in 2015–16 from Hydro One as a result of its initial public offering (IPO) in November 2015~~.... Revenue included $~~621~~ 604 million from the Debt Retirement Charge (DRC); $838 million in power supply contract recoveries; $~~703~~ 635 million in interest income from the Province, OPG and the IESO; $~~302~~ 942 million **[TBC]** in Electricity Sector Dedicated Income (ESDI) from the Province in respect of OPG~~,~~ and Hydro One Limited ~~and Brampton Distribution Holdco Inc.~~ net incomes; $~~364~~ 497 million in ~~payments in lieu (PIL) of taxes~~PILs; and $531~~411~~ million in financial benefit from the Province.

Total expense was $~~2,191~~xx million, a decrease~~/increase~~ of $~~145~~ xx million from ~~2015~~2016–~~16~~17 **[TBC]** primarily due to reduced debt interest expense and power supply contract costs. Expenses included interest payments on debt of $1,~~216~~ 109 million and power supply contract costs of $~~838~~ 182 million.

Overall, revenue exceeded expense by $~~1,191~~2,056 million. In ~~2015~~2016–~~16~~17, revenue exceeded expense by $~~3,705~~x million.

In comparison to OEFC's budget, revenues came in at about $646 million above projections, primarily due to a financial benefit from the Province and higher than projected ESDI, ~~both~~ related to the sale of Hydro One shares and the sale of real estate assets by OPG; and variances from power supply contract recoveries; partially offset by lower than projected PIL of taxes; while expenses were $194 million above budget, primarily due to higher power supply contract costs.

### Borrowing Program

**Commented [RK3]:** A highlight for 17-18 could include it being the last year of the DRC.

**Commented [SK4R3]:** Sure. Added a bullet.

**Commented [RK5]:** I think we should have some notion of the total revenue amounts and change from 16-17, or if there was relatively little change, and the main reasons. If so, we should put in some potential text. It could be drivem by ESDI and real estate sales, for example.

**Commented [JK6R5]:** TBD once the CEFD receives the financial statements from FTD.

**Commented [RK7]:** As above, wrt to expense in this case.

**Commented [JK8R7]:** TBD pending receipt of the financials from FTD

**Commented [RK9]:** We should have some notiom already and draft some revised text.

**Commented [SK10R9]:** TBD

**Commented [RK11]:** We should have some notion and be able to draft some text.

**Commented [SK12R11]:** TBD

In 20176–178, the OFA undertook $800 million in long-term public borrowing for the Corporation. ~~no long-term borrowing was undertaken as the Agency's cash reserves were used to fund long-term debt maturities of $3.0 billion.~~ Long-term public borrowing was completed in the Canadian dollar market.

Commented [RK13]: We should state why – to match provision of financing to OPG …

The Province paid down electricity sector debt and other payables of $~~2,392~~1,943 million to OEFC in fiscal 20176–187 related to the book value of Hydro One share sales.

## Debt and Liabilities

The Corporation inherited $38.1 billion in total debt and other liabilities from the former Ontario Hydro when the Ontario electricity sector was restructured in 1999. This amount included $30.5 billion in total debt.

A portion of the $38.1 billion was supported by the value of the assets of Ontario Hydro successor companies, leaving $20.9 billion of stranded debt not supported by those assets. The initial unfunded liability of $19.4 billion was the stranded debt adjusted for $1.5 billion of additional assets.

As at March 31, ~~2017~~2018, total debt and liabilities were $~~21.1~~x billion, with total debt of $~~20.4~~x billion **[TBC]**. These figures compare to total debt and liabilities of $~~25.1~~x billion, with total debt of $~~24.3~~x billion, as at March 31, ~~2016~~2017 **[TBC]**.

The unfunded liability was $~~3.2~~x billion as at March 31, ~~2017~~2018, a decrease of $~~1.2~~x billion from March 31, 2016. This is the ~~thirteenth~~ fourteenth consecutive annual decline in the unfunded liability and $~~16.2~~x billion below the $19.4 billion level as at ~~————~~April 1, 1999 **[TBC]**.

### The Debt Retirement Charge, Stranded Debt and Residual Stranded Debt

As originally enacted, the *Electricity Act, 1998*, allowed for the DRC to be paid by consumers until the retirement of the residual stranded debt.

**Debt Repayment Plan**

OEFC services and retires the debt and other liabilities of the former Ontario Hydro from the following revenue and cash flow sources in the electricity sector:

- Outstanding notes receivable from the Province, OPG and IESO.
- PIL of corporate income and property taxes, and Gross Revenue Charges made by OPG, Hydro One and municipal electric utilities.
- Subsequent to the Hydro One IPO in November 2015, Hydro One no longer pays PIL of corporate income tax to OEFC. Under the Electricity Act, 1998, provincial corporate taxes payable by Hydro One Inc. are due and payable by the Province to OEFC.
- DRC paid by electricity consumers, which ended for residential consumers as of December 31, 2015, and ended for all other consumers on March 31, 2018.
- Electricity sector dedicated income – the Province's combined cumulative net income from OPG and Hydro One in excess of the Province's interest cost of its investment in these subsidiaries, which may be ~~is~~ allocated to OEFC, by the Province at its discretion.

The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption.

The government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The residential rate class accounts for about a third of electricity load subject to

the DRC. In addition, the *Budget Measures Act, 2015* legislatesd a fixed end-date for the DRC of ~~April~~ March 31, 2018, for commercial, industrial and all other users.

The *Electricity Act, 1998* was also amended by the *Budget Measures Act, 2015,* to repeal all reference to the "stranded debt" and "residual stranded debt." This included the removal of the requirement to determine the residual stranded debt from time-to-time.

Following the end of the DRC, OEFC will continue to receive other dedicated revenues, such as PILs, the amount equal to Hydro One Inc.'s provincial corporate income taxes, and the gross revenue charge paid to the OEFC, as well as, at the Province's discretion, any Electricity Sector Dedicated Income, to help service and pay down its unfunded liability.

**~~Continued Broadening of Hydro One Ownership~~Impact on OEFC of Hydro One Share Sales**

In May~~,~~ 2017**,** the Province completed ~~its final~~a public offering of Hydro One shares, selling 120 million common shares at $23.25 per share. ~~In December 2017 the Province also completed a sale of about 2.4 per cent of outstanding Hydro One common shares to a group of 129 First Nations of Ontario.~~

~~In April 2016, the Province continued to move forward with the broadening of Hydro One ownership by successfully completing a secondary offering of 14 per cent of Hydro One common shares, reducing the Province's holdings of Hydro One to approximately 70 per cent. This initiative had a number of impacts on OEFC's financial results for the year ended March 31, 2017.~~

- As per section 50.3 of the *Electricity Act, 1998*, OEFC recognized in its Statement of Operations a financial benefit from the Province of $~~411~~531 million in connection with the disposition of Hydro One common shares in May 2017, as well as the disposition of Hydro One Brampton Networks Inc. (Hydro One Brampton) Ccommon shares ~~of Hydro One Brampton~~ in February 2017~~, to Alectra Inc. and the May 2017 final public offering of Hydro One shares.Hydro One common shares in April 2016~~.
- Consistent with the Province's commitment to use proceeds related to the book value of Hydro One shares sold to pay down the Province's electricity sector debt and other payables to OEFC, OEFC has received $~~2,392~~1,943~~2~~ million from the Province related to the book value of Hydro One common shares sold in ~~November 2015 and April 2016~~May 2017, of which the Province applied $1,~~270~~ 082~~1~~ million to reduce its payable related to cumulative electricity dedicated earnings (Due from the Province of Ontario) and $~~1,122~~861 million to reduce the principal amount of notes payable to OEFC, as reflected in OEFC's Statement of Financial Position.

In December 2017, the Province also completed a sale of about 14 million Hydro One common shares at $18 per share to OFN Power Holdings LP, a limited partnership wholly-owned by Ontario First Nations Sovereign Wealth LP, which is in turn owned by 129 First Nations in Ontario. Upon completion of the transaction, the Province's holdings of Hydro One common shares totalled approximately 47.4 per cent.

With ~~broadened Hydro One ownership,~~ the Province's ~~has a~~ reduced ownership interest in Hydro One. ~~T~~this ~~reduced ownership interest~~ results in a reduced share of Hydro One net income, which

**Commented [SK14]:** If we use the word 'end-date' we should write March 31, 2018. If we use the description 'beginning April 1, 2018, DRC is no longer being paid…' then use April 1.

**Commented [DS15]:** To be discussed – if we want to change to "Hydro One Share Sales" or equivalent.

**Commented [DS16]:** Need to discuss with EFB – ensure that we do not double up on shortening Hydro One Brampton Networks Inc. and Brampton Distribution Holdco Inc. to Hydro One Brampton.

**Commented [SK17R16]:** Reference to Brampton is removed in most text (ie. ESDI). It seems only reference to Brampton would be for s50.3 purposes, so it doesn't seem like there's any issues.

**Commented [RK18]:** Can we be silent on this?

is reflected in the Province's discretionary allocation of electricity sector dedicated income to OEFC.

## Risk Management

OEFC's risk management policies and procedures are designed to manage risk exposures associated with the Corporation's debt, derivatives and related capital market transactions.

Foreign exchange and net interest rate resetting exposures remained within policy limits in 2017~~6~~–1~~7~~8.

- Foreign exchange exposure remained effectively at 0.~~0~~1 per cent of outstanding debt as at March 31, 2017~~7~~8. The foreign exchange exposure limit for OEFC is 5.0 per cent.
- Net interest rate resetting exposure was minus 16.9~~3.1~~ per cent of outstanding debt as at March 31, 2018~~7~~, within the limit of 35.0 per cent.

## Other Responsibilities

### Management of Power Supply Contracts

Efficiencies were achieved in managing the existing power purchase agreements with the NUGs in 2016–17. Purchase costs were lower by $14.3 million, compared to being lower by $11.7 million in 2015–16, through OEFC curtailments.

**Commented [RK19]:** Update, and note that curtailment savings are lower as there are significantly fewer active NUG PPAs, primarily due to early termination or suspension agreements etc.

In addition, OEFC continued to support~~ed~~ the IESO's initiative to enter into enhanced dispatch agreements with gas-fired NUGs that had PPAs with OEFC. Since 2016-17, a total of five PPAs have either been suspended or terminated~~Five OEFC PPAs with NUGs were terminated or suspended in 2016-17 in support of the IESO initiative~~. This helped to reduce OEFC's power supply contract costs and recoveries in 2017~~6~~–18~~7~~.

~~Previously,~~ For the period between May 1, 2002 to December 31, 2004, the Corporation purchased power from the NUGs under contractual terms, and sold the power at market prices lower than cost. However, as at January 1, 2005, the Corporation began to receive actual contract prices for power from ratepayers, eliminating losses on power purchase contracts. At that time, the decision was made to amortize the liability to revenue over the period when the liability arising from the prior estimated losses of the electricity contracts were estimated to be realised. The liability for power purchase agreements was valued at $0.2 billion as at March 31, 2017, compared to $0.3 billion as at March 31, 2016.

**Supporting ~~New~~ Electricity Supply Projects**

Beginning in 2005, the Corporation began to provide financing on commercial terms to OPG for general corporate purposes and ~~new~~ electricity supply projects, including Darlington refurbishment.

For instance, OEFC provided financing under a loan agreement with OPG for the Niagara Tunnel Project, which came into service in March 2013, increasing the water available for electricity generation at the Sir Adam Beck hydro complex in Niagara Falls.

Other completed OPG supply projects financed by OEFC are the Portlands Energy Centre and Lac Seul hydroelectric project.

**Supporting the Implementation of the Government's Electricity Policies**

OEFC ~~is~~ also support~~ing~~ed the Independent Electricity System Operator's (IESO) electricity demand management program and the Industrial Electricity Incentive (IEI) program for the period up to March 31, 2018. OEFC support~~s~~ed the IEI by providing payments to the IESO that ~~will~~ served to offset the cost of the DRC portion of the electricity bill paid to OEFC on IEI-eligible incremental consumption by IEI participants. This program ~~i~~was designed to be cost-neutral for OEFC. Note that the contract was originally between the former Ontario Power Authority (OPA) and the OEFC, and, subsequent, to the January 1, 2015, merger of the IESO and the OPA into a new entity, also called the IESO, the contract is now between the IESO and OEFC. With the end of the Debt Retirement Charge beginning April 1, 2018, the OEFC's involvement in the IEI program ~~ha~~is ending~~ed~~.

## 2018–19 Outlook

OEFC will focus on the following:

**Managing debt and other liabilities cost-effectively**

The OFA will continue to manage OEFC's debt and other liabilities in a cost-effective manner.

**Managing financial risk within approved policy limits**

The debt portfolio will be managed within exposure limits approved by OEFC's Board of Directors (the Board) for 2018–19.

**Administering NUG contracts**

The Corporation will continue to minimize costs to ratepayers through effective administration of the NUG contracts.

**Providing financing as required to the Ontario Hydro successor corporations**

The Corporation will facilitate the cash flow requirements of the Ontario Hydro successor corporations as required.

**Supporting the implementation of the government's electricity industry policies and analyzing and monitoring the impact on the Corporation**

The Corporation will continue to support the government's electricity initiatives as requested, and will monitor and analyze their impact on the Corporation.

## Financial Statements

- Responsibility for Financial Reporting
- Auditor's Report
- Statement of Financial Position
- Statement of Operations and Change in Unfunded Liability
- Statement of Cash Flow
- Notes to Financial Statements

## Financial Statements

### Responsibility for Financial Reporting

The accompanying financial statements of OEFC have been prepared in accordance with Canadian public sector accounting standards and are management's responsibility. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to mm xx, 2018.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. The Ontario Internal Audit Division of the Treasury Board Secretariat independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit Committee of the Board.

The Board is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls. The Audit Committee assists the Board in carrying out these responsibilities. The Audit Committee periodically meets with management, the internal auditors and the external auditors to deal with issues raised by them, and to review the financial statements before recommending Board approval.

The financial statements have been audited by the Auditor General of Ontario (the external auditor). The Auditor's responsibility is to express an opinion on whether OEFC's financial statements fairly present OEFC's financial position in accordance with Canadian public sector accounting standards. The Auditor's Report, which appears on the following page, outlines the scope of the Auditor's examination and opinion.

On behalf of management:

Gadi Mayman
Vice-Chair and Chief Executive Officer

Ken Kandeepan
Chief Financial and Risk Officer

## Auditor's Report [PLACEHOLDER]

**Office of the Auditor General of Ontario**
**Bureau du vérificateur général de l'Ontario**

***Independent Auditor's Report***

**To the Ontario Electricity Financial Corporation**
**and to the Minister of Finance**

I have audited the accompanying financial statements of the Ontario Electricity Financial Corporation, which comprise the statement of financial position as at March 31, 201, and the statements of operations and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Electricity Financial Corporation as at March 31, 201, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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, 201

Bonnie Lysyk, MBA, CPA, CA, LPA
Auditor General

**Ontario Electricity Financial Corporation**

## Statement of Financial Position

As at March 31, 2018 ($ millions)

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 3 | $ 3 |
| Investments | 2,556 | 2,556 |
| Accounts receivable (Note 4) | 290 | 290 |
| Interest receivable | 26 | 26 |
| Due from Province of Ontario (Note 5) | 3,577 | 3,577 |
| Notes and loans receivable (Note 6) | 11,375 | 11,375 |
| | $ 17,827 | $ 17,827 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities (Note 7) | $ 93 | $ 93 |
| Interest payable | 372 | 372 |
| Debt (Note 8) | 20,413 | 20,413 |
| Power purchase contracts (Note 10) | 178 | 178 |
| | 21,056 | 21,056 |
| **NET DEBT** | (3,229) | (3,229) |
| **NON-FINANCIAL ASSETS** | | |
| Deferred costs on hedging | 27 | 27 |
| **UNFUNDED LIABILITY** (Notes 1, 3, 12) | $ (3,202) | $ (3,202) |
| Contingencies (Note 13) | | |

Approved on behalf of the Board:

Scott Thompson
Chair

Gadi Mayman
Vice-Chair and Chief Executive Officer

*See accompanying notes to financial statements.*

**Ontario Electricity Financial Corporation**

## Statement of Operations and Change in Unfunded Liability

For the year ended March 31, 2018 ($ millions)

| | 2018 | 2017 |
|---|---|---|
| **REVENUE** | | |
| Debt retirement charge (Notes 1, 12) | $ 621 | $ 621 |
| Payments-in-lieu of tax (Notes 1, 12, 15) | 364 | 364 |
| Interest (Note 6) | 703 | 703 |
| Power supply contract recoveries (Note 10) | 838 | 838 |
| Net reduction of power purchase contracts (Note 10) | 129 | 129 |
| Electricity sector dedicated income (Notes 5, 12) | ~~302~~942 **[TBC]** | 302 |
| Financial benefit from the Province related to the disposition of Hydro One ~~Shares~~ and Hydro One Brampton Shares (Notes 5, 12) | ~~411~~531 | 411 |
| Other | 14 | 14 |
| | $ 3,382 | $ 3,382 |
| **EXPENSE** | | |
| Interest on debt | $ 1,216 | $ 1,216 |
| Power supply contract costs (Note 10) | 838 | 838 |
| Debt guarantee fee | 122 | 122 |
| Operating | 7 | 7 |
| Industrial electricity incentive program costs (Note 11) | 8 | 8 |
| | 2,191 | 2,191 |
| Excess of revenue over expense | 1,191 | 1,191 |
| Unfunded liability, beginning of year | (4,393) | (4,393) |
| Unfunded liability, end of year | $ (3,202) | $ (3,202) |

*See accompanying notes to financial statements.*

**Ontario Electricity Financial Corporation**

## Statement of Cash Flow

For the year ended March 31, 2018 ($ millions)

| | 2018 | 2017 |
|---|---|---|
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | | |
| Excess of revenue over expense | $ 1,191 | $ 1,191 |
| Adjustments for: | | |
| Decrease in accounts receivable (Note 4) | 176 | 176 |
| Decrease (increase) in interest receivable | 5 | 5 |
| Decrease in due from province of Ontario (Note 5) | 704 | 704 |
| Decrease in accounts payable and accrued liabilities (Note 7) | (11) | (11) |
| (Decrease) increase in interest payable | (21) | (21) |
| Net increase in debt from revaluation | 22 | 22 |
| Net reduction of power purchase contracts (Note 10) | (129) | (129) |
| Decrease (increase) in deferred costs on hedging | 2 | 2 |
| Other items | 7 | 7 |
| Cash provided from operations | $ 1,946 | $ 1,946 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net proceeds from (purchase of) investments | 857 | 857 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Long-term debt issued | $ – | $ – |
| Long-term debt retired | (2,978) | (2,978) |
| Short-term debt retired, net | (976) | (976) |
| Note receivable repayment, net | 1,142 | 1,142 |
| Cash required by financing activities | (2,812) | (2,812) |
| (Decrease) increase in cash | (9) | (9) |
| Cash, beginning of year | 12 | 12 |
| Cash, end of year | $ 3 | $ 3 |
| Interest on debt paid during the period and included in excess of revenue over expense | $ 1,237 | $ 1,237 |

*See accompanying notes to financial statements.*

## Notes to Financial Statements

### 1) Nature of Operations

Effective April 1, 1999, pursuant to the *Electricity Act, 1998* (the Act), Ontario Hydro was continued as a corporation without share capital under the name "Ontario Electricity Financial Corporation" (OEFC or Corporation). The Corporation is one of five entities established by the Act as part of the restructuring of the former Ontario Hydro. It is exempt from federal and provincial income taxes under paragraph 149(1)(d) of the *Income Tax Act* (Canada).

OEFC is a Crown agency whose mandate includes:

- managing the debt and administering the assets, liabilities, rights and obligations of Ontario Hydro not transferred to other successor entities and managing the former Ontario Hydro's non-utility generator (NUG) contracts;
- providing financial assistance to the successor corporations of Ontario Hydro; and
- entering into financial and other agreements relating to the supply and demand management of electricity in Ontario.

These other successor entities are:

- Ontario Power Generation (OPG), an electricity generation company;
- Hydro One, a regulated electricity transmission and distribution company;
- Independent Electricity System Operator (IESO), the regulated, independent system operator responsible for directing system operations, operating the electricity market, planning for and securing resources to meet medium and long-term energy needs, and coordinating conservation efforts; and
- Electrical Safety Authority (ESA), which performs a regulatory function related to electrical inspections.

On April 1, 1999, the Ministry of Finance determined that the estimated value of the assets being transferred to the new entities was $17.2 billion, which was exceeded by the former Ontario Hydro's total debt and other liabilities of $38.1 billion. OPG, Hydro One (and their subsidiaries) and the IESO were transferred assets valued at $8.5 billion, $8.6 billion and $78 million respectively in exchange for debt payable to OEFC. The resulting shortfall of $20.9 billion was determined by the Ministry of Finance to be "stranded debt." After adjusting for $1.5 billion in loans and other assets retained by OEFC, $19.4 billion was the unfunded liability reflected on the OEFC opening balance sheet.

To allow OEFC to service and retire $38.1 billion in total debt including the $20.9 billion in stranded debt, the Province established a long-term plan where debt service and repayment would be through dedicated revenues from electricity-sector companies. This would be broken down for the electricity sector as follows:

- Notes receivable from the Province, OPG, Hydro One and IESO;
- Payments in lieu of taxes (PILs), which are equivalent to the corporate income, property and capital taxes paid by private corporations;

- Debt retirement charge (DRC) paid by electricity consumers; and
- The cumulative combined profits of OPG and Hydro One (proportionate to the Province's ownership share) in excess of the government's annual interest cost of its investments in the two companies.

As of April 1, 1999, the present value of the future PILs and the cumulative combined profits of OPG and Hydro One in excess of the government's $520 million annual interest cost of its investments in the two companies to be dedicated to OEFC was estimated at $13.1 billion. As a result, subtracting the $13.1 billion from the stranded debt of $20.9 billion resulted in an initial estimate of $7.8 billion, for the residual stranded debt.

The Act provided for the DRC to be paid by electricity consumers until the residual stranded debt was retired. The 2014 Budget announced that the government would remove the DRC from residential users' electricity bills as of January 1, 2016. At March 31, 2014, the residual stranded debt was $2.6 billion. In addition, the 2015 Fall Economic Statement announced the proposed removal of the DRC for all commercial, industrial and all other electricity consumers as of April 1, 2018. Pursuant to this announcement, the *Electricity Act, 1998* was amended by the *Budget Measures Act, 2015* and all reference to the "stranded debt" and "residual stranded debt" were removed. This also included the removal of the requirement to determine the residual stranded debt from time-to-time and the regulation-making authority for O. Reg. 89/12 – rendering the regulation obsolete.

## 2) Summary of Significant Accounting Policies

### (a) Basis of Accounting

As OEFC is a government organization, these financial statements are prepared in accordance with Canadian public sector accounting standards.

### (b) Net Debt Presentation

A statement of changes in net debt is not presented since this information is readily apparent. A comparison between budget and actual has been excluded due to the unique nature of OEFC's revenues and expenses over which the agency has minimal control. OEFC is a passive recipient of revenues that it receives on the basis of either legislation (e.g., DRC, GRC, PILs, recovery of NUG contractual costs) or allocated by the Province at its discretion (ESDI).

### (c) Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when it is reasonably possible there could be a material variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. Measurement uncertainty in these financial statements exists in the valuation of the power purchase contracts and payments-in-lieu of tax revenue, payments-in-lieu of tax receivable and tax refundable. Estimates are based on the best information available at the time of preparation of the financial statements.

**(d) Investments**
Investments include term deposits held with the Province recorded at cost and mature within one year.

**(e) Revenue Recognition**
The main sources of revenue are:

- **Debt retirement charge (DRC)** from ratepayers is recognized in the period earned based on the consumption of electricity. With the end of the DRC beginning April 1, 2018, the DRC is no longer a source of revenue for the OEFC.
- **Payments-in-lieu of taxes (PILs)** are recognized in the period that they are earned from OPG, Hydro One and municipal electric utilities. Also included under PILs are Gross Revenue Charge amounts and amounts allocated by the Province to OEFC equal to provincial corporate income taxes payable by Hydro One Inc. (post – IPO).
- **Interest income** is recognized in the period it is earned on notes receivable from the Province, OPG, IESO, and NUGs.
- **Power supply contract recoveries** are recognized as recovered at the same amount as the costs incurred on the Power supply contracts.
- **Electricity sector dedicated income** is allocated at the discretion of the Province of Ontario, using the cumulative combined net income of OPG and Hydro One Limited (related to the Province's ownership share) ~~and Brampton Distribution Holdco Inc.~~ in excess of the Province's interest costs of its investment.
- **Provincial allocation related to the sale of Hydro One and Hydro One Brampton** is recognized in accordance with section 50.3 of the *Electricity Act, 1998* where OEFC receives a benefit as a result of the sales of Hydro One shares and Hydro One Brampton shares.
- ~~**Provincial allocation related to the sale of Hydro One Brampton** is recognized in accordance with section 50.3 of *Electricity Act, 1998* where OEFC receives a benefit as a result of the February 2017 disposition of the common shares of Hydro One Brampton by Brampton Distribution Holdco Inc.~~

**(f) Financial Instruments**
The corporation's financial assets and liabilities are accounted for as follows:

- Cash and investments are subject to an insignificant risk of change in value so carrying value approximates fair value.

- Accounts Receivable, Due from Province and Notes and Loans Receivable are recorded at cost.

- Debt is composed of short, medium and long-term bonds, notes and debentures. Debt denominated in foreign currencies that has been hedged is recorded at the Canadian dollar equivalent using the rates of exchange established by the terms of the hedge agreements. Other foreign currency debt, liabilities and assets are translated to Canadian dollars at year-end rates of exchange and, in accordance with Canadian public sector accounting standards, any exchange gains or losses are deferred and amortized over the remaining term to maturity.

- Discounts, premiums and commissions arising from the issuance of debt or the acquisition of debt prior to maturity are deferred and amortized to operations over the life of the underlying debt. Unamortized debt issue costs are included in total debt.

  Derivatives are financial contracts the value of which is derived from underlying instruments. OEFC uses derivatives for the purpose of hedging and to minimize interest costs. Hedges are created primarily through swaps, which are legal arrangements under which OEFC agrees with another party to exchange cash flows based upon one or more notional amounts during a specified period. Other derivative instruments used by OEFC include forward foreign exchange contracts, forward rate agreements, futures and options. Derivatives are recognized at cost on the date on which derivatives are entered and are not subsequently re-measured at fair value at each reporting date.

**(g) Debt guarantee fee**

A fee equal to 0.5 per cent is payable to the Province annually based on the principal amount of notes, debentures and other indebtedness of the Corporation owed to the Province or guaranteed by the Province excluding adjustments to debt related to unrealized foreign exchange gains and debt issue costs.

**(h) Deferred Costs on Hedging**

Fees and other costs from debt related derivatives are deferred and amortized to operations over the life of the underlying debt. Unamortized amounts are classified under non-financial assets.

**(i) Accounts payable and accrued Liabilities**

Accounts payable relate to normal business transactions with third-party suppliers and are subject to standard commercial terms.

**(j) Power Purchase Contracts**

The liability for power purchase contracts was originally calculated by discounting estimated losses over the life of the contracts. Under the *Electricity Restructuring Act, 2004*, OEFC began receiving actual contract prices for power from electricity consumers, effective January 1, 2005, and no longer incurs losses on these power purchase contracts. At that time, the decision was made to amortize the liability to revenue over the period when most existing electricity contracts expire with the liability fully eliminated in fiscal 2021–22.

## 3) Going Concern

OEFC is dependent on the Province to borrow funds to finance maturing debt and to cover any cash shortfalls in the Corporation, and on OPG repaying its outstanding notes receivable. It is also dependent on the government's long-term plan to defease the unfunded liability as described in Note 12.

## 4) Accounts Receivable

| As at March 31 ($ millions) | 2017 | 2016 |
|---|---|---|
| Debt retirement charge | $ 91 | $ 91 |

| | | |
|---|---|---|
| Payments-in-lieu of tax | 109 | 284 |
| Power supply contract recoveries | 85 | 83 |
| Other receivables | 5 | 8 |
| **Total** | **$ 290** | **$ 466** |

## 5) Due from the Province

| **As at March 31 ($ millions)** | **20187** | **2016** |
|---|---|---|
| Electricity sector dedicated income | $ 3,138 | $ 4,106 |
| Financial benefit related to disposition of Hydro One shares | 411531 | 172 |
| Amount equal to Hydro One Inc. provincial income tax | 28 | 3 |
| **Total** | **$ 3,577** | **$ 4,281** |

**Commented [AJ20]:** To be updated based on book value paydown

**Commented [SK21R20]:** In addition to pay down, will need to be updated based on finalized ESDI amount.

In 1999, the Province put in place a policy commitment to allocate annually the combined net income of OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries to OEFC. Under these arrangements, the Province recoups all costs associated with its investments in electricity subsidiaries on a cumulative basis before any of the combined net income is allocated to and recognized by OEFC.

For the year ended March 31, 20172018, for the purposes of Electricity Sector Dedicated Income, the Province's combined net income of OPG and, Hydro One Limited and Brampton Distribution Holdco Inc. was $816 1,399 million **[TBC]** (2016 2017 – $ 523 x million). After deducting the Province's $514 457 million interest cost of its investment in these subsidiaries (2016 2017 – $520 514 million) [including the Province's interest cost from equity injections into OPG to support Ontario's Fair Hydro Plan] **[TBC]**, the Province at its discretion allocated to OEFC electricity sector dedicated income of $$287 942 million **[TBC]** (2016 2017 – $302 million). OEFC however, is reporting $302 million which includes, estimated income allocated from Brampton Distribution Holdco Inc. (Hydro One Brampton) of $15 million (2016 – $ 15 million) which, at the time of preparation of these statements, had not yet been finalized and approved by the Province as part of the discretionary allocation of ESDI to OEFC (the agency will be requesting provincial approval in due course) but is included in ESDI to ensure consistency and comparability with prior periods. During fiscal 20176–187, the Province paid $1,2701,082 million to OEFC (2017 – $1,270 million) which reduced the balance due.

**Commented [DS22]:** Happy to delete, but given prior year references for other items, this may be appropriate.

Section 50.3 of the *Electricity Act, 1998* governs the payments to be made to the Corporation in respect of the disposition of any securities of Hydro One and Hydro One Brampton. For fiscal 2017~~6~~–1~~8~~7, OEFC recognized $~~411~~ 531 million from the Province under section 50.3 of the Act in connection with the disposition of Hydro One common shares in May 2017 and ~~of~~ Hydro One Brampton common shares in February 2017~~to Alectra Inc. and the final public offering of Hydro One share sales~~ (2017~~6~~ – $411~~72~~ million). During fiscal 2017~~6~~–1~~8~~7, the Province also settled $411~~72~~ million of the amount due through a remission of short-term debt that OEFC held with the Province (2017 – $172 million).

**Commented [DS23]:** Happy to delete, but given prior year references for other items, this may be appropriate.

In addition, section 91.2 of the Electricity Act requires the Province to pay to the Corporation an amount equal to the amount of tax payable under the *Taxation Act, 2007* by Hydro One Inc. (or subsidiaries). For fiscal ~~2016~~2017–~~17~~18, OEFC has recognized $2~~4.8~~3.7 million under section 91.2 of the Act (~~2016~~ 2017 – $2~~4.9~~ 8 million~~, for November 5 – December 31, 2015 post Hydro One IPO~~).

## 6) Notes and Loans Receivable

| ($ millions) | Maturity Date | Interest Rate | Interest Payable | March 31, 2017 | March 31, 2016 |
|---|---|---|---|---|---|
| The Province | 2039–2041 | 5.85 | Monthly | $ 7,763 | $ 8,885 |
| OPG | 2017–2047 | 2.96 to 6.33 | Semi-Annually | 3,445 | 3,465 |
| IESO | 2017 | Variable/2.05 | Monthly/ Semi-Annually | 90 | 90 |
| | | | | 11,298 | 12,440 |
| Add: Loans receivable from NUGs | | | | 77 | 84 |
| **Total** | | | | **$ 11,375** | **$ 12,524** |

**Commented [AJ24]:** Further reduction of note receivable by $861M

OEFC agreed with OPG and the IESO not to sell notes owing from these successor entities without their prior approval.

OEFC's interest income for 2017 of $703 million (2016 – $723 million) included interest from notes receivable of $686 million (2016 – $701 million) and $17 million (2016 – $22 million) from other sources including temporary investments.

**The Province**

As previously noted above, at the time of restructuring the former Ontario Hydro, the Province received equity of $8.9 billion in OPG and Hydro One in exchange for assuming debt payable to OEFC. During fiscal 2017~~6–18~~7, the Province paid $861~~1,122~~ million to OEFC (2017 – $1,122 million) reducing the principal notes outstanding.

Commented [DS25]: Happy to delete, but given prior year references for other items, this may be appropriate.

**OPG**

OEFC agreed to provide OPG financing ~~for new generation project development~~ in the form of 10-year and 30-year notes on commercial terms and conditions.

The OEFC agreed to provide up to $700 million in support of OPG's investment for the Lower Mattagami project. The facility expired June 30, 2016 with no borrowing under this credit facility agreement.

The OEFC agreed to provide up to $800 million for general corporate purposes, including the Darlington refurbishment project, expiring on December 31, 2016 with $100 million advanced under this facility and a $700 million credit facility for the period June 1, 2016 to December 31, 2017. In September 2017, amendments to the credit facility were finalized to increase the facility to $2.35 billion and extend the expiry date to December 31, 2018. As at March 31, ~~2017~~2018, $~~200~~ x million has been advanced under this credit facility.

Set out below is a summary by year of maturity of OPG's debt to OEFC ($ millions):

| Fiscal Year | Amount |
|---|---|
| 2017–18 | $ 1,125 |
| 2018–19 | 260 |
| 2019–20 | 505 |
| 2020–21 | 420 |
| 2021–22 | 185 |
| 2022–23 | 130 |
| 2023–24 | 20 |
| 2026-27 | 50 |
| 2040–41 | 150 |
| 2041–42 | 350 |
| 2046-47 | 250 |
| **Total** | **$ 3,445** |

**IESO**

~~At March 31, 2017, OEFC held a note receivable from IESO of $90 million.~~ In April 2017, OEFC refinanced a note receivable with the IESO, originally maturing on April 30, 2017 for an additional term to June 30, 2020. The refinancing increased the principal outstanding from $90 million to $120 million.

~~At March 31, 2017, IESO had no balance drawn on the following credit facility.~~ In April 2017, OEFC also extended the expiry date of its revolving credit facility to the IESO to June 30, 2020, and increased the credit facility from $95 million to $160 million. The credit facility bears interest at a floating rate equal to the Province's cost of borrowing for a 30 day term plus 50 basis points. The facility will be used for liquidity purposes and to temporarily fund working capital requirements. At March 31, 2018, IESO had [not drawn any funds] **[TBC]** from this credit facility.

**NUGs**

Loans receivable from NUGs at March 31, 2017 totalled $77 million (2016 – $84 million).

## 7) Accounts Payable and Accrued Liabilities

| As at March 31 ($ millions) | 2017 | 2016 |
|---|---|---|
| Power supply contract costs | $ 83 | $ 88 |
| Payments-in-lieu of tax refundable | 6 | 12 |
| Other liabilities | 4 | 4 |
| **Total** | **$ 93** | **$ 104** |

## 8) Debt

Debt at March 31, 2017, is set out below by maturity and by currency of repayment, expressed in Canadian dollars.

| Currency ($ millions) | Canadian Dollars | U.S. Dollars | Other Foreign | 2017 Total | 2016 Total |
|---|---|---|---|---|---|
| Maturing in: | | | | | |
| 1 year | $ 2,299 | $ 295 | $ 179 | $ 2,773 | $ 4,607 |
| 2 years | 482 | 74 | 156 | 712 | 2,119 |
| 3 years | 1,384 | – | – | 1,384 | 709 |
| 4 years | 1,361 | – | – | 1,361 | 1,384 |
| 5 years | 1,805 | – | – | 1,805 | 1,361 |
| 1–5 years | 7,331 | 369 | 335 | 8,035 | 10,180 |
| 6–10 years | 8,844 | – | – | 8,844 | 9,628 |
| 11–15 years | 1,041 | – | – | 1,041 | 1,215 |
| 16–20 years | 846 | – | – | 846 | 850 |
| 21–25 years | 782 | – | – | 782 | 1,328 |
| 26–50 years | 875 | – | – | 875 | 1,157 |
| | **$ 19,719** | **$ 369** | **$ 335** | **$ 20,423** | **$ 24,358** |
| **Debt issue costs** | | | | **(10)** | **(13)** |
| **Total** | | | | **$ 20,413** | **$ 24,345** |

The effective rate of interest on the debt portfolio was 5.39 per cent after considering the effect of derivative instruments used to manage interest rate risk (2016 – 5.14 per cent). The longest term to maturity is to December 2, 2046. Total foreign currency denominated debt at March 31, 2017 was $0.7 billion, 100 per cent of which was fully hedged to Canadian funds (2016 – $1.2 billion or 100 per cent). Bonds and notes payable are either held, or guaranteed as to principal and interest, by the Province as set out below:

| | March 31, 2017 | | | March 31, 2016 | | |
|---|---|---|---|---|---|---|
| ($ millions) | Held by the Province | Guaranteed by the Province | Total | Held by the Province | Guaranteed by the Province | Total |
| Short-term debt | $ 654 | – | $ 654 | $ 1,630 | – | $ 1,630 |
| Current portion of long-term debt | 2,119 | – | 2,119 | 2,977 | – | 2,977 |
| Long-term debt | 11,330 | 6,310 | 17,640 | 13,428 | 6,310 | 19,739 |
| **Total** | **$ 14,103** | **$ 6,310** | **$ 20,413** | **$ 18,035** | **$ 6,310** | **$ 24,345** |

Fair value of debt issued approximates amounts at which debt instruments could be exchanged in a current transaction between willing parties. In valuing OEFC's debt, fair value is estimated using discounted cash flows and other valuation techniques and is compared to public market

quotations where available. These estimates are affected by the assumptions made concerning discount rates and the amount and timing of future cash flows.

The estimated fair value of OEFC debt at March 31, 2017, was $24.5 billion (2016 – $29.3 billion). This is higher than the book value of $20.4 billion (2016 – $24.3 billion) because current interest rates are generally lower than the interest rates at which the debt was issued. The fair value of debt does not reflect the effect of related derivative contracts.

## 9) Risk Management and Derivative Financial Instruments

OEFC operates within strict risk exposure limits to ensure exposure to risk is managed in a prudent and cost-effective manner. A variety of strategies are used including the use of derivative financial instruments ("derivatives"). Derivatives are financial contracts, the value of which is derived from underlying instruments. OEFC uses derivatives for the purpose of hedging and to minimize interest costs. Hedges are created primarily through swaps, which are legal arrangements under which OEFC agrees with another party to exchange cash flows based upon one or more notional amounts during a specified period. This allows OEFC to offset its existing obligations and thereby effectively convert them into obligations with more desirable characteristics. Other derivative instruments used by OEFC include forward foreign exchange contracts, forward rate agreements, futures and options.

### Foreign exchange/currency risk

Foreign exchange or currency risk is the risk foreign currency debt principal and interest payments and foreign currency transactions will vary in Canadian dollar terms due to fluctuations in foreign exchange rates. To manage currency risk, derivative contracts are used to convert foreign currency cash flows into Canadian dollar denominated cash flows. The current policy allows unhedged foreign currency debt principal, net of foreign currency holding, to reach a maximum of 5.0 per cent of total debt. At March 31, 2017, the actual unhedged level was 0.0 per cent of total debt (2016 – 0.0 per cent).

### Net Interest Rate Resetting Risk

Net interest rate resetting risk is the exposure to changes in interest rates. Exposure to rate changes is reduced by entering into derivative contracts that convert floating interest payments to fixed interest payments. The current policy allows unhedged floating rate debt and fixed rate debt maturing within the next 12 months, net of liquid reserves, to reach a maximum of 35.0 per cent of total debt.

At March 31, 2017, net interest rate resetting risk as a percentage of total debt was minus 3.1 per cent (2016 – 7.6 per cent).

## Liquidity Risk

Liquidity risk is the risk OEFC will not be able to meet its current short-term financial obligations. As explained in Note 3, OEFC is dependent on the Province to borrow funds to finance maturing debt and to cover any cash shortfalls in the Corporation, and on OPG repaying its outstanding notes receivable.

The table below presents a maturity schedule of OEFC's derivatives, by type, outstanding at March 31, 2017, based on the notional amounts of the contracts. Notional amounts represent the volume of outstanding derivative contracts and are not indicative of credit risk, market risk or actual cash flows.

**Derivative Portfolio Notional Value**

**As at March 31, 2017 ($ millions)**

| Maturity in years / Fiscal year | 2018 | 2019 | 2020 | 2021 | 2022 | 6–10 Years | Over 10 Years | Total | March 2016 |
|---|---|---|---|---|---|---|---|---|---|
| Cross-currency swaps | $ 670 | $ 203 | $ – | $ – | $ – | $ – | $ – | $ 873 | $ 1,631 |
| Interest rate swaps | 632 | 706 | – | – | 100 | 423 | 230 | 2,091 | 3,205 |
| Forward foreign exchange contracts | 190 | – | – | – | – | – | – | 190 | 498 |
| **Total** | **$ 1,492** | **$ 909** | **$** – | **$ –** | **$ 100** | **$ 423** | **$ 230** | **$ 3,154** | **$ 5,334** |

## Credit Risk

The use of derivatives introduces credit risk, which is the risk of a counterparty defaulting on contractual derivative obligations in which OEFC has an unrealized gain. The table below presents the credit risk associated with the derivative financial instrument portfolio, measured through the replacement value of derivative contracts, at March 31, 2017.

| Credit Risk Exposure ($ millions) | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Gross credit risk exposure | $ 151 | $ 263 |
| Less: Netting | (149) | (218) |
| **Net credit risk exposure** | **$ 2** | **$ 45** |

OEFC manages its credit risk exposure from derivatives by, among other ways, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, OEFC enters into contractual agreements ("master agreements") that provide for termination netting and, if applicable, payment netting with most of its counterparties. Gross credit risk exposure represents the loss OEFC would incur if every counterparty to which OEFC had credit risk exposure were to default at the same time, and the contracted netting provisions were not exercised or could not be enforced. Net credit risk exposure is the loss including the mitigating impact of these netting provisions.

## 10) Power Supply Contracts

Power supply contracts include both power purchase contracts and power supply support agreements. Power purchase contracts and related loan agreements were entered into by the former Ontario Hydro with NUGs located in Ontario. As the legal continuation of the former Ontario Hydro, OEFC is the counterparty to these contracts. The contracts, expiring on various dates to 2048, provide for the purchase of power at prices in excess of future market price. Accordingly, a liability was recorded at $4,286 million on a discounted cash-flow (DCF) basis when the former Ontario Hydro was continued as OEFC on April 1, 1999.

Under legislated reforms to the electricity market, OEFC began receiving actual contract prices for power from ratepayers effective January 1, 2005, and no longer incurs losses on these contracts going forward. At that time, the decision was made to amortize the liability to revenue over the period when most electricity contracts expire with the liability fully eliminated in fiscal 2021-22. The table below presents the unamortized liability.

**Statement of Liability for Power Purchase Contracts**
**As at March 31, 2017 ($ millions)**

| | 2017 | 2016 |
|---|---|---|
| Liability, beginning of year | $ 307 | $ 479 |
| Amortization | (129) | (172) |
| Liability, end of year | **$ 178** | **$ 307** |

~~In addition, effective January 1, 2009, OEFC entered into a support contract, the Contingency Support Agreement (CSA), with OPG whereby OPG agreed to maintain the reliability and availability of Lambton and Nanticoke coal-fired stations following implementation of a greenhouse gas emissions-reduction strategy. Under the contract, OEFC agreed to ensure OPG would recover the actual costs of operating the stations after implementing this strategy. Any costs to OEFC under this agreement are fully recovered from ratepayers. As at December 31, 2013, OEFC triggered an early termination clause in the CSA to reflect the advanced closure of these plants by one year to the end of 2013. OPG is allowed to recover actual costs that cannot reasonably be avoided or mitigated, during the period from the early shut down date until December 31, 2014, consistent with the original end date of the CSA.~~

**Commented [RK26]:** If there were no impacts on the financials in 16-17 or 17-18 under the CSA, can this be dropped?

**Commented [SK27R26]:** Sure. In previous ARs, this was included, but no issues with dropping it this time.

During the year ended March 31, 2017, OEFC's costs under power supply contracts totalled $838 million, including purchases of power from NUGs of $840 million (2016 – $865 million) and OPG support contract costs of $2 million recovered related to the settlement of a property tax assessment (2016 – $10 million costs).

~~Under a decision dated March 12, 2015 the Ontario Superior Court of Justice found that following the enactment of Ontario Regulation 398/10 under which the allocation of the Global Adjustment among electricity consumers was changed effective as of January 1, 2011, the Corporation had incorrectly calculated the price indices under certain power purchase agreements between the Corporation and the applicant non-utility generators (NUGs). In October 2016 the corporation paid $181 million in retroactive payments including interest to the applicant NUGs. Following the January 19, 2017 dismissal of OEFC's application for leave to appeal by the Supreme Court of Canada from the judgment of the Court of Appeal of Ontario, about $79 million became payable to certain NUGs that were not applicants to the original claim but that entered into standstill agreements with OEFC following the original court decision. All amounts are recoverable from the Global Adjustment via the IESO settlement process.~~

**Commented [UZ28]:** SPFB: Even though the standstill NUG payments were made in 2017-18, they reflect earlier periods as Janurary 2017 is when they became payable.

## 11) Industrial Electricity Incentive Program Costs

Consistent with its objects, OEFC ~~is~~ has ~~supporting~~ supported the IESO's electricity demand management program, the Industrial Electricity Incentive (IEI) program. The IEI program assists with the management of electricity demand by encouraging increased industrial production through electricity-based price adjustments. Offered in three streams, qualified participants can receive reduced electricity rates for eligible incremental consumption over a specified term.

On March 31, 2014, OEFC entered into a legal agreement, and as amended on May 13, 2015, with the former OPA to support the IEI program. Subsequent to the January 1, 2015 merger of the IESO and the OPA into a new entity, also called the IESO, the contract is now between the IESO and the OEFC. OEFC is providing payments to the IESO to offset the cost of the DRC portion of the electricity bill paid to OEFC on IEI-eligible incremental consumption by IEI participants. The agreement is currently set to be effective until December 31, 2024, with contracts subject to various termination clauses.

*The Budget Measure Act, 2015*, passed on December 10, 2015 ~~will~~ removed the DRC as of April 1, 2018 for all commercial, industrial and all other electricity consumers. OEFC ~~will~~ no longer provides offsetting payments to the IESO on IEI-eligible incremental electricity consumed beginning April 1, 2018.

### 12) Unfunded Liability

Pursuant to the Act and consistent with the principles of electricity restructuring, the government has a long-term plan to defease the unfunded liability from funds from the electricity sector.

Prior to the Hydro One IPO (see note 15), these funds included Notes Receivable, PILs, Gross Revenue Charges (GRC), DRC and ESDI.

Following the Hydro One IPO, these funds include Notes Receivable, PILs, GRC, Provincial Corporate Income Taxes allocated by the Province to OEFC from taxes payable by Hydro One Inc. in accordance with t~~T~~he *Budget Measures Act, 2015*, DRC, ESDI (at the discretion of the Province) and a financial benefit from the proceeds of the IPO and any future share sales, including the sale of Hydro One Brampton ~~common~~ shares, in accordance with section 50.3 of the *Electricity Act, 1998*.

### 13) Contingencies

OEFC is involved in various legal actions arising out of the ordinary course and conduct of business. For some claims which relate to the former Ontario Hydro prior to the establishment of OEFC on April 1, 1999, OPG or Hydro One is required to indemnify OEFC for any liability arising from the claim. There are currently no such claims. For claims on which OEFC is provided no indemnification and where the outcome and ultimate disposition of these legal actions is not determinable at this time, the settlements, if any, will be reflected in the period in which settlement occurs.

Prior to October 31, 2015, subject to a $10 million deductible, OEFC agreed to indemnify Hydro One in respect of any adverse claim to title to any asset, right or thing transferred or intended to be transferred to the company at April 1, 1999, and any failure of the transfer order to transfer such assets, rights or things and with respect to payment to or from or other dealing with any equity account of Ontario Hydro, including certain related litigation. Effective October 31, 2015, OEFC and Hydro One, with the consent of the Minister of Finance, terminated this indemnity. A similar indemnity provided to OPG was terminated as of May 31, 2006.

## 14) Related Party Transactions

In the normal course of operations, OEFC has transactions with the following related parties:

a) Province of Ontario
b) Ontario Power Generation Inc.
c) Hydro One Inc. (for the period up to October 2015) and Hydro One Ltd. (post IPO)
d) Independent Electricity System Operator

The Corporation has entered into service level agreements with the following entities:

### Ontario Financing Authority

The Ontario Financing Authority (OFA), an agency of the Province responsible for borrowing and investing monies for the Province and other public bodies, provides day-to-day management services to OEFC on a cost-recovery basis of $3.8 million (2016 – $3.7 million).

### Ministry of Finance (MOF)

MOF provides revenue collection and reporting services to OEFC on a cost-recovery basis of $1.7 million (2016 – $1.7 million).

## 15) ~~Broadening~~ Provincial Sales of Hydro One Shares~~Ownership~~

On November 5, 2015, the Province ~~completed the first phase of its plan to broaden Hydro One ownership. It~~ sold about 16 per cent of the Province's outstanding Hydro One common shares at a price of $20.50 per share, through an IPO and through related share sales to electricity sector union trusts. On November 4, 2015, Hydro One paid a departure tax of $2.6 billion to OEFC as a consequence of leaving the PILs regime. Hydro One also paid a one-time additional PIL of tax payment of $191 million associated with the transaction.

Following the IPO, ~~t~~The Province ~~also~~ initiated a secondary ~~share~~ offering of Hydro One shares on April 5, 2016 which upon completion reduced the Province's holdings of Hydro One to approximately 70 per cent.

The Province also initiated a further secondary ~~share~~ offering of Hydro One shares on May 8, 2017, selling 120 million common shares at $23.25 per share, which, upon completion, reduced the Province's holdings of Hydro One common shares to approximately 49.9 per cent.

On December 29, 2017, the Province also completed a sale of about 2.4 per cent of outstanding Hydro One common shares at $18 per share to OFN Power Holdings LP, a limited partnership wholly-owned by Ontario First Nations Sovereign Wealth LP, which is in turn owned by 129 First Nations in~~of~~ Ontario. Upon completion of the transaction, the Province's holdings of Hydro One common shares totalled approximately 47.4 per cent.~~Prior to the end of the third quarter on December 29, 2017 the Province also completed a sale of about 2.4 per cent of outstanding Hydro One common shares to a group of 129 First Nations of Ontario. This transaction fulfills the Province's commitment in its agreement-in-principle with the First Nations in Ontario,as represented by the Chiefs-in-Assembly, which was previously announced on July 12, 2016. The~~

~~Province now holds approximately 47.4 per cent of the outstanding Hydro One common shares following the share sale to the First Nations.~~

As a result of the Hydro One IPO, Hydro One and all its subsidiaries are subject to corporate income taxes (CIT). Under the amendments made to the *Electricity Act, 1998* in the fall *Budget Measures Act, 2015*, the Minister of Finance must pay the OEFC an amount equal to provincial tax payable under the Taxation Act, 2007 by Hydro One Inc., to continue to help service and pay down the electricity sector stranded debt.

Proceeds related to the book value of the shares sold and the special dividend payment of $800 million paid by Hydro One to the Province ~~will be~~are being used to pay down the Province's electricity sector debt and other payables. As noted in Notes 5 and 6, OEFC received $~~2,392~~1,943~~2~~ million (2017 – $2,392 million) from the Province during fiscal 201~~76~~–1~~87~~ related to the book value of Hydro One common shares sold in ~~November 2015 and April 2016~~May 2017, of which the Province applied $1,~~270~~ 08~~21~~ million (2017 – $1,270 million) to reduce its payable related to cumulative electricity dedicated earnings (Due from the Province of Ontario) and $~~1,122~~861 million (2017 – $1,122 million) to reduce the principal amount of notes payable to OEFC that the Province had assumed on acquiring the shares of Hydro One. ~~In February 2016, the Province also paid OEFC the $800 million that it had received as a special dividend from Hydro One prior to the IPO, which the Province applied to reduce its payable related to cumulative electricity sector dedicated earnings (Due from the Province of Ontario).~~

In accordance with section 50.3 of the *Electricity Act, 1998*, in the year ended March 31, 201~~87~~ OEFC recognized a financial benefit from the Province of $531~~411~~ million (201~~76~~ – $411~~172~~ million) in ~~connection with the Province's disposition~~ connection with the ~~Province's~~ disposition of Hydro One common shares in May 2017 and ~~the common shares of~~ Hydro One Brampton common shares in February 2017~~ to Alectra Inc. and the May 2017 final public offering of Hydro One shares~~. ~~of Hydro One common shares in April 2016. As noted in Note 5, during fiscal 2016–17, the Province settled $172 million related to the 2016 benefit through a remission of short-term debt that OEFC held with the Province.~~ As noted in Note 5, during fiscal 2017–18, the Province settled $411 million related to the 2017 benefit through a remission of short-term debt that OEFC held with the Province (2017 – $172 million related to the 2016 benefit).

~~On May 17, 2017 the Province announced that it had completed the final public offering of Hydro One shares, selling 120 million common shares at $23.25 per share.~~

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## 16) Comparative Figures

Certain of the prior year's comparative figures have been reclassified to conform with the financial statement presentation adopted for the current period.

## Corporate Governance

- Overview
- Board of Directors
- Risk Management Policies and Procedures

## Corporate Governance

### Overview

OEFC is an agent of the Crown and is classified by Management Board of Cabinet as a board-governed provincial agency.

Corporate governance at OEFC involves processes that permit the effective supervision and management of OEFC's activities by senior management, the Board, its Audit Committee, and the Minister of Finance. It includes identifying individuals and groups responsible for the Corporation's activities and specifying their roles.

#### Accountability and Responsibilities

OEFC's accountability structure flows from its governing statute, the Act. The Act together with policies issued by Management Board of Cabinet and the Minister of Finance form a framework under which OEFC is governed.

Each year, the Minister of Finance is required to submit OEFC's Annual Report to the Lieutenant Governor in Council and then table the Annual Report in the Legislature. In addition, the Minister of Finance reviews and approves OEFC's annual business plan. The Minister also maintains communications with OEFC, through its Chair, regarding government policies and issues relevant to OEFC.

The Chair is accountable to the Minister of Finance for the performance of OEFC in fulfilling its mandate. The current Chair is also the Deputy Minister of Finance. The Chair is responsible for providing advice and information to the Minister of Finance with regard to the operation and affairs of OEFC. In addition, the Chair provides leadership to OEFC. As Deputy Minister of Finance, the Chair ensures organizational capacity in the Ministry to monitor OEFC and ensures that it manages its risks appropriately.

The Board is appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance and is accountable to the Minister through the Chair. The Board performs a supervisory role, overseeing the management of the business and affairs of OEFC to ensure OEFC's mandate, as determined by the Province, is fulfilled. The Board is largely comprised of public servants employed by the Crown. The Board meets at least quarterly and receives regular reports from the CEO and OFA staff concerning the operations of OEFC and its compliance with applicable laws and policies. Standards of conduct for Board members are set out in a Board-approved Code of Conduct.

The Audit Committee of the Board approves an annual internal audit plan and liaises with OEFC's internal auditors and the Auditor General of Ontario regarding financial reporting and internal controls. It also reviews financial policies and financial statements and recommends them to the Board. Another function of the Audit Committee is the review of the Corporation's major risks and mitigation strategies.

The CEO is appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance. The CEO works under the direction of the Chair and the Board to implement policies and operational decisions, and reports the agency's performance to the Board through the Chair. The CEO is responsible for managing the day-to-day operations and ongoing activities of OEFC in accordance with government policies.

The Corporation does not have employees, although some OFA employees are designated as officers for executing agreements and other instruments on the Corporation's behalf. The OFA carries out the Corporation's day-to-day operations under the supervision of the Board and pursuant to a Services Agreement between the OFA and OEFC. In addition, the Ministry of Finance collects certain payments on behalf of OEFC.

### Financial Reporting

OEFC prepares annual financial statements in accordance with Canadian public sector accounting standards. The financial statements are reviewed and recommended by the Audit Committee and approved by the Board. The annual financial statements are audited by the Auditor General of Ontario who expresses an opinion on whether they present the financial results fairly in accordance with Canadian public sector accounting standards. The financial statements and the audit report are reviewed by the Audit Committee and the Board. These audited financial statements are tabled in the Ontario Legislature as part of the Annual Report and are included as a schedule to the Public Accounts of the Province. Unaudited financial statements are prepared quarterly and presented to the Audit Committee and the Board.

### Internal Controls

Management is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the reliability of financial reporting and to safeguard OEFC's assets and manage its liabilities.

In meeting its responsibility for the reliability and timeliness of financial information, OEFC, directly and through the OFA, uses a comprehensive system of internal controls, including organizational and procedural controls. The system of internal controls includes:

- comprehensive business planning
- written communication of policies and procedures governing corporate conduct and risk management
- segregation of duties
- maintenance and retention of detailed records
- responsible delegation of authority and personal accountability
- careful selection and training of personnel
- regularly updated accounting and financial risk policies.

As part of its annual business plan, OEFC conducts a risk assessment of corporate-wide risks and develops appropriate mitigation strategies.

The Ontario Internal Audit Division of the Ministry of Finance develops an annual internal audit plan based on input from the OEFC Audit Committee and OFA Management. The internal audit plan is approved by the OEFC Audit Committee. The Internal Audit Division reports to the OEFC Audit Committee on the results of their audit work in OEFC.

## Board of Directors

**Scott Thompson**
Chair and Deputy Minister of Finance
Date of initial appointment to OEFC Board of Directors: October 2014
Current term expires: October 2017

**Gadi Mayman**
Vice-Chair and Chief Executive Officer
Date of initial appointment to OEFC Board of Directors: August 2000
Current term expires: July 2020

**Denise Dwyer**
Assistant Deputy Minister, Indigenous Education and Well-Being Division, Ministry of Education
Date of initial appointment to OEFC Board of Directors: December 2016
Current term expires: December 2019

**Serge Imbrogno**
Deputy Minister of Energy
Date of initial appointment to OEFC Board of Directors: April 2008
Current term expires: April 2020

**Nancy Kennedy**
Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
Date of initial appointment to OEFC Board of Directors: October 2014
Current term expires: October 2017

**Ronald Kwan**
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA
Date of initial appointment to OEFC Board of Directors: January 2013
Current term expires: January 2019

**John Lieou**
Assistant Deputy Minister, Planning and Policy Division, Ministry of Transportation
Date of initial appointment to OEFC Board of Directors: June 2010
Current term expires: January 2019

**Murray Lindo**
Date of initial appointment to OEFC Board of Directors: October 2014
Current term expires: December 2018

**Maria Mavroyannis**
Assistant Deputy Minister, Strategy, Stewardship and Program Policy Division, Ministry of Finance
Date of initial appointment to OEFC Board of Directors: December 2016
Current term expires: December 2019

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**Kaili Sermat–Harding**
Assistant Deputy Minister, Conservation and Renewable Energy Division, Ministry of Energy
Date of initial appointment to OEFC Board of Directors: November 2017
Current term expires: mm yyyy

~~**Leah Myers**~~
~~Assistant Deputy Minister, Income Security and Pension Policy Division, Ministry of Finance~~
~~Date of initial appointment to OEFC Board of Directors: December 2016~~
~~Current term expires: December 2019~~

**Sriram Subrahmanyan**
Assistant Deputy Minister, Tax Policy Division, Ministry of Finance
Date of initial appointment to OEFC Board of Directors: December 2016
Current term expires: December 2019

**Cindy Veinot**
Assistant Deputy Minister and Provincial Controller, Office of the Provincial Controller Division, Treasury Board Secretariat
Date of initial appointment to OEFC Board of Directors: December 2016
Current term expires: December 2019

**Total Annual Remuneration paid to the one external Director for 201~~6~~7–1~~7~~8: $~~nil~~xx.**

**Directors whose term ended during 201~~6~~7–1~~7~~8**

~~**Diane McArthur**~~**Leah Myers**
Resigned: ~~September 14, 2016~~mm dd, yyyy

## Risk Management Policies and Procedures

### Overview

The Corporation's risk management policies and procedures provide for the management of risk exposures created by capital market activities. Current policies and procedures address market, credit and operational risk exposures as they pertain to debt and derivatives portfolios and capital markets transactions.

These policies were developed following the guidelines and directives of regulatory bodies, such as the Office of the Superintendent of Financial Institutions of Canada and the Bank for International Settlements and by consulting with Canadian bank representatives on their risk management practices.

The Board and Management committees establish and approve risk management policies and monitor the performance of the OFA's capital market activities related to OEFC.

### Market Risk Policy

Market risk is the risk of financial loss attributable to changes in interest rates and foreign exchange rates. This policy provides a framework for borrowing activities and integrates several aspects dealing with the management of market risk. The policy includes several limits:

- **Foreign Exchange Limit** – unhedged foreign currency exposure is limited to 5.0 per cent of outstanding debt. Unhedged foreign exchange exposures are limited to Group of Seven currencies and the Swiss franc.
- **Net Interest Rate Resetting Limit** – the interest rate resetting exposure, net of liquid reserves, is limited to a maximum of 35.0 per cent of outstanding debt.

### Credit Risk Policy

Credit risk is the risk that a counterparty defaults on its financially contracted obligations. Credit risk arises when the OFA undertakes financial and derivative transactions on behalf of OEFC. The minimum credit rating of a new counterparty for swap transactions without collateral is AA- and R1-mid, A-1 or P-1 for money market investments. The resulting exposure to a financial counterparty is capped at mark-to-market limits depending on the counterparty's credit rating and capital base.

### Policy on the Use of Derivatives and Financial Instruments

Use of derivatives and other financial instruments is restricted to those that the OFA can price and whose risk exposures can be measured by the OFA. Derivatives are used to manage exposures arising from the OEFC Treasury program in a sound and efficient manner. Risks arising from the use of derivatives are monitored and managed prudently.

### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events. The OFA manages operational risk relating to OEFC through reviews and improvements of work processes, documented policies and procedures, data processing systems, contingency plans and staff training.

The OFA maintains a Business Continuity Plan (which covers OEFC's operations), which is regularly updated to facilitate the continuation of essential operational functions with minimal disruption in the event of an emergency.

### Policy on Risk Management Reporting

At its regular quarterly meetings, the Board is kept informed of the Corporation's activities:

- The CEO of OEFC provides the Board with a progress report on its borrowing activities and other operational matters. The CEO also reports on compliance with applicable government directives.
- The Chief Financial and Risk Officer, OFA Risk Control Division, reports on program exposures and performance, as well as exceptions to policies.

In addition, OFA Management is informed of the Corporation's risk exposures and positions on a daily basis so it can direct appropriate actions on behalf of OEFC.

## Additional Sources of Information

### Internet

| | |
|---|---|
| Ontario Electricity Financial Corporation | www.oefc.on.ca |
| Ontario Financing Authority | www.ofina.on.ca |
| Ministry of Finance | www.ontario.ca/page/ministry-finance ~~www.fin.gov.on.ca~~ |
| Ministry of Energy | ~~www.energy.gov.on.ca~~ www.ontario.ca/page/ministry-energy |
| Ontario Power Generation Inc. | www.opg.com |
| Hydro One Ltd. | www.hydroone.com |
| Independent Electricity System Operator | www.ieso.ca |
| Ontario Electrical Safety Authority | www.esasafe.com |

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### Inquiries

For general information and additional copies of the Report, please contact OEFC at:

Telephone: (416) 325-8000

E-mail: investor@oefc.on.ca

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# Electricity Sector Outlook
## April 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 957 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (957) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 1,031 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 209 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 368 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 497 | 370 | 516 | 530 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,965** | **1,447** | **1,820** | **1,775** |
| **Expense** | | | MoF Public Debt Interest (Hydro One/OPG) | (457) | (404) | (404) | (404) |
| **Expense** | | | Net OEFC Interest on Debt | (474) | (484) | (473) | (402) |
| | | | **Sub-total** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,836** | **369** | **802** | **860** |
| | | | ***check*** | ***0*** | ***0*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 18

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 812 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (812) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 369 | 512 | 526 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,804** | **1,445** | **1,816** | **1,772** |
| | | **17** | MoF Public Debt Interest (Hydro One/OPG) | (454) | (404) | (404) | (404) |
| | | **36** | Net OEFC Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Sub-total** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **368** | **798** | **856** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 145 | 0 | 0 | 0 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (145) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | 0 | 0 | 0 |
| | | | **Total MOF Expense** | **0** | **0** | **0** | **0** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 126 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 15 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | 22 | 0 | 0 | 0 |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (2) | 2 | 4 | 4 |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **161** | **2** | **4** | **4** |
| | | **17** | MoF Public Debt Interest (Hydro One/OPG) | (3) | 0 | 0 | 0 |
| | | **36** | Net OEFC Interest on Debt | 3 | 0 | 0 | 0 |
| | | | **Sub-total** | **0** | **0** | **0** | **0** |
| | | | **Impact on Surplus/Deficit** | **161** | **2** | **4** | **4** |
| | | | ***check*** | ***0*** | ***0*** | ***0*** | ***0*** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | | (290) | (812) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,266) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,266)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 499 | 369 | 512 | 526 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | | 290 | 812 | 449 | 736 | 711 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,394** | **269** | **700** | **765** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of April 2018** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income[1] | 574 | 291 | 299 | 1,031 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | 209 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 368 | 353 | 412 | 438 |
| Brampton Income | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **1,546** | **719** | **860** | **1,608** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector[4] | (795) | - | (290) | (957) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (457) | (404) | (404) | (404) |
| **Subtotal** | (1,315) | (520) | (803) | (1,414) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | | |
| **Total Electricity Expenses of the Province** | **(1,315)** | **(520)** | **(803)** | **(1,414)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,247 | 334 | 497 | 370 | 516 | 530 |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | |
| Interest on Debt | (658) | (596) | (513) | (474) | (484) | (473) | (402) |
| Power Supply Contract Costs | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 795 | - | 290 | 957 | 449 | 736 | 711 |
| Other (Finance) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **1,353** | **3,549** | **737** | **1,540** | **270** | **704** | **769** |
| **Impact on Surplus/(Deficit)** | **1,715** | **3,876** | **915** | **1,836** | **369** | **802** | **860** |
| *variance to OEFC check* | | *(156)* | *(454)* | *(516)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of April 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | - | 126 | - | - | - | |
| ONFA and other Fair Value Adjustments | - | 15 | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | - | 22 | - | - | - | |
| Brampton Income | - | - | - | - | - | |
| **Total OPG and HOI Income** | **-** | **162.8** | **-** | **-** | **-** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | - | (145) | - | - | - | |
| Public Debt Interest - Electricity Sector | - | (3) | - | - | - | |
| **Total Electricity Expenses of the Province** | **-** | **(147.8)** | **-** | **-** | **-** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (2) | 2 | 4 | 4 | |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | - | - | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | #REF! | #REF! | #REF! | #REF! | #REF! | |
| Miscellaneous | - | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | - | 3 | - | - | - | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Provision for Electricity Sector | - | 145 | - | - | - | |
| Other (Finance) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **146** | **2** | **4** | **4** | |
| **Impact on Surplus/(Deficit)[1]** | **0** | **161** | **2** | **4** | **4** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | #REF! | #REF! | #REF! | #REF! | #REF! | |
| Total Expenditure impact | #REF! | #REF! | #REF! | #REF! | #REF! | |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 4/13/2018 | 20180413-1 | | Hydro One |
| 4/23/2018 | 20180423-1 | | OPG |
| 5/1/2018 | 20180501-1 | | PDI and 50.3 |
| 5/15/2018 | | | Hydro One |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Hydro One |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | OPG |
| 5/15/2018 | | | Provision |
| 5/15/2018 | | | Provision |
| 5/18/2018 | | | Provision |
| 5/18/2018 | | | Provision |

**FOR EFB USE ONLY**

**Budget 2018 Outlook**
**Current Outlook**
**Change Since Budget**

| Description of Update |
| --- |
| Updated Current Corporate Taxes |
| ONFA adjustment March 2018 |
| Revised s50.3 number for 2017-18 |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Common Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Hydro One Q1 Update for 2017-18 - Preferred Shares |
| Updated OPG Revenue for 2017-18 |
| Updated OPG Revenue for 2017-18 |
| Updated OPG Revenue for 2017-18 |
| Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |
| Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |

This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| | | 1,675 | 368 | 798 | 856 |
| | File | 1,836 | 369 | 802 | 860 |
| | | 161 | 2 | 4 | 4 |
| | ***check*** | ***0*** | ***0*** | ***0*** | ***0*** |

| Outlook line affected | Expense / Rever | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| HOI Income | Revenue | (2.1) | 1.5 | 3.9 | 3.7 |
| OPG Income | Revenue | 15.1 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 21.5 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 21.5 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (21.5) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.2 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.2 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (0.2) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 126.0 | 0 | 0 | 0 |
| Provision for Electricity Sector (OEFC) | Expense | 126.0 | 0 | 0 | 0 |
| Provision for Electricity Sector (MOF) | Expense | (126.0) | 0 | 0 | 0 |
| Provision for Electricity Sector (OEFC) | Expense | (3) | 0 | 0 | 0 |
| Provision for Electricity Sector (MOF) | Expense | 3 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| | | *0.0* | *0* | *0* | *0* |

| 2021-22 |
|---|
| |
| |

| 2021-22 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Updated Current Corproate Taxes for Hydro One from the H1 Model |
| 0.0 | ONFA adjustment March 2018 |
| 0.0 | Revsied s50.3 number for 2017-18 |
| 0.0 | Replaced Q4 Forecast estimates with Hydro One Q1 Actuals |
| 0.0 | |
| 0.0 | |
| 0.0 | Replaced Q4 Forecast estimates with Hydro One Q1 Actuals |
| 0.0 | |
| 0.0 | |
| 0 | Replaced 2017-18 Estimates with Actuals from 2017 Q2 to 2018 Q1 |
| 0 | |
| 0 | |
| 0 | Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |
| 0 | Updated Public Debt Interest - Electricity Sector for interest cost on Equity Injection |

Data Validation:

- Options
- Revenue (F
- OPG
- Hydro One
- Provision
- PDI and 50
- ONFA
- Other Data

Risks)

.3

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | (40) |
| Operations Maintainance & Administration (labour costs etc.) | | 0 - (100) | 0 - (100) | 0 - (100) | 0 - (100) |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to retirement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| OPG earnings impact due to June 1, 2017 effective date[6] | 325 | | | |
| **Accounting** | | | | |
| | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

6.OPG earnings in 2017 are negatively impacted by a partial-year effective date of June 1, 2017 for new regulated rates, which resulted in forgone net income of $325 million. On January 17, 2018, OPG filed a Notice of Motion to review and vary the Decision in relation to the approval of an effective date of June 1, 2017 for new payment amounts rather than the January 1, 2017 effective date requested in OPG's application. The final decision is still pending

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | Plan 2018-19 | Plan 2019-20 | Plan 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 499 | 369 | 512 | 526 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 812 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3 | 172 | 411 | 531 | - | - | - |
| Miscellaneous | 9 | 14 | - | - | - | - |
| | 6,041 | 3,382 | 3,334 | 1,634 | 1,987 | 1,916 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **1,191** | **1,926** | **269** | **700** | **765** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,202** | **1,277** | **1,008** | **308** | **(457)** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of April 2018**

| | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | |
| OPG | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 25 | 22 | 23 | 27 | 29 |
| MEUs | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 364 | 497 | 370 | 516 | 530 |
| Interest : | | | | | |
| OPG | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 |
| Province | 514 | 457 | 404 | 404 | 404 |
| Other | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 703 | 635 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 302 | 942 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 14 | 0 | 0 | 0 | 0 |
| | 3,382 | 3,465 | 1,636 | 1,991 | 1,919 |
| **Expense** | | | | | |
| Debt interest | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | | | |
| Power Supply Contract Costs | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 6 | 7 | 7 | 7 |
| | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | **1,191** | **2,056** | **270** | **704** | **769** |
| Prior period adjustment | | | | | |
| **Stranded Debt - Year End** | **3,202** | **1,146** | **876** | **172** | **(597)** |

1

| **Payments-in-lieu of tax:** |
|---|
| OPG |
| Legacy Hydro One (Including Brampton) |
| Hydro One CIT dedicated to OEFC |
| MEUs |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of April 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | - | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | - | - | - | - | - | |
| Legacy Hydro One (Including Brampton) | - | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | - | (2) | 2 | 4 | 4 | |
| MEUs | - | - | - | - | - | |
| Total PILs | - | (2) | 2 | 4 | 4 | |
| Interest : | | | | | | |
| OPG | - | - | - | - | - | |
| H1 | - | - | - | - | - | |
| IESO | - | - | - | - | - | |
| Province | - | 3 | - | - | - | |
| Other | - | - | - | - | - | |
| Total Interest | - | 3 | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Amortization of NUG liability | - | - | - | - | - | |
| Electricity sector dedicated income | - | 130 | - | - | - | |
| Gain to OEFC under s. 50.3 | - | (0) | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| | - | 131 | 2 | 4 | 4 | |
| **Expense** | | | | | | |
| Debt interest | - | - | - | - | - | |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | - | - | - | - | - | |
| | - | - | - | - | - | |
| **Excess (Deficiency) of Revenue over Expense** | **-** | **131** | **2** | **4** | **4** | |
| **Stranded Debt - Year End** | **-** | **(131)** | **(132)** | **(136)** | **(140)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual | Current Outlook | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income | 299 | 1,031.000 | 500 | 728 | 677 |
| Hydro One Income[1] | 501 | 368.205 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | 15 | | | | |
| **Total Income** | **815** | **1,399.205** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | |
| OPG | | (299.871) | (300) | (300) | (300) |
| OPG Fair Hydro Plan Equity Injection Interest Expense | | (3.000) | | | |
| Hydro One[1] | | (154.255) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(514)** | **(457.126)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **302** | **942.080** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | |
| **Prior-year Adjustment[2]** | 3 | 15 | | | |
| **Exclude Brampton[3]** | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **290** | **957** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts** | **290** | **957** | **449** | **736** | **711** |
| OEFC adjustment | | (15) | | | |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **302** | **942** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue2 | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk3 | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - Budget 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Cu 2018-19 |
|---|---|---|---|---|
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

### OPG Income - January 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| OPG Net Income | 291 | 377 | 1,331 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **1,031** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 209 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **209** | | | | |
| **OPG Net Income** | **463** | **342** | **1,240** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Cu 2018-19 |
|---|---|---|---|---|
| Income Before Tax | 383 | 308 | 1,252 | 554 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 1,031 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

**Hydro One Income - Budget 2018**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

**Hydro One (100% Ownership)**
**($ millions)**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | C 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

**Hydro One Income - December 2017**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

**Hydro One (100% Ownership)**
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | C 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **OPG Fair Hydro Plan Equity Injection Interest Expense** | | | 3 | | | |
| **Total Public Debt Interest** | **520** | **514** | **457** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 49.88% Provincial share allocation as of the Final offering in May 2017 and a 47.74% Provincial share allocation as of First nations share sale in December 2017 . Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| (116) | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| **104** | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| **404** | | | | | | | |

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\int | |
| s. 50.3 | 2017-18 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Ba |

| | | | | | | |
|---|---|---|---|---|---|---|
| 20180501-1 | 2017-18 | $463,203,399 | $463,203,399 | May 2017 Disp | Email, information from SIFB | \\ofina.on.ca\ofa |
| 20180501-1 | 2017-18 | $68,247,419 | $68,247,419 | Feb 2017 Disp | Email, information from SIFB | \\ofina.on.ca\ofa |
| | | $531,450,818 | | | | |
| | Rounded to $M | $531.45 | | | | |

| | | | | |
|---|---|---|---|---|
| 20180518-1 | 2017-18 | $3 | 3 | OPG Fair Hydro Plan Equity Injection Interest Expense |

erest from Province.pdf

ck-up files

adfs\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\05. May\Backup\20180501-1 - 2017-18 s50.3 Backup Information
adfs\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\05. May\Backup\20180501-1 - 2017-18 s50.3 Backup Information

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 98 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
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| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |
| | 2021-22 | $ 98,255,464 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
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| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

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ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Subject:** | FW: OPG Business Plan BN - Review and Input Needed |
| **Date:** | Monday, May 01, 2017 4:24:44 PM |
| **Attachments:** | 5 2017-05-09 RAN OPG Business Plan v1.doc<br>OPG Business Plan - Signed Submission.msg |

Might be an updated version….

**From:** Strang, James (TBS) [mailto:James.Strang@ontario.ca]
**Sent:** Monday, May 01, 2017 4:24 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Judy George-Harris (MGS) <Judy.George-Harris@ontario.ca>
**Cc:** Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Laurie Morin (MGS) <Laurie.Morin@ontario.ca>
**Subject:** OPG Business Plan BN - Review and Input Needed

John,

Attached is the note for the OPG Business Plan item going to TB/MBC same time as OFHP May 9, 2017. Please review and provide comments, and clarification regarding what's in the OPG #s in the 2017 Budget numbers (There are references in the note and the tables on the last two pages need updating to be complete).

Sec Briefing is tomorrow afternoon, would it be possible to get the updated tables in the morning tomorrow? Fair Hydro Plan is also scheduled, but not sure if it or both will be bumped to a separate briefing cycle in advance of May 9, 2017.

Laurie (for Judy) – I've included a description of the international travel aspect (around slide 11, deck in the attached email) and a placeholder for a minute (Judy was aware of the item).

James

# TREASURY BOARD / MANAGEMENT BOARD OF CABINET
# REQUEST ASSESSMENT NOTE

| | |
|---|---|
| **Ministry:** | Energy |
| **Meeting Date:** | May 9, 2017 |
| **Agenda Class:** | Discussion (In Camera) |
| **Last reviewed by:** TB/MBC March 24, 2015 | **Tracking to: Fast Track** Cabinet (May 10, 2017) |

| **SUBMISSION TITLE:** | 2017-2019 Business Plan for Ontario Power Generation |
|---|---|

**Prepared based on draft submission**

## I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2017-2019 Business Plan

## II. RECOMMENDATIONS:

| | |
|---|---|
| • Receive the 2016-2018 business plan for Ontario Power Generation | *Receive* |
| • Note Minister of Energy will provide concurrence with OPG's Business Plan | *Note* |
| • Approval giving special status to OPG under Section 5.3 of the MBC Travel, Meal and Hospitality Expenses Directive, giving it the authority to approve international travel for its employees. | *tbd* |

## III. FINANCIAL SUMMARY

| **$ Millions** | **2014-15** | **2015-16** | **2016-17** |
|---|---|---|---|
| Initiative cost requested | 0.0 | 0.0 | 0.0 |
| Initiative cost recommended | 0.0 | 0.0 | 0.0 |
| Recommended program base | 0.0 | 0.0 | 0.0 |
| Offset Recommended (Specify Ministry/Program) | 0.0 | 0.0 | 0.0 |
| Total Fiscal Impact | 0.0 | 0.0 | 0.0 |

## IV. KEY COMMENTS AND CONSIDERATIONS

As stipulated as part of the 2013-14 Results-based Planning process, the Ministry of Energy is submitting OPG's annual business plans for review by Treasury Board to facilitate incorporating implications into the Province's fiscal plan.

It is under the responsibility of the Minister of Energy on whether or not to provide the Minister's concurrence of OPG's annual multi-year business plan. The Treasury Board submission provides the Minister of Energy with an opportunity to highlight why concurrence is being given and any conditions placed on it. Appendix C provides more information on the concurrence process and the 2013-14 minute.

Under the memorandum of agreement (MOA, July 2015) between the Province (as sole shareholder and the Ministry of Energy as representative of the shareholder) and OPG, the company is required to annually submit its board-approved multi-year business plan to the Minister of Energy for concurrence. The concurrence letter from the Minister to the company will note key elements of the business plan,

how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company including indicating any elements of the business plan the government does not concur.

In November 2016, OPG submitted its 2017-2019 Business Plan (Board-approved?) to the Ministry.

Ontario's Fair Hydro Plan (OFHP) is not reflected in OPG's latest Business Plan. The Ministry notes the following OFHP implications for OPG:

- As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province (Equity injection via an operating asset, raised from higher debt, with additional shares to the Province as sole shareholder), and by third-party lending (check with OFA – currently 256.3M common shares increasing to….needed? Perhaps explain why there are shares given province is sole shareholder, linked to value of OPG assets/equity)
  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
  - In addition, the Province's net debt position should remain unchanged (Check is OFA)

Financial figures from the OPG Business Plan are included and supplemented with forecast changes for the Ontario Financing Authriy, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan.

The earnings before tax (net income and income tax payments in lieu – PILs) of OPG are consolidated on the Province's financial statements and have one-for-one impact on the Province's surplus/deficit position, excluding adjustments that the Province may make upon consolidation of OPG's financials (e.g., unrealized gains or losses). OPG is expected to submit its next multi-year business plan later this year for the period starting January 1, 2017.

***Overview of Current Business Plan***

OPG's 2017-19 Business Plan details key company undertakings such as business transformation and nuclear refurbishment that will have a substantial electricity system benefit, ratepayer and shareholder impacts. These items were flagged in the previous year's multi-year business plan as well.

- Key Income Statement Forecasts:
  - The figures in the OPG Board approved 2017-2019 Business Plan, along with OFA forecast updates for OFHP (TBC), show a decrease in earnings before tax of $84M in 2017-18 and $89M in 2017-18, followed by increases of $59M in 2018-19 and $120M in 2019-20 over the estimates in the 2016 Budget..

    OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016. Net income in 2017 is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations

    Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019. Return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021.

    In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be

$285M and will be distributed to the Trillium Trust.

These estimates are highly dependent on electricity and financial market conditions, regulatory decisions by the Ontario Energy Board (OEB), potential changes to accounting standards or the basis of consolidation in Public Accounts, operational performance, and/or government policy, which can change materially. The first table in Appendix G shows the changes to Province's fiscal plan.

- Annual Operations, Maintenance & Administration (OM&A) expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year.
- The cost of OPG generated electricity to customers is projected to remain ~40% below the average non-OPG cost of electricity to 2018, and over ~30% by 2021. Note: OPG provides predominantly, lower-cost baseload generating capability, rather than more expensive peaking generating capability.
- Headcount Efficiencies – Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.

  OPG continues ramping up recruitment in 2017 to fill key vacancies in certain areas (particularly in the nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020. OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021.

  OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015. OPG intends to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations.

- Key Projects:
  - The plan assumes ongoing operations at Pickering for about four years beyond 2020, and as approved by Cabinet, the execution of the Darlington refurbishment consistent with approved budget of $12.8 billion (including escalation and interest), is now under way. First unit refurbishment began in October 2016, Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained.
  - Sustaining capital expenditures average $570M per year include nuclear expenditures unrelated to Darlington refurbishment and costs for continued operation of Pickering (e.g., Upgrades at Sir Adam Beck and upgrades to DeCewII, and investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility).
- Rate Application to the OEB:
  - OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021. Oral hearings began February 2017, decision expected in Q3 2017.
    - OPG 2017-2019 BP assumes new rates effective January 1, 2017. The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay.
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear

rates only.

- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

- OPG Request – Special Stats for OPG to Approve International Travel (Appendix F provides more information):
  - OPG has placed a request with the Ministry for authority to approve international travel for its employees. OPG has asked that this application be included with its BP submission to TB/MBC.
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business.
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds.
    - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases.
    - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date.

*Other Key Fiscal Risks:*

Regulatory risks: Potential disallowance of recovery of OPG's current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.

Accounting risks: Any change in the basis of accounting used for consolidation of OPG on the Province's financial statements could result in potentially significant fiscal impacts.

Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

| | | | |
|---|---|---|---|
| **Name of analyst:** | James Strang | **Phone number:** | 7-2071 |
| **Date:** | May 1, 2017 | **Log number:** | |
| **Branch / Division:** | General Government, Planning and Resources Branch, PEM, TBS | | |

## APPENDIX A: PROPOSED MINUTE (UNDER DEVELOPMENT)

Note receipt of a Business Plan for Ontario Power Generation.

In this regard,

i.) Note the Minister of Energy will provide Ontario Power Generation (OPG) with a concurrence letter for its Business Plan.

ii.) …..request for special status…international travel

iii.) Direct the Ministry, in consultation with the Ministry of Finance / Ontario Financing Authority, to report back to the Board in early January each year with the approved or latest draft business plans for Ontario Power Generation for fiscal planning purposes.

| FINANCIAL IMPACTS: CHANGES TO EXPENSE AND REVENUE | | | | | TABLE B1 |
|---|---|---|---|---|---|
| | | *Fiscal Plan Basis* | | | *Appropriations Basis* |
| **$ Millions** | | **2014-15** | **2015-16** | **2016-17** | **2014-15** |
| Initiative cost recommended | | 0.0000 | 0.0000 | 0.0000 | |
| *Expense changes:* | | | | | |
| Operating item | Oper | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital item | Cap | 0.0000 | 0.0000 | 0.0000 | 00000 |
| | | | | | |
| | | | | | |
| *Revenue changes:* | | | | | |
| Revenue increase/offset | | 0.0000 | 0.0000 | 0.0000 | |
| Revenue decrease | | 0.0000 | 0.0000 | 0.0000 | |
| **Total Fiscal Impact (draw from c-funds)** | | **0.0000** | **0.0000** | **0.0000** | **0.0000** |

## APPENDIX C: CONCURRENCE OVERVIEW

Under agreements between the Province (as sole shareholder) and OPG, the company is required to annually submit its multi-year business plan to the Minister of Energy for concurrence. Review of the business plan by Treasury Board prior to concurrence was stipulated as part of the 2013-14 Results-based Planning process (see below).

Concurrence is typically provided to OPG via a letter from the Minister of Energy. The letter will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company. The letter may also indicate any elements of the business plan of which the government does not concur and/or provide additional guidance on expectations going forward.

The current submission looks at the multi-year business plan for OPG covering 2016-2018. Concurrence with the plan is still pending.

Below is the 2013-14 Results-based Plan Minute:

Directed the Ministry of Energy and its agencies, Ontario Power Generation Inc. and Hydro One Inc., in consultation with the Ontario Financing Authority, to report back:

- Annually each autumn with the respective multi-year business plans of the agencies as approved by the Boards of the companies, for review by Treasury Board/Management Board of Cabinet.
  - In this regard, the report should include the following, on a calendar and government fiscal year basis:
  - Multi-year financial and operational targets, including net income and earnings-before-tax.
  - Projected revenues and cash flows to the Province, including the Ontario Electricity Financial Corporation.
  - Planned financings from the Ontario Electricity Financial Corporation.
- Quarterly with financial projection updates and progress reports on the agencies' respective business plan targets and any other new developments, initiatives or risks that may have a material fiscal impact on the Province including variance analysis of last quarter and year-to-date against the annual business plan reviewed by Treasury Board/Management Board of Cabinet.

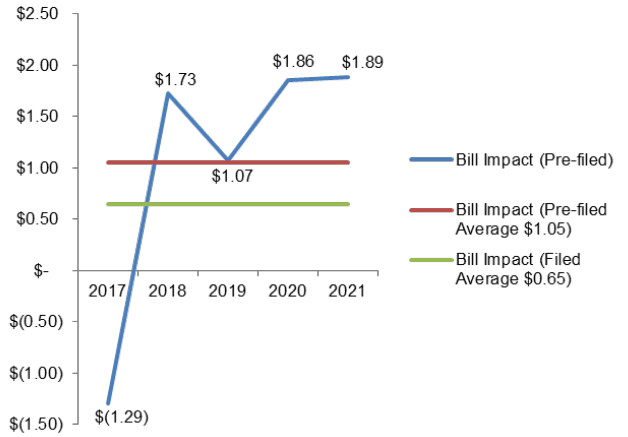
## APPENDIX D: SUMMARY OF KEY HIGHLIGHTS FROM OPG BUSINESS PLAN

The Ministry indicates OPG financial and ratepayer forecasts show some changes from last year's business plan projections, as reviewed by Treasury Board in September 2016.

This is in part because 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations.

Also, actions taken by the Province and OPG in early 2017 to enable OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only. OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year.

**Comparison of Annual Bill Impact ($/Month per year)**




*Production and Total Cost of Generation*

OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016. This reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016 and overlaps between unit refurbishments, as well as, the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage.

Total generating cost shows an increasing trend over the planning period relative to 2016, reflecting Lower nuclear production due to Darlington refurbishment outages, increased sustaining capital spending on two large hydroelectric projects (The Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation).

*Operations, Maintenance and Administration (OM&A) Expenses*

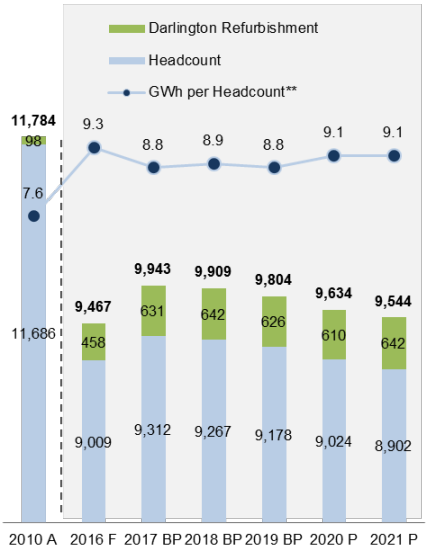
Annual OM&A expenses (excluding Darlington refurbishment OM&A) from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year. Increases related to changes in nuclear outage scope at Darlington and planned hiring to fill staffing gaps, and enabling Pickering continued operations, offset by declining pension related costs, due to projected pension asset returns, increases employee contributions, and new method for dermining interest components of pension costs.

*Business Transformation and Labour Costs*

As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016:

- Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.
- OPG continues recruitment in 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
  - To date in 2017, OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



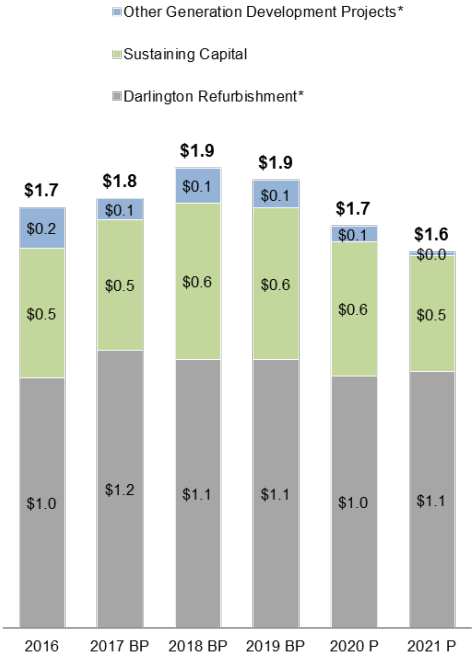

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

*Projects and Capital Expenditures*

OPG continues delivery of major projects over the plan period, including:

- Darlington Refurbishment – Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, requiring concurrence from the Province prior to commencement
- Sustaining Capital – Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- Other Generation Development Projects – Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

*Sales*

The following table summarizes sales recently completed and currently underway (as of April 2017). The fiscal plan implications of the completed OPG Head Office sale is reflected in the 2017 Budget. (TBC).

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## APPENDIX E: PROVINCIAL FISCAL PLAN IMPLICATIONS OF BUSINESS PLANS PROCEEDING – (UNDER DEVELOPMENT)

Ontario Power Generation is a Government Business Enterprises (GBE), and consolidated to the Province's financials on a modified equity basis. The Province's Fiscal Plan reflects the entity as Income from Business Enterprises and Electricity Payments-in-Lieu of Taxes (PILs) (As Revenue only).

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 471 | 586 | 673 | 705 |
| Income Tax | 224 | 159 | 182 | 108 |
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 111 | 184 | 154 | 189 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 387 | 497 | 732 | 825 |
| Income Tax | ? | ? | ? | ? |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (84) | (89) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | ? | ? | ? | ? |
| **TOTAL OF OPG CHANGES** | ? | ? | ? | ? |

OPG's fiscal results are also impacted by Other PILs to the Ontario Electricity Financial Corporation (OEFC) and the Province. The following table reflects these others impacts in addition to the latest net income and income tax PILs from OPG's August update.

Table below to be updated – OFA

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Combined Other PILs & Other GRC | 342 | 351 | 359 | |
| Other PILs (GRC to OEFC, Proxy Property Tax) | 213 | 223 | 232 | |
| Other GRC (to MOF & Niagara Parks Commission)[1] | 129 | 128 | 137 | |
| **2016-18 OPG Business Plan** | | | | |
| Combined Other PILs & Other GRC[2] | 353 | 358 | 366 | |
| Other PILs (GRC to OEFC, Proxy Property Tax)[3] | 215 | 220 | 220 | |
| Other PILs (GRC to MOF & Niagara Parks Commission)[3] | 135 | 140 | 140 | |
| **OPG Monthly Update (August 2016)** | | | | |
| Net Income | 361 | - | - | |
| Income Tax PILs to OEFC | 98 | - | - | |

1. The GRC to MOF & Niagara Parks Commission (NPC) is provided to enable comparison to the 2016-18 Business Plan.
2. Include GRC to OEFC, GRC to MOF and NPC and Proxy Property Tax, provided to TBS by Energy on September 14, 2016.
3. Preliminary 2016-19 Business Plan forecast provided by Energy, January 29, 2016. (Do not add to the Combined Other PILs & Other GRC row, likely due to rounding.)

**From:** Gounden, Pratima (ENERGY) [Pratima.Gounden@ontario.ca]
**To:** James Strang (MOF) [James.Strang@ontario.ca]
**CC:** Felix Fung (MOF) [Felix.Fung@ontario.ca]; Judy George-Harris (MGS) [Judy.George-Harris@ontario.ca]; Chris Skubel (MGS) [Chris.Skubel@ontario.ca]
**Subject:** OPG Business Plan - Signed Submission
**Date:** Monday, May 01, 2017 11:47:56
**Attachment 1:** image001.jpg
**Attachment 2:** OPG Business Plan_signed submission.pdf

---

Hi James,

Attached is a copy of the signed submission for the OPG Business Plan.

We'll walk the original over to the Agenda Office this afternoon.

Thanks,

Pratima Gounden, Team Lead (A)

56 Wellesley Street West, 4th Floor, Toronto ON M7A 2E7

Blackberry: 647-289-4932

Ministry of Economic Development & Growth

Ministry of Energy

Ministry of Infrastructure
Ministry of Research, Innovation & Science

CSD
Corporate
Services
Division
Expertise | Collaboration | Respect | Service Excellence | Integrity

Ontario

# Application and Report to Treasury Board/Management Board of Cabinet

(Refer to instructions on next page)

| 1. MINISTRY: Energy | 2. MINISTRY LOG # | 3. TB/MBC LOG # |
|---|---|---|
| 4. TYPE OF REQUEST: Treasury Board General | | |

**5. PURPOSE OF REQUEST:** The Ministry of Energy is requesting TB/MBC 1. NOTE the receipt of OPG's 2017-2019 Business Plan. 2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan 3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

| 6. FINANCIAL DETAILS | | ($ Millions) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Current Year | | Year 2 | | Year 3 | | Matures In | |
| | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | |
| | | Operating | Capital | Operating | Capital | Operating | Capital | Operating | Capital |
| A. Program Current Base | Expense | | | | | | | | |
| | Asset | | | | | | | | |
| B. Program Request (change from existing base) | Expense | | | | | | | | |
| | Asset | | | | | | | | |
| C. Available for Offset | Expense | | | | | | | | |
| | Asset | | | | | | | | |
| D. Net Impact On Program Allocation (B-C) | Expense | | | | | | | | |
| | Asset | | | | | | | | |
| E. Revenue Implications | | | | | | | | | |

| 7. IMPACT ON FTE LIMIT | Current Year 2016/2017 | Year 2 2017/2018 | Year 3 2018/2019 | Mature in 2019/2020 |
|---|---|---|---|---|
| A. Program Current Base FTE Limit | | | | |
| B. Program FTEs Request | | | | |
| C. Available FTE Offset | | | | |
| D. Net Impact on FTE Limit (B-C) | | | | |
| E. Change to Ministry Salaries & Wages Allocation (included in the Program Request ($ Millions) | | | | |

| 8. OTHER DECISION FACTORS | Y/N | EXPLANATION |
|---|---|---|
| A. Consistent with Government Priorities and Results (If Yes identify key Results) - include details in submission) | Y | MOA between Minister of Energy and OPG |
| B. Policy approval (if yes identify policy committee and date approved) | N | |
| C. Key Performance Risks (If yes provide details in submission) | N | |
| D. Impact on other Ministries (if yes - include sign-off date. Include resources impact in submission) | N | Ministries: N/A |
| E. Impact on the Fiscal Plan (if yes provide details in submission) | Y | Impact of OPG results |

**9. AUTHORIZATION /DATE**

Signature of Minister — Date:

Glenn Thibeault

Signature of Deputy Minister — Date:

Serge Imbrogno

# MINISTRY OF ENERGY

---

# TREASURY BOARD / MANAGEMENT BOARD of CABINET SUBMISSION

# ONTARIO POWER GENERATION (OPG) 2017-19 BUSINESS PLAN AND SPECIAL STATUS APPLICATION

**May 2017**

**CONFIDENTIAL**

**MINISTRY OF ENERGY**

**ONTARIO POWER GENERATION (OPG)**
**2017-19 BUSINESS PLAN AND SPECIAL STATUS APPLICATION**

## MINISTRY REQUEST

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

## CONTEXT

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29, 2016 for concurrence
    - Note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- With this Business Plan OPG is also making an application for Special Status under the Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive, which allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- The Minister's concurrence requires presentation of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance and the Corporate and Electricity Finance Division of the Ontario Financing Authority (OFA)
- The following provides an overview of OPG's business plan, including:
    1. Business Plan Overview
    2. Other Considerations
- Proceeding with Provincial concurrence now will demonstrate that OPG has support from its shareholder as it implements the plan and provides clarity to

the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period

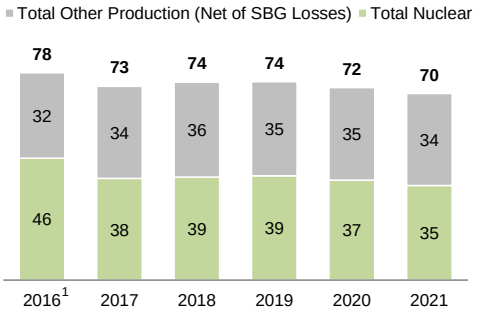
- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP and the timing of the receipt of the business plan in November 2016, these changes are not reflected in OPG's plan
    - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed partly by capital infusions from the Province, and majority by third-party lending
    - These changes are generally expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
    - In addition, the Province's net debt position would remain unchanged

## 1. BUSINESS PLAN OVERVIEW

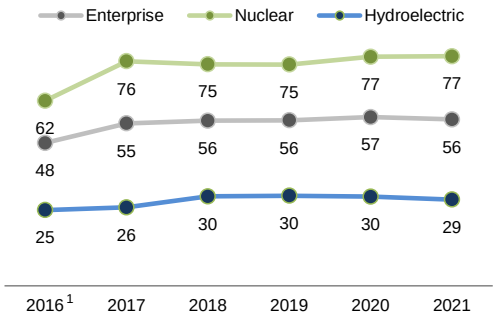
### a) Production & Total Cost of Generation

- OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016
    - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
    - Includes a partial overlap starting in 2021 between second and third unit refurbishments, and
    - Includes the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage
- While OM&A remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
    - Lower nuclear production due to Darlington refurbishment outages, and
    - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

**Production (TWh)**




**Total Generating Cost ($/MWh)**



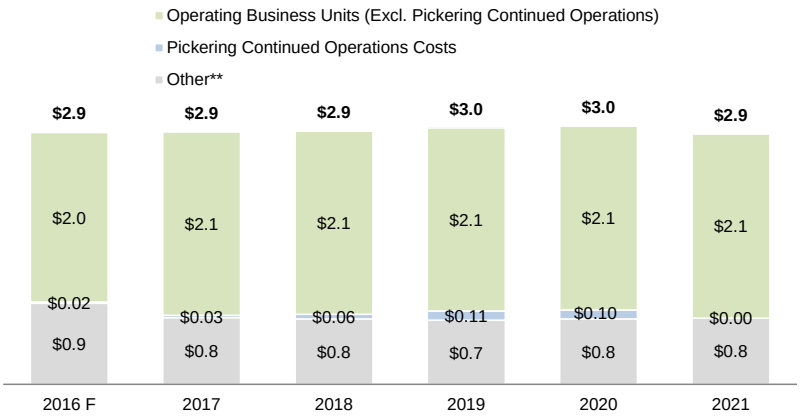

1. Actuals

*TGC = operations, maintenance and administration (OM&A) expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

## b) Operations, Maintenance and Administration (OM&A) Expenses

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
    - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
    - Incremental outage and other program costs to enable Pickering continued operations
- These increases are partially offset by declining pension and Other Post-Employment Benefits (OPEB) costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

**OM&A from Ongoing Operations* ($B)**



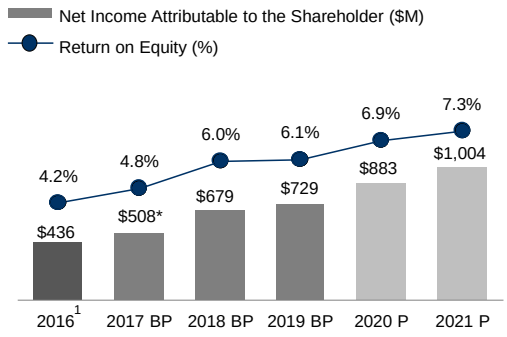

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets

** Includes centrally held pension /OPEB costs and support services

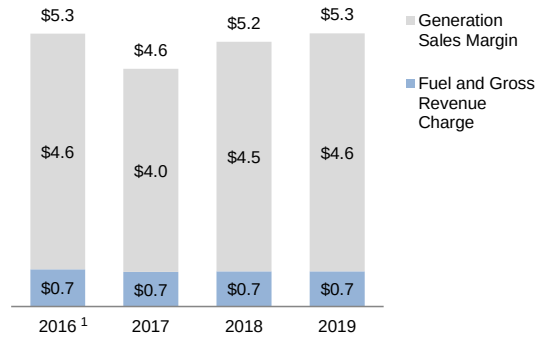
## c) Financials

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
    - 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
    - Net income in 2018 and 2019 is planned to increase, primarily due to higher forecast production, and earnings from Peter Sutherland Sr. GS starting in 2017 and Nanticoke solar facility starting in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return
- In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be $285M and will be distributed to the Trillium Trust.

**Net Income ($M) and ROE (%)**




**Revenue Margin ($B)**




1. Actuals

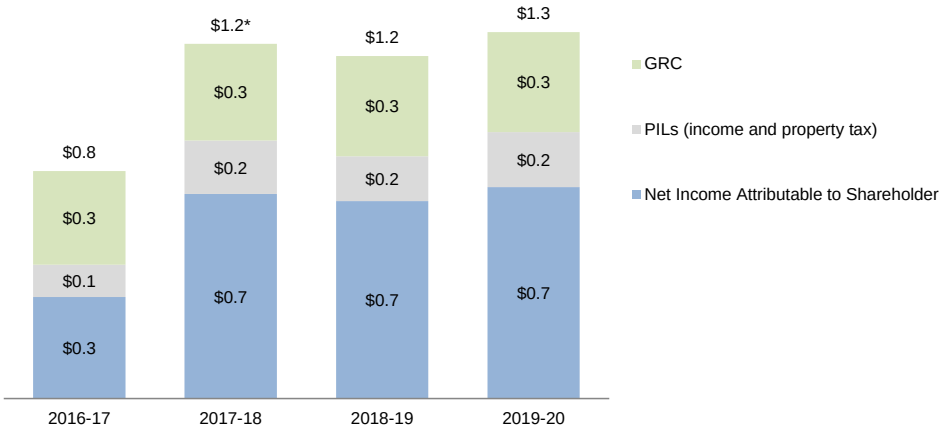
*Includes extraordinary gain associated with the sale of OPG head office

## d) Provincial Fiscal Impacts: Shareholder Return and Payments-in-Lieu of Taxes

- Total fiscal revenue impacts to the Province, including net income return to the shareholder and payments-in-lieu of taxes, averages ~$1B over the period
    - Provincial revenues from OPG are dedicated to servicing and paying down stranded debt and the investment cost of the Province acquiring the equity in OPG[1]

- Return to the shareholder improves due to changes in net income, which OPG attributes to:
    - Assumed OEB rate outcomes
    - Completion of the first Darlington unit refurbishment
    - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs)
- Income tax PILs, Gross Revenue Charges (GRC) and property tax PILs paid to the Ontario Electricity Financial Corporation (OEFC) to help service and pay down stranded debt are consolidated in Public Accounts under Taxation Revenue
- OPG also pays a portion of the GRC to the Province's Consolidated Revenue Fund (CRF)

**Total Fiscal Revenues ($B)**




1. Aside from the water power rental portion of the GRC, paid to the CRF.

*Includes gain associated with the sale of OPG head office

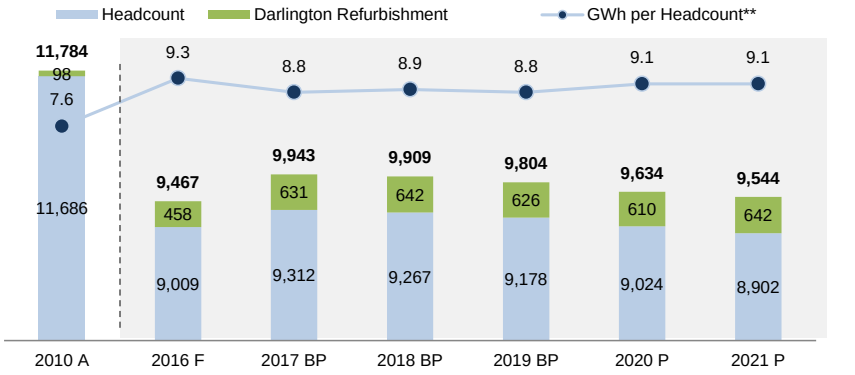
## e) Business Transformation Initiative & Labour Costs

- As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016
    - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020

- OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021

- In addition, to date OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**

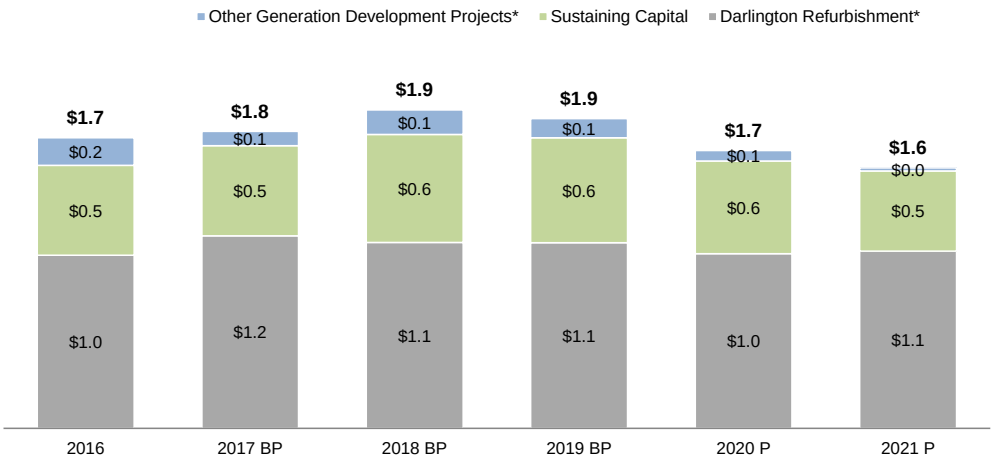



**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

### f) Operating Highlights - Projects and Capital Expenditures

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Generation Development Projects:** Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**



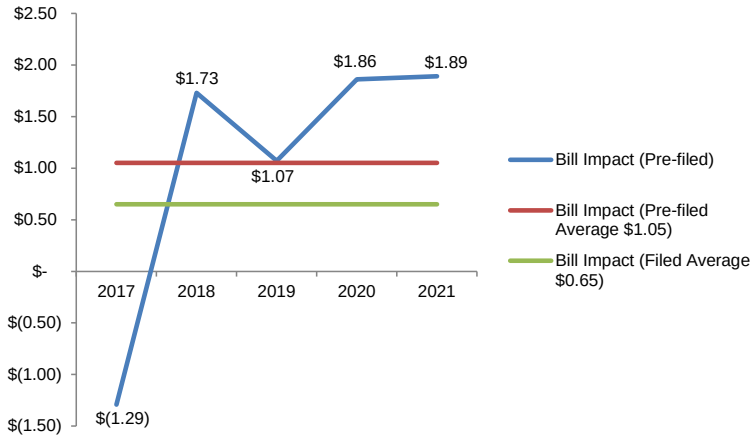

*Includes expenditures budgeted by Support Services

## 2. OTHER CONSIDERATIONS

### Rate Application

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q4 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
    - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*
- Rate-Smoothing Proposal:
    - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only
        - Rate smoothing is expected to be fiscally neutral due to rate regulated accounting
    - On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

## Sales

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## Special Status for OPG to Approve International Travel

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister to provide a business case and request authority for OPG to approve international travel for its employees. In summary:
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business

  - OPG believes that international travel is integral to the safe and prudent operation of its business and having OPG's CEO approve international travel will enable more efficient decision-making while significantly lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for over $30 billion in pension fund and nuclear funds
  - OPG requires a high level of international business travel at approximately 90-100 trips annually, while the Darlington Refurbishment Project accounts for 45% of OPG's international travel and is expected see increases over the 10 year life of the project
  - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
  - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG is seeking Special Status as part of concurrence with its business plan. OPG has committed to providing semi-annual reports to the Ministry on international travel taken, and continue to be accountable for compliance with all applicable OPS directives, policies and procedures

## RECOMMENDATION

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

# APPENDIX

## OPG 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

Ontario

MINISTRY OF
ENERGY

# Ontario Power Generation (OPG)
# 2017-19 Business Plan and
# Special Status Application

May 2017

# Context

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29, 2016 for concurrence
  - Note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- With this Business Plan OPG is also making an application for Special Status under the Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive, which allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- The Minister's concurrence requires presentation of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance and the Corporate and Electricity Finance Division of the Ontario Financing Authority (OFA)
- The following presentation provides an overview of OPG's business plan, including:
  1. Business Plan Overview
  2. Other Considerations

# Context *(cont'd)*

- Proceeding with Provincial concurrence now will demonstrate that OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period

- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP and the timing of the receipt of the business plan in November 2016, these changes are not reflected in OPG's plan

  - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed partly by capital infusions from the Province, and majority by third-party lending

  - These changes are generally expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income

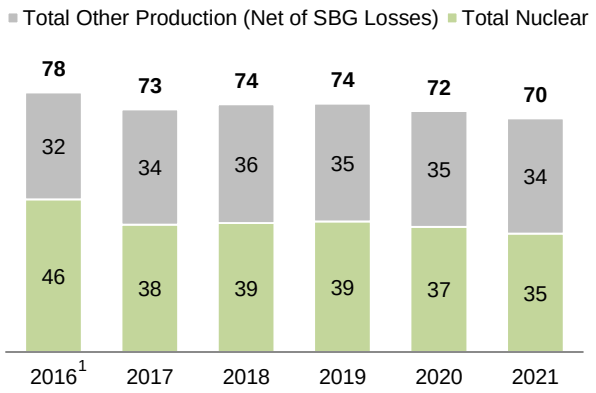
  - In addition, the Province's net debt position would remain unchanged

# 1. Business Plan Overview

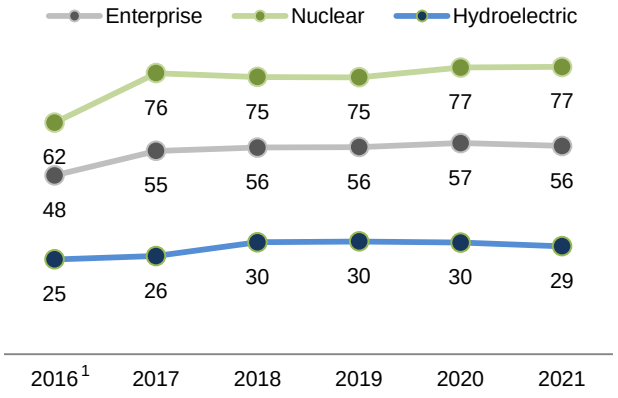
## *a) Production & Total Cost of Generation*

- OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Includes a partial overlap starting in 2021 between second and third unit refurbishments, and
  - Includes the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage
- While Operations, Maintenance and Administration (OM&A) remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

### Production (TWh)




### Total Generating Cost ($/MWh)




1. Actuals

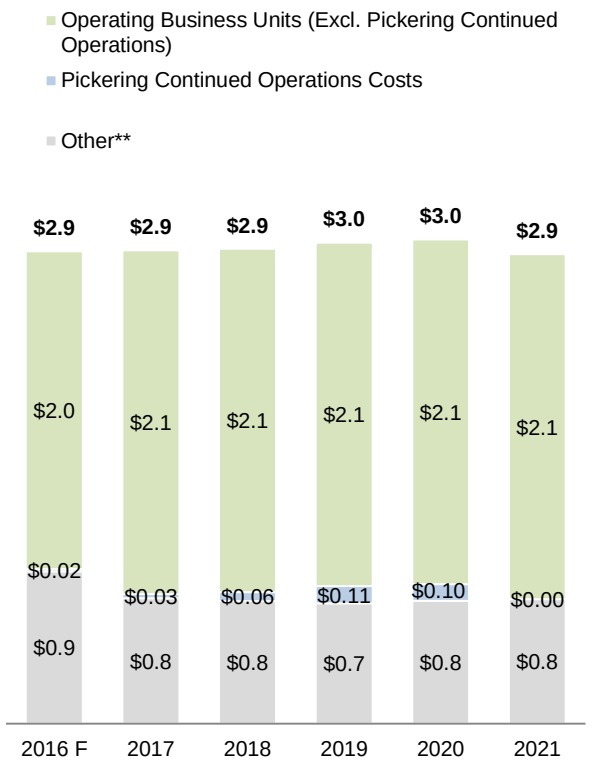
*TGC = OM&A expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

# 1. Business Plan Overview

## *b) Operations, Maintenance and Administration (OM&A) Expenses*

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
  - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
  - Incremental outage and other program costs to enable Pickering continued operations
- These increases are partially offset by declining pension and Other Post Employment Benefits (OPEB) costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

### OM&A from Ongoing Operations* ($B)



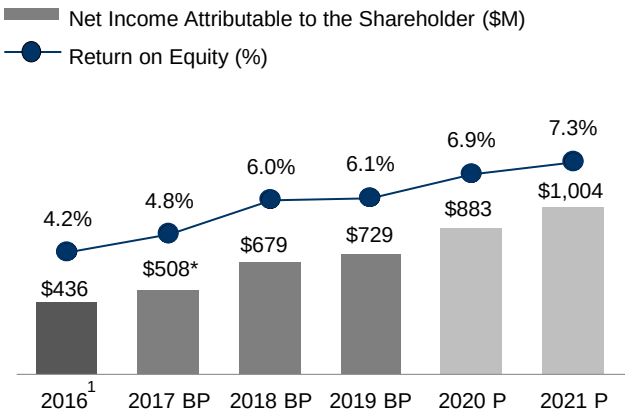

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets
** Includes centrally held pension /OPEB costs and support services

# 1. Business Plan Overview

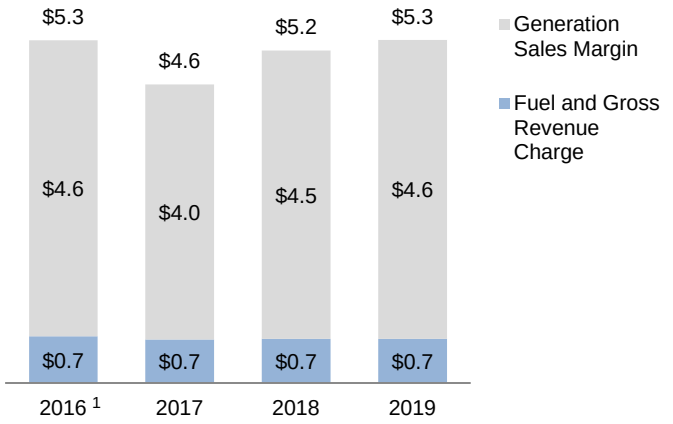
## *c) Financials*

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
  - 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
  - Net income in 2018 and 2019 is planned to increase, primarily due to higher forecast production, and earnings from Peter Sutherland Sr. GS starting in 2017 and Nanticoke solar facility starting in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return
- In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be $285M and will be distributed to the Trillium Trust

### Net Income ($M) and ROE (%)




### Revenue Margin ($B)




*Includes extraordinary gain associated with the sale of OPG head office

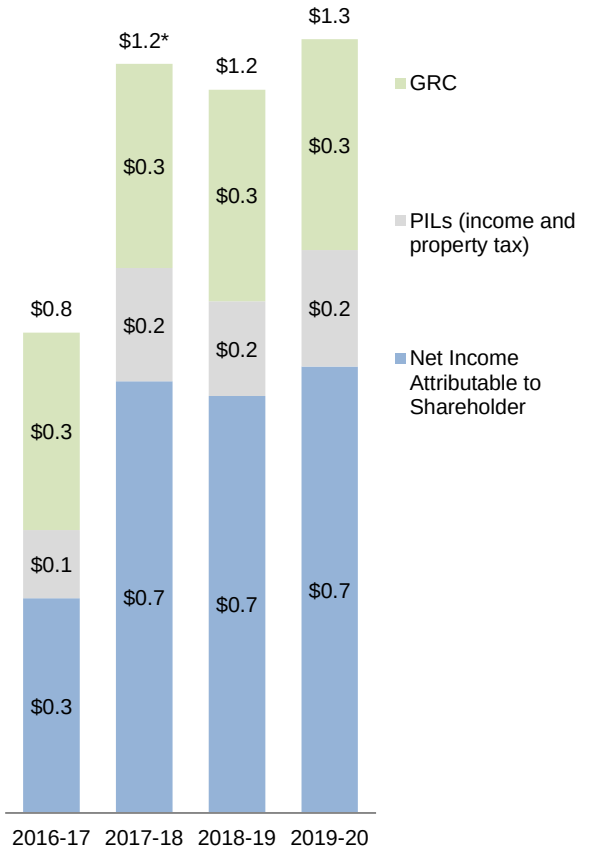
1. Actuals

# 1. Business Plan Overview

## *d) Provincial Fiscal Impacts: Shareholder Return and Payments-in-Lieu of Taxes*

- Total fiscal revenue impacts to the Province, including net income return to the shareholder and payments-in-lieu of taxes, averages ~$1B over the period
  - Provincial revenues from OPG are dedicated to servicing and paying down stranded debt and the investment cost of the Province acquiring the equity in OPG[1]
- Return to the shareholder improves due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs)
- Income tax PILs, Gross Revenue Charges (GRC) and property tax PILs paid to the Ontario Electricity Financial Corporation (OEFC) to help service and pay down stranded debt are consolidated in Public Accounts under Taxation Revenue
- OPG also pays a portion of the GRC to the Province's Consolidated Revenue Fund (CRF)

**Total Fiscal Revenues ($B)**



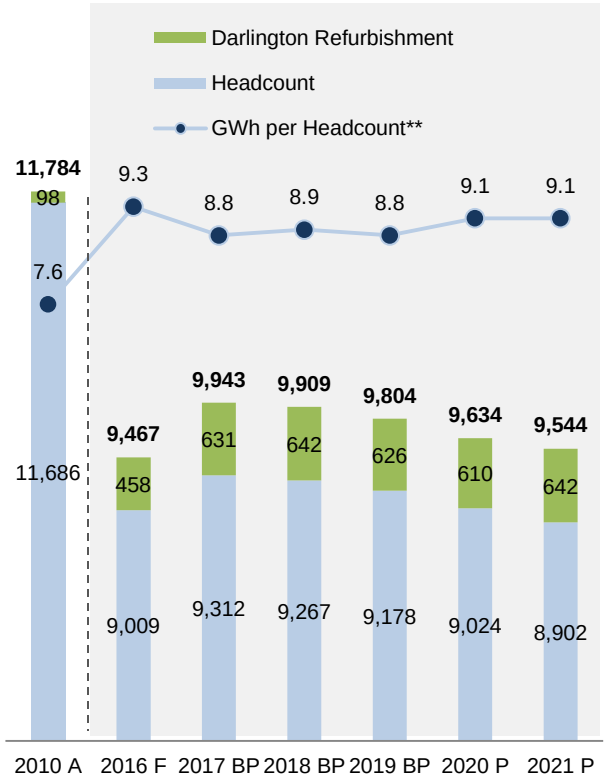

1. Aside from the water power rental portion of the GRC, paid to the CRF.
*Includes gain associated with the sale of OPG head office

# 1. Business Plan Overview

## *e) Business Transformation Initiative & Labour Costs*

- As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



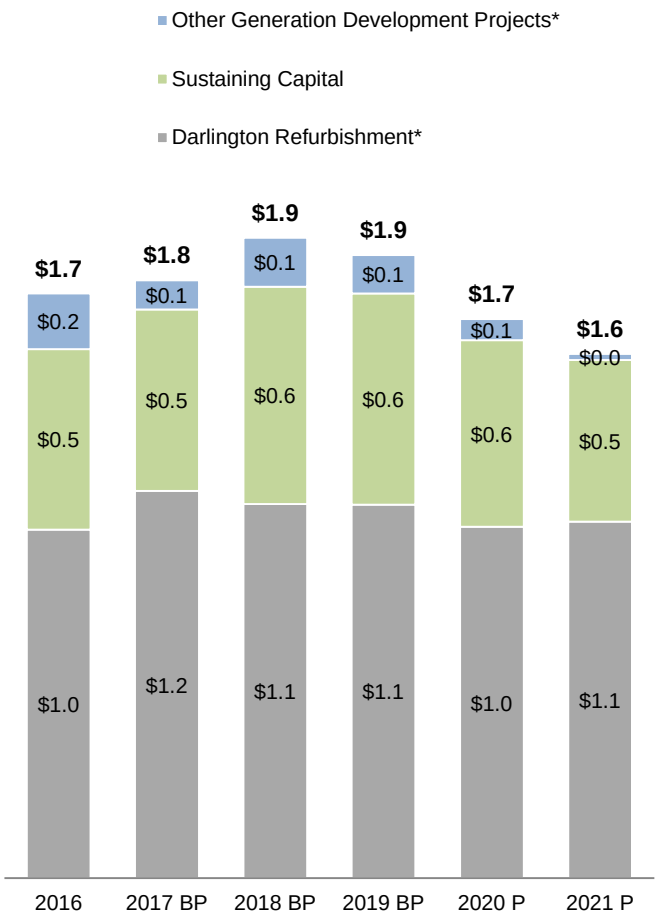

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew II
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Generation Development Projects:** Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

# 2. Other Considerations

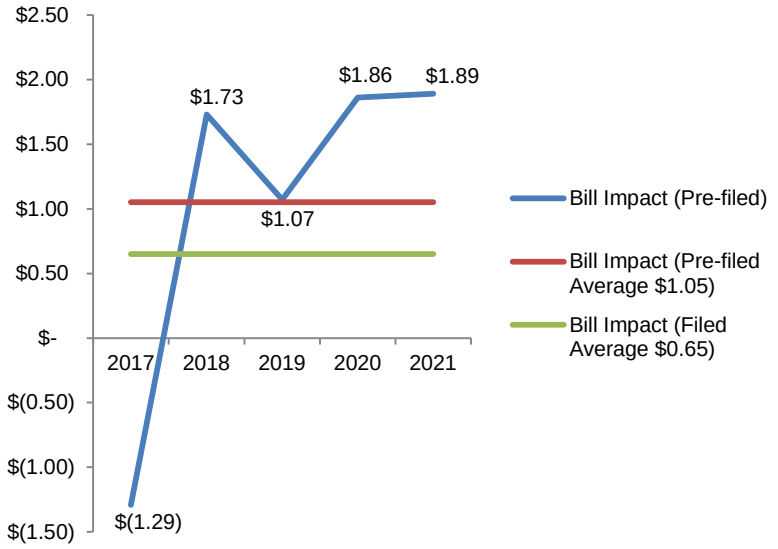
## *Rate Application*

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q4 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*

**Rate-Smoothing Proposal:**

- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only
  - Rate smoothing is expected to be fiscally neutral due to rate regulated accounting
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

## *Special Status for OPG to Approve International Travel*

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister to provide a business case and request authority for OPG to approve international travel for its employees. In summary:
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
  - OPG believes that international travel is integral to the safe and prudent operation of its business and having OPG's CEO approve international travel will enable more efficient decision-making while significantly lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for over $30 billion in pension fund and nuclear funds
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- OPG is seeking Special Status as part of concurrence with its business plan. OPG has committed to providing semi-annual reports to the Ministry on international travel taken, and continue to be accountable for compliance with all applicable OPS directives, policies and procedures

# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
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| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
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| Long-term debt | 4.4 |
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| Pension liabilities | 3.0 |
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| Other liabilities | 1.7 |
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| **Gross margin** | **$4.9** |
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| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Subject:** | FW: OPG Business Plan |
| **Date:** | Tuesday, May 02, 2017 4:20:51 PM |
| **Attachments:** | 5 2017-05-09 RAN OPG Business Plan v2.doc |

Another round….let's have a look what it's about.

**From:** Strang, James (TBS) [mailto:James.Strang@ontario.ca]
**Sent:** Tuesday, May 02, 2017 4:17 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Felix Fung (MOF) <Felix.Fung@ontario.ca>
**Subject:** OPG Business Plan

John,

Chair's - Thursday, May 4th 1:00-3:00pm. OPG and FHP towards at the beginning of the Agenda.

OPCD is reviewing the note (Attached). Sec was very brief today. Cindy V (OPCD) Indicated there's a few accounting aspects at play – I caught the IFRS consolidation risk and she referenced another in general terms, I'm guessing nuclear funds related? Please confirm if the first bullet under Key Income Statement Forecasts is correct.

I also noticed the financial table on page 12 repeats amounts appearing on page 11 (for example OPG IFRS consolidation, and Net Income (including OPG Head Office). The blurb at the top of page is talking about the following table being other OPG fiscal results. Perhaps the blurb at the top of page 12 can be updated to reflect what's in the table, and clarify what '2017 budget adjustments" are as adjustments to what?

Thanks in advance,

James

TAB 3

**TREASURY BOARD / MANAGEMENT BOARD OF CABINET**
**REQUEST ASSESSMENT NOTE**

| | |
|---|---|
| **Ministry:** | Energy |
| **Meeting Date:** | May 9, 2017 |
| **Agenda Class:** | Discussion (In Camera) |
| **Last reviewed by:** TB/MBC March 24, 2015 | **Tracking to: Fast Track** Cabinet (May 10, 2017) |

| **SUBMISSION TITLE:** | 2017-2019 Business Plan for Ontario Power Generation |
|---|---|

~~**Prepared based on draft submission**~~

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## I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2017-2019 Business Plan

## II. RECOMMENDATIONS:

| | |
|---|---|
| • Receive the 2016-2018 business plan for Ontario Power Generation | *Receive* |
| • Note Minister of Energy will provide concurrence with OPG's Business Plan | *Note* |
| • Approval giving special status to OPG under Section 5.3 of the MBC Travel, Meal and Hospitality Expenses Directive, giving it the authority to approve international travel for its employees. | *tbd* |

## III. FINANCIAL SUMMARY

| **$ Millions** | **2014-15** | **2015-16** | **2016-17** |
|---|---|---|---|
| Initiative cost requested | 0.0 | 0.0 | 0.0 |
| Initiative cost recommended | 0.0 | 0.0 | 0.0 |
| Recommended program base | 0.0 | 0.0 | 0.0 |
| Offset Recommended (Specify Ministry/Program) | 0.0 | 0.0 | 0.0 |
| Total Fiscal Impact | 0.0 | 0.0 | 0.0 |

## IV. KEY COMMENTS AND CONSIDERATIONS

As stipulated as part of the 2013-14 Results-based Planning process, the Ministry of Energy is submitting OPG's annual business plans for review by Treasury Board to facilitate incorporating implications into the Province's fiscal plan.

It is under the responsibility of the Minister of Energy on whether or not to provide the Minister's concurrence of OPG's annual multi-year business plan. The Treasury Board submission provides the Minister of Energy with an opportunity to highlight why concurrence is being given and any conditions placed on it. Appendix C provides more information on the concurrence process and the 2013-14 minute.

Under the memorandum of agreement (MOA, July 2015) between the Province (as sole shareholder and the Ministry of Energy as representative of the shareholder) and OPG, the company is required to annually submit its board-approved multi-year business plan to the Minister of Energy for concurrence.

The concurrence letter from the Minister to the company will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company including indicating any elements of the business plan the government does not concur.

In November 2016, OPG submitted its Board approved 2017-2019 Business Plan ~~(Board-approved?)~~ to the Ministry.

Ontario's Fair Hydro Plan (OFHP) is not reflected in OPG's latest Business Plan. The Ministry notes the following OFHP implications for OPG:

- As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would develop a Special Purpose Vehicle (OPG Trust) which would use 100 per cent debt financing to purchase the right to future cash flows from IESO. It is proposed that the OPG Trust would raise 51% of required funding directly from capital markets while OPG would provide 49% of the financing requirements. The latter would include 44% debt or equity financing from the Province (Estimates provides for a Ministry of Energy operating asset to make an equity injection) with OPG raising the remaining 5% from capital markets.
  - Provincial borrowing would be offset by an increase in an investment asset in OPG.
  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
  - In addition, the Province's net debt position should remain unchanged
    - ~~As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province (Equity injection via an operating asset, raised from higher debt, with additional shares to the Province as sole shareholder), and by third-party lending (check with OFA – currently 256.3M common shares increasing to….needed? Perhaps explain why there are shares given province is sole shareholder, linked to value of OPG assets/equity)~~
  - ~~These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income~~
  - ~~In addition, the Province's net debt position should remain unchanged~~ ~~(Check is OFA)~~

Financial figures from the OPG Business Plan are included and supplemented with forecast adjustments from the Ontario Financing Authority, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget, and for risks related to the Auditor General recommendation that Ontario include Hydro One and OPG financial information in the consolidated financial statements using the International Financial Reporting System (IFRS) reporting framework as required by PSAB standards. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan. ~~Financial figures from the OPG Business Plan are included and supplemented with forecast changes for the Ontario Financing Authriy, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan.~~

The earnings before tax (net income and income tax payments in lieu – PILs) of OPG are consolidated on the Province's financial statements and have an one-for-one impact on the Province's surplus/deficit position, excluding adjustments that the Province may make upon consolidation of OPG's financials (e.g., unrealized gains or losses in the nuclear funds). OPG is expected to submit its next multi-year business plan later this year for the period starting January 1, 2018~~7~~.

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**Commented [BA1]:** Also added MoF changes for IFRS risk

***Overview of Current Business Plan***

OPG's 2017-19 Business Plan details key company undertakings such as business transformation and nuclear refurbishment that will have a substantial electricity system benefit, ratepayer and shareholder impacts. These items were flagged in the previous year's multi-year business plan as well.

- Key Income Statement Forecasts:
  - The figures in the OPG Board approved 2017-2019 Business Plan show a decrease in earnings before tax of $294M in 2016-17 and $556M in 2017-18 [with $75M and $400M of the declines in 2016-17 and 2017-18 due to IFRS-related consolidation risks], primarily due to estimated impact of Ontario Nuclear Funds Agreement-related IFRS risks, followed by an increase of $11M in 2018-19 and a decrease of $14M in 2019-20 versus the estimates in the 2016 Budget. The 2019-20 decrease largely reflects an IFRS-related consolidation risk of $200M) as described above.

  - ~~The figures in the OPG Board approved 2017-2019 Business Plan, along with OFA forecast updates for OFHP (TBC), show a decrease in earnings before tax of $84M in 2017-18 and $89M in 2017-18, followed by increases of $59M in 2018-19 and $120M in 2019-20 over the estimates in the 2016 Budget..~~

    OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $4636M in 2016. Net income in 2017 is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations

    Net income in 2018 and 2019, before OFA amd MOF adjustments, is projected~~lanned~~ to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019. Return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021.

    In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be $285M and will be distributed to the Trillium Trust.

    These estimates are highly dependent on electricity and financial market conditions, regulatory decisions by the Ontario Energy Board (OEB), potential changes to accounting standards or the basis of consolidation in Public Accounts, operational performance, and/or government policy, which can change materially. The first table in Appendix G shows the changes to Province's fiscal plan.

  - Annual Operations, Maintenance & Administration (OM&A) expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year.

  - The cost of OPG generated electricity to customers is projected to remain ~40% below the average non-OPG cost of electricity to 2018, and over ~30% by 2021. Note: OPG provides predominantly, lower-cost baseload generating capability, rather than more expensive peaking generating capability.

  - Headcount Efficiencies – Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.

    OPG continues ramping up recruitment in 2017 to fill key vacancies in certain areas (particularly in the nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020. OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower

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than 2017 levels in 2021.

OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015. OPG intends to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations.

- Key Projects:
  - The plan assumes ongoing operations at Pickering for about four years beyond 2020, and as approved by Cabinet, the execution of the Darlington refurbishment consistent with approved budget of $12.8 billion (including escalation and interest), is now under way. First unit refurbishment began in October 2016, Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained.
  - Sustaining capital expenditures average $570M per year include nuclear expenditures unrelated to Darlington refurbishment and costs for continued operation of Pickering (e.g., Upgrades at Sir Adam Beck and upgrades to DeCewII, and investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility).
- Rate Application to the OEB:
  - OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021. Oral hearings began February 2017, decision expected in Q3 2017.
    - OPG 2017-2019 BP assumes new rates effective January 1, 2017. The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay.
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only.
  - On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year
- OPG Request – Special Stats for OPG to Approve International Travel (Appendix F provides more information):
  - OPG has placed a request with the Ministry for authority to approve international travel for its employees. OPG has asked that this application be included with its BP submission to TB/MBC.
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business.
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds.
    - OPG requires a high level of international business travel at approximately 90-100

trips annually, while Darlington accounts for 45% and is expected see increases.

- OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date.

*Other Key Fiscal Risks:*

Regulatory risks: OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.

Accounting risks: A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.~~Regulatory risks: Potential disallowance of recovery of OPG's current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.~~

~~Accounting risks: Any change in the basis of accounting used for consolidation of OPG on the Province's financial statements could result in potentially significant fiscal impacts.~~

~~Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.~~

| | | | |
|---|---|---|---|
| **Name of analyst:** | James Strang | **Phone number:** | 7-2071 |
| **Date:** | May 1, 2017 | **Log number:** | |
| **Branch / Division:** | General Government, Planning and Resources Branch, PEM, TBS | | |

## APPENDIX A: PROPOSED MINUTE (UNDER DEVELOPMENT)

Note receipt of a Business Plan for Ontario Power Generation.

In this regard,

i.) Note the Minister of Energy will provide Ontario Power Generation (OPG) with a concurrence letter for its Business Plan.

ii.) …..request for special status…international travel

iii.) Direct the Ministry, in consultation with the Ministry of Finance / Ontario Financing Authority, to report back to the Board in early January each year with the approved or latest draft business plans for Ontario Power Generation for fiscal planning purposes.

| **FINANCIAL IMPACTS: CHANGES TO EXPENSE AND REVENUE** | | | | | **TABLE B1** |
|---|---|---|---|---|---|
| | | ***Fiscal Plan Basis*** | | | ***Appropriations Basis*** |
| **$ Millions** | | **2014-15** | **2015-16** | **2016-17** | **2014-15** |
| Initiative cost recommended | | 0.0000 | 0.0000 | 0.0000 | |
| *Expense changes:* | | | | | |
| Operating item | Oper | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital item | Cap | 0.0000 | 0.0000 | 0.0000 | 00000 |
| | | | | | |
| | | | | | |
| *Revenue changes:* | | | | | |
| Revenue increase/offset | | 0.0000 | 0.0000 | 0.0000 | |
| Revenue decrease | | 0.0000 | 0.0000 | 0.0000 | |
| **Total Fiscal Impact (draw from c-funds)** | | **0.0000** | **0.0000** | **0.0000** | **0.0000** |

## APPENDIX C: CONCURRENCE OVERVIEW

Under agreements between the Province (as sole shareholder) and OPG, the company is required to annually submit its multi-year business plan to the Minister of Energy for concurrence. Review of the business plan by Treasury Board prior to concurrence was stipulated as part of the 2013-14 Results-based Planning process (see below).

Concurrence is typically provided to OPG via a letter from the Minister of Energy. The letter will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company. The letter may also indicate any elements of the business plan of which the government does not concur and/or provide additional guidance on expectations going forward.

The current submission looks at the multi-year business plan for OPG covering 2016-2018. Concurrence with the plan is still pending.

Below is the 2013-14 Results-based Plan Minute:

Directed the Ministry of Energy and its agencies, Ontario Power Generation Inc. and Hydro One Inc., in consultation with the Ontario Financing Authority, to report back:

- Annually each autumn with the respective multi-year business plans of the agencies as approved by the Boards of the companies, for review by Treasury Board/Management Board of Cabinet.
  - In this regard, the report should include the following, on a calendar and government fiscal year basis:
  - Multi-year financial and operational targets, including net income and earnings-before-tax.
  - Projected revenues and cash flows to the Province, including the Ontario Electricity Financial Corporation.
  - Planned financings from the Ontario Electricity Financial Corporation.
- Quarterly with financial projection updates and progress reports on the agencies' respective business plan targets and any other new developments, initiatives or risks that may have a material fiscal impact on the Province including variance analysis of last quarter and year-to-date against the annual business plan reviewed by Treasury Board/Management Board of Cabinet.

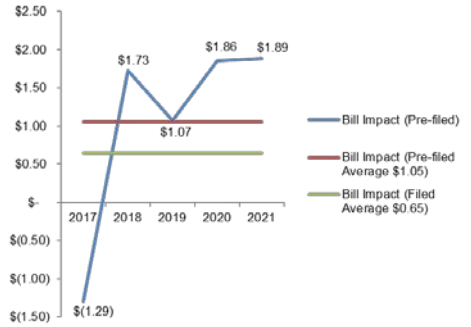
## APPENDIX D: SUMMARY OF KEY HIGHLIGHTS FROM OPG BUSINESS PLAN

The Ministry indicates OPG financial and ratepayer forecasts show some changes from last year's business plan projections, as reviewed by Treasury Board in September 2016.

This is in part because 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations.

Also, actions taken by the Province and OPG in early 2017 to enable OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only. OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year.

**Comparison of Annual Bill Impact ($/Month per year)**




*Production and Total Cost of Generation*

OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016. This reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016 and overlaps between unit refurbishments, as well as, the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage.

Total generating cost shows an increasing trend over the planning period relative to 2016, reflecting Lower nuclear production due to Darlington refurbishment outages, increased sustaining capital spending on two large hydroelectric projects (The Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation).

*Operations, Maintenance and Administration (OM&A) Expenses*

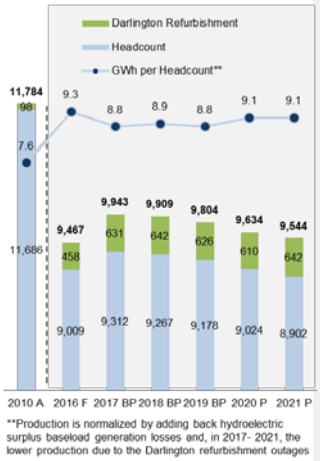
Annual OM&A expenses (excluding Darlington refurbishment OM&A) from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year. Increases related to changes in nuclear outage scope at Darlington and planned hiring to fill staffing gaps, and enabling Pickering continued operations, offset by declining pension related costs, due to projected pension asset returns, increases employee contributions, and new method for dermining interest components of pension costs.

*Business Transformation and Labour Costs*

As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016:

- Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.
- OPG continues recruitment in 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
  - To date in 2017, OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



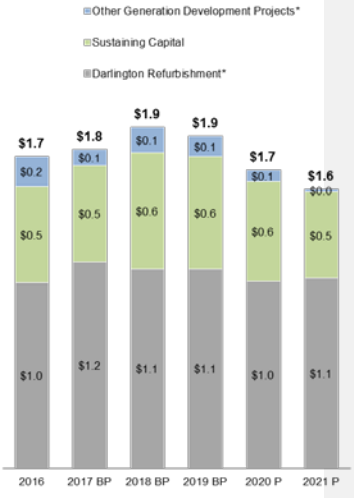

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

*Projects and Capital Expenditures*

OPG continues delivery of major projects over the plan period, including:

- Darlington Refurbishment – Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, requiring concurrence from the Province prior to commencement
- Sustaining Capital – Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- Other Generation Development Projects – Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

*Sales*

The following table summarizes sales recently completed and currently underway (as of April 2017). The fiscal plan implications of the completed OPG Head Office sale is reflected in the 2017 Budget. (TBC).

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| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| Current Status | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| Site Description | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| Buyer | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| Value | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| Other Considerations | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| Timing | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## APPENDIX E: PROVINCIAL FISCAL PLAN IMPLICATIONS OF BUSINESS PLANS PROCEEDING – (UNDER DEVELOPMENT)

Ontario Power Generation is a Government Business Enterprises (GBE), and consolidated to the Province's financials on a modified equity basis. The Province's Fiscal Plan reflects the entity as Income from Business Enterprises and Electricity Payments-in-Lieu of Taxes (PILs) (As Revenue only).

| Revenue ($millions) | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 471 | 586 | 673 | |
| Income Tax | 224 | 159 | 182 | |
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 96 | 166 | 135 | 170 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income (before IFRS Risk) | 379 | 480 | 678 | 726 |
| IFRS Consolidation Adjustment | (75) | (400) | | (200) |
| GA – OPG Trust Net Income Impact (assumed, to offset IOD) | 17 | 54 | 99 | 153 |
| OPG Head Office* | | 222 | | |
| Net Income | 304 | 97 | 732 | 825 |
| Income Tax | 92 | 92 | 135 | 170 |
| OPG Head Office* | | 74 | | |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (167) | (489) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | (132) | (67) | (47) | 6 |
| **TOTAL OF OPG CHANGES** | (299) | (556) | 12 | 182 |

- Net Income and PILs contributions from OPG Head Office are included in Sales and Rental under Other Non-Tax Revenue in the 2017 Budget.

| ~~Revenue ($millions)~~ | ~~2016-17~~ | ~~2017-18~~ | ~~2018-19~~ | ~~2019-20~~ |
|---|---|---|---|---|
| **~~2016 Ontario Budget~~** | | | | |
| ~~Ontario Power Generation~~ | | | | |
| ~~Net Income~~ | ~~471~~ | ~~586~~ | ~~673~~ | ~~705~~ |
| ~~Income Tax~~ | ~~224~~ | ~~159~~ | ~~182~~ | ~~108~~ |

**Commented [RK2]:** I thought a small amount (100?) was ultimately included here too -- CHECK

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|---|---|---|---|---|
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 111 | 184 | 154 | 189 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 387 | 497 | 732 | 825 |
| Income Tax | ? | ? | ? | ? |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (84) | (89) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | ? | ? | ? | ? |
| **TOTAL OF OPG CHANGES** | ? | ? | ? | ? |

OPG's fiscal results are also impacted by Other PILs to the Ontario Electricity Financial Corporation (OEFC) and the Province. The following table reflects these others impacts in addition to the latest net income and income tax PILs from OPG's August update.

~~Table below to be updated – OFA~~

| ~~Revenue ($millions)~~ | ~~2016-17~~ | ~~2017-18~~ | ~~2018-19~~ | ~~2019-20~~ |
|---|---|---|---|---|
| ~~2016 Ontario Budget~~ | | | | |
| ~~Combined Other PILs & Other GRC~~ | ~~342~~ | ~~351~~ | ~~359~~ | |
| ~~Other PILs (GRC to OEFC, Proxy Property Tax)~~ | ~~213~~ | ~~223~~ | ~~232~~ | |
| ~~Other GRC (to MOF & Niagara Parks Commission)[1]~~ | ~~129~~ | ~~128~~ | ~~137~~ | |
| ~~2016-18 OPG Business Plan~~ | | | | |
| ~~Combined Other PILs & Other GRC[2]~~ | ~~353~~ | ~~358~~ | ~~366~~ | |
| ~~Other PILs (GRC to OEFC, Proxy Property Tax)[3]~~ | ~~215~~ | ~~220~~ | ~~220~~ | |
| ~~Other PILs (GRC to MOF & Niagara Parks Commission)[3]~~ | ~~135~~ | ~~140~~ | ~~140~~ | |
| ~~OPG Monthly Update (August 2016)~~ | | | | |
| ~~Net Income~~ | ~~361~~ | ~~-~~ | ~~-~~ | |
| ~~Income Tax PILs to OEFC~~ | ~~98~~ | ~~-~~ | ~~-~~ | |

~~1. The GRC to MOF & Niagara Parks Commission (NPC) is provided to enable comparison to the 2016-18 Business Plan.~~
~~2. Include GRC to OEFC, GRC to MOF and NPC and Proxy Property Tax, provided to TBS by Energy on September 14, 2016.~~
~~3. Preliminary 2016-19 Business Plan forecast provided by Energy, January 29, 2016. (Do not add to the Combined Other PILs & Other GRC row, likely due to rounding.)~~

| Revenue ($millions) | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Ontario Budget | | | | |
| Combined Other PILs & Other GRC | 342 | 351 | 359 | |
| Other PILs (GRC to OEFC, Proxy Property Tax) | 213 | 223 | 232 | |
| Other GRC (to MOF & Niagara Parks Commission) | 129 | 128 | 137 | |
| 2017-19 OPG Business Plan | | | | |
| Combined Other PILs & Other GRC | 329 | 350 | 363 | 362 |
| Other PILs (GRC to OEFC, Proxy Property Tax)[3] | 218 | 232 | 243 | 241 |
| Other PILs (GRC to MOF & Niagara Parks Commission) | 110 | 118 | 120 | 121 |

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| | | | | |
|---|---|---|---|---|
| Net Income (including OPG Head Office sale) | 379 | 702 | 678 | 726 |
| **2017 Budget Adjustments** | | | | |
| ONFA adjustment | 8 | | | |
| OPG Trust Interest Revenue - TBC | | 17 | 54 | 99 |
| OPG IFRS consolidation risk reflected in fiscal plan | (75) | (400) | - | (200) |
| Income Tax PILs to OEFC | 92 | 166 | 135 | 170 |

Source: OPG 2017-2019 Business Plan and further details provided by OPG March 14, 2017

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**From:** Shajee Kathirgamanathan
**To:** John Kim; Gavin He
**Subject:** FW: OPG Equity Injection Interest
**Date:** Tuesday, May 01, 2018 11:08:00 AM

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Just followed up with Risk…

Alex is on vacation til Monday. If this can wait, they suggest chatting then. They too want to get an idea of whether to classify the equity injections as new borrowings or from the liquid reserves and how to calculate. They'll want to chat with Alex before moving forward on that.

If the only hold up is just the actual calculation from Alex's team, I'll can start developing a briefing note on what we're proposing, and why and leave the interest cost amounts as placeholders for the time being.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Shajee Kathirgamanathan
**Sent:** Monday, April 30, 2018 1:39 PM
**To:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>; Chi-Wa Che <Chi-Wa.Che@ofina.on.ca>; Christina Zhang <Christina.Zhang@ofina.on.ca>; Sarah Wu <Sarah.Wu@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** OPG Equity Injection Interest

Hi Alex and team,

Hope you all are well.

You might be aware, as part of the Fair Hydro Plan the Province (via the OFA) provides an equity injection into OPG in return for OPG shares.

Since December 2017 when the equity injection began, the province has invested approximately $787M in equity into OPG. We're trying to develop an accurate picture of the interest costs of these equity injections thus far. I know we've dealt with your area before on projecting interest costs regarding FHP, but would you have information on what the exact costs have been due for the equity injections.

Happy to discuss this further or be redirected elsewhere if there's another area that would be more appropriate to talk to.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Senior Advisor
Electricity Finance Branch, Corporate and Electricity Finance Division
Ontario Financing Authority
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Shajee Kathirgamanathan
**To:** John Kim
**Cc:** Gavin He
**Subject:** FW: OPG Equity Injection Interest
**Date:** Wednesday, May 09, 2018 1:37:46 PM
**Attachments:** BN - OPG Equity Injection Interest Cost Analysis v3_clean.docx

---

FYI John, on the interest cost calculations (re: ESDI) for the equity injection.

Risk is working on it, it seems. If I don't hear further from them by the end of the week I can follow up further. (let me know if this is ok, otherwise I can follow up more frequently).

Not sure if we already shared our draft note for this proposal/policy. We left a placeholder for the information from Risk. Attached and found here:
S:\Users\CEF\Hydro 2018\OEFC\ESDI\Revision - OPG Equity Injection

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Alexander Kraas
**Sent:** Wednesday, May 09, 2018 11:01 AM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: OPG Equity Injection Interest

Thank you for the reminder, Shajee;

We are working on it.

BTW & as before, please address all IOD-related e-mails to the Outlook group "IOD_RPA" to ensure that your requests automatically reach the right person.

Best regards

Alex

---

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, May 09, 2018 10:17 AM
**To:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>
**Cc:** Christina Zhang <Christina.Zhang@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG Equity Injection Interest

Hi Alex,

Hope you're well. Just a friendly follow up on this request from last week…

We have details on the equity injections that have occurred and amounts, but we're looking to have an accurate idea of the interest costs (from the Province's perspective) for the OPG equity injections that have occurred.

Would your area be able to help us with this, or is there another area that would be more appropriate to talk to.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Shajee Kathirgamanathan
**Sent:** Monday, April 30, 2018 1:39 PM
**To:** IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** OPG Equity Injection Interest

Hi Alex and team,

Hope you all are well.

You might be aware, as part of the Fair Hydro Plan the Province (via the OFA) provides an equity injection into OPG in return for OPG shares.

Since December 2017 when the equity injection began, the province has invested approximately $787M in equity into OPG. We're trying to develop an accurate picture of the interest costs of these equity injections thus far. I know we've dealt with your area before on projecting interest costs regarding FHP, but would you have information on what the exact costs have been due for the equity injections.

Happy to discuss this further or be redirected elsewhere if there's another area that would be more appropriate to talk to.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Senior Advisor
Electricity Finance Branch, Corporate and Electricity Finance Division

Ontario Financing Authority
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

# INTEREST COST PROPOSAL – OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan should be included in the determination of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC). This note outlines why and how this would be calculated and reported.

## CONTEXT

- The Province has made a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words:

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One |

- As a result of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- While the increase in net income due to the Fair Hydro Plan will be recorded in OPG's financial statements, additional consideration is required as to how the Province will account for the cost of its increased investment in OPG.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment will need to be included in the cost of investment in OPG (iv from above).

## BACKGROUND

- As a result of the electricity sector restructuring on April 1, 1999, the Province exchanged equity of $5,126 million and $3,759 million in OPG and Hydro One respectively for notes payable (debt) to OEFC. This debt had an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an interest cost of approximately $520 million.
  - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

  - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

## PROVINCIAL BORROWING COSTS

[TBD. Will discuss with Risk on Monday]

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 2, 2018**

**From:** Bruno Amara
**To:** John Kim
**Cc:** Gavin He
**Subject:** FW: OPG Revenue
**Date:** Thursday, November 23, 2017 3:44:25 PM

---

John

Shall I use this to respond to Ron. OPG numbers are from business plan, which I'm sure ENE would have and IFRS were in an E&Y report that OPCD shared with us. Gavin is pulling this material together. And agree with Ron, not to provide 202—21 as they did not request this.

Bruno

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 3:38 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi John/Bruno,

I chatted with Graham and he said Shruti just asked him about the numbers but didn't tell him the reason. His guess was that Shruti just wanted to check the number against what's in OPG's business plan and see if there were anything done before putting that into Budget.

Regards,
Gavin He

---

**From:** Ronald Kwan
**Sent:** Thursday, November 23, 2017 3:30 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi,

Do we know what Energy wants to use them for? And can we point directly to an OPG source document for the numbers, including on the IFRS side, even if not fully picked up?

Ron

---

**From:** Usman Zahid
**Sent:** November-23-17 15:27
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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They are also considering including the FAO response as part of the explanation. Are you okay with sending this table to Energy, or should we exclude the IFRS adjustment?

Regards,
Usman

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 12:05 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: OPG Revenue

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Could you please let us know if Ron is okay with this table going to Energy, or should we exclude the IFRS adjustments?

Thanks,
Gavin He

---

**From:** Young, Graham (ENERGY) [mailto:Graham.Young@ontario.ca]
**Sent:** Thursday, November 23, 2017 9:41 AM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>
**Subject:** OPG Revenue

Hi Gavin,

Can you provide me with the OPG revenue numbers used in Budget 2017 for 2018/19 and 2019/20? I'm not able to pull them out of the document because they're aggregated up with other GBE's. Please include net income, GRC, property tax payable and income tax PILS if possible.

Thank you,

**Graham Young**
**Senior Policy Advisor**
Strategic Policy and Analytics Branch
Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Gavin He; John Kim |
| **Subject:** | FW: OPG Revenue |
| **Date:** | Thursday, November 23, 2017 4:41:38 PM |
| **Attachments:** | OPG ONFA Analysis _For Province_Mar 24 2017_cv.pdf<br>Copy of OPG 2017 Budget_v2.xlsx |

In excel, don't we need to reflect what was in the budget 2017?

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 4:33 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi John/Bruno,

Would the attached response work?

Thanks,
Gavin He

---

**From:** John Kim
**Sent:** Thursday, November 23, 2017 3:50 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

It is OK to refuse as well. Lol

---

**From:** Bruno Amara
**Sent:** Thursday, November 23, 2017 3:49 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

Correct on the years, didn't notice that. And agreed on IFRS. Most likely not. I just meant OPG business plan.

---

**From:** John Kim
**Sent:** Thursday, November 23, 2017 3:47 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>

**Subject:** RE: OPG Revenue

He also means 2016-17 and 2017-18. I wouldn't assume Energy has the IFRS.

---

**From:** Bruno Amara
**Sent:** Thursday, November 23, 2017 3:44 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG Revenue

John

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Thank you,

**Graham Young**
**Senior Policy Advisor**
Strategic Policy and Analytics Branch
Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

**Ontario Power Generation**
**IFRS - Nuclear ARO**
**Discount Rate & ONFA Update Impact**
**$ in millions**

**CAUTION / DISCLAIMER:** This information is forecasted based on discount rates up to December 31, 2016. Assumptions have been made in determining discount rate change and other activity for years 2017 and beyond.

**Sensitivity to Discount Rate Change:** In addition, discount rates have been volatile during 2016 . Changes in discount rates alone could result in P&L impact. Discount rate at December 31, 2016 was 3.15%. Previous analysis was based on discount rates up until August 11, 2016. Discount rate at August 11, 2016 was 2.55%. Comparing the annual projected impact to net income, as well as comparing the results below to the previously provided analysis, provide a range as to the potential impact of future discount rate change.

## Decrease/(Increase) to Net Income in comparison to US GAAP

**(15 year historical - 4.95% at transition; update discount rate each year)**

| | 31-Mar-15 Retained earnings [1] | 31-Mar-16 Income [1] | 31-Mar-17 Income (projected) | 31-Mar-18 Income (projected) | 31-Mar-19 Income (projected) | 31-Mar-20 Income (projected) | 31-Mar-21 Income (projected) | 2015-2021 Total (projected) |
|---|---|---|---|---|---|---|---|---|
| Bruce Life Extension | | 373 | - | - | - | - | - | |
| ONFA Cash Flow Changes | | - | (225) | - | - | - | - | |
| Discount Rate [2] | | - | 200 | 225 * | 200 * | 300 * | 275 * | |
| Other Activity [3] | | 2 | 100 | 175 | 275 | 400 | 475 | |
| **Total** | **419** | **375** | **75** | **400** | **475** | **700** | **750** | **3,194** |
| **Discount Rate [4]** | ***4.95%*** | ***4.70%*** | ***4.50%*** | ***4.30%*** | ***4.15%*** | ***3.95%*** | ***3.85%*** | |

## NOTES

[1] This information has been provided to the Province. Ernst & Young has performed specified procedures on behalf of the Province.

[2] **Projected annual journal entry for ONFA/discount rate changes under IFRS**

| | 31-Mar-17 | 31-Mar-18 * | 31-Mar-19 * | 31-Mar-20 * | 31-Mar-21 * |
|---|---|---|---|---|---|
| Dr(Cr) ARC | 1,300 | 775 | 650 | 950 | 400 |
| Dr(Cr) ARO | (50) | (1,225) | (1,050) | (1,550) | (850) |
| Dr(Cr) Reg asset | (1,225) | 225 | 200 | 300 | 175 |
| Dr(Cr) Income | (25) | 225 | 200 | 300 | 275 |

* This is based on discount rates as at December 31, 2016. Magnitude of the impact will change as discount rate changes.

[3] **Other Activity**

Under IFRS, when there is a downward movement in discount rate, the expected adjustment is to increase ARO, ARC, reg asset and an income impact. In subsequent years, this creates higher depreciation of ARC, higher depreciation of reg assets and less accretion; therefore reversing the relationship.

Majority of this relates to depreciation expense. Depreciation increases year over year due to additions to ARC as a result of discount rate change each year. Majority of the increase in depreciation expense is related to the Pickering Nuclear generating stations as additions to ARC are amortized to a current end of life date of December 31, 2020.

[4] Discount rate projections are the 15 year rolling average based on current discount rates up to December 31, 2016 (3.15%). Analysis assumes this rate for each year end up to December 31, 2020 for the purpose of the 15 year average. If discount rates continue to decline, this will result in more adverse impact.

## Budget 2017 Outlook for Electricity Companies[1]

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Trust Interest Revenue*[2] | *54* | *99* |
| IFRS Adjustment provided by OPG[3] | - | (200) |
| | 732 | 625 |

1. From OPG's 2017-19 Business Plan.
2. Note: Values estimated by FTD as part of the IOD impact.
3. Note: IFRS adjustments provided by OPG are not fully picked up by Budget 2017

| | 2018-19 | 2019-20 |
|---|---|---|
| Payments-in-lieu of tax: | | |
| Income Taxes | 135 | 170 |
| GRC: Payable to OEFC | 212 | 218.5 |
| Proxy Property Tax | 19 | 19 |
| **Total OPG PILs** | **366** | **407.5** |

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Cc:** | Gavin He |
| **Subject:** | FW: OPG TB |
| **Date:** | Tuesday, April 18, 2017 6:12:03 PM |
| **Attachments:** | 2017 04 11 OPG Business Plan Review v7.pptx<br>2017 03 14 OPG concurrence letter v6.docx<br>2017 04 11 TBMBC EIGS OPG Business Plan v03.docx |

Hi Bruno,

One more on the list of things to do!

Gavin, could you share with Ron?

John

---

**From:** Montgomery, Kaitlin (MOF) [mailto:Kaitlin.Montgomery@ontario.ca]
**Sent:** Tuesday, April 18, 2017 6:08 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** OPG TB

Hey John – wanted to pass along drafts of the OPG BP TB materials and concurrence letter. The deck and word doc submission are the same so feel free to just comment on one version. These are currently out for review by ENE so likely will be a few more changes to be made but wanted to give you guys a chance to review/input.

Happy to chat
Kaitlin

Ontario

MINISTRY OF
ENERGY

# OPG Business Plan

May 2017

# Context

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
  - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence is subject to an appearance of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance
- The following presentation provides an overview of OPG's business plan, including:
  1. Business Plan Overview
  2. Other Considerations

# Context *(cont'd)*

- Proceeding with Provincial concurrence now will ensure OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period

- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP, these changes are not reflected in OPG's plan

  - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province, and by third-party lending

  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income

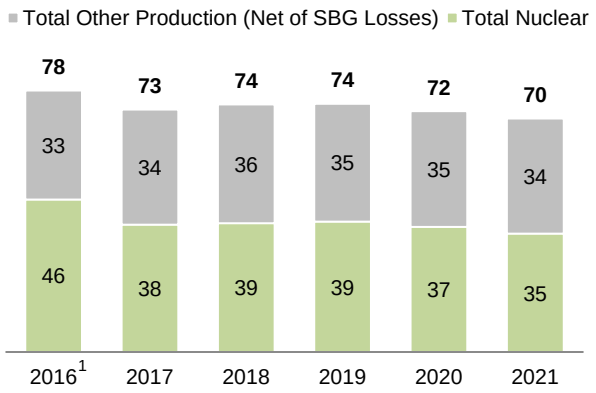
  - In addition, the Province's net debt position should remain unchanged

# 1. Business Plan Overview

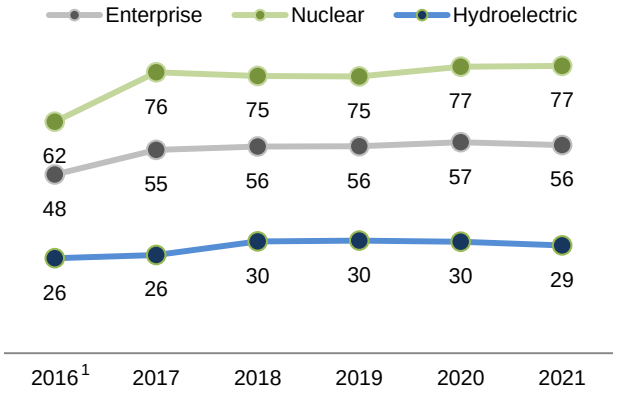
## *a) Production & Total Cost of Generation*

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While Operations, Maintenance and Administration (OM&A) remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

### Production (TWh)




### Total Generating Cost ($/MWh)




1. Actuals

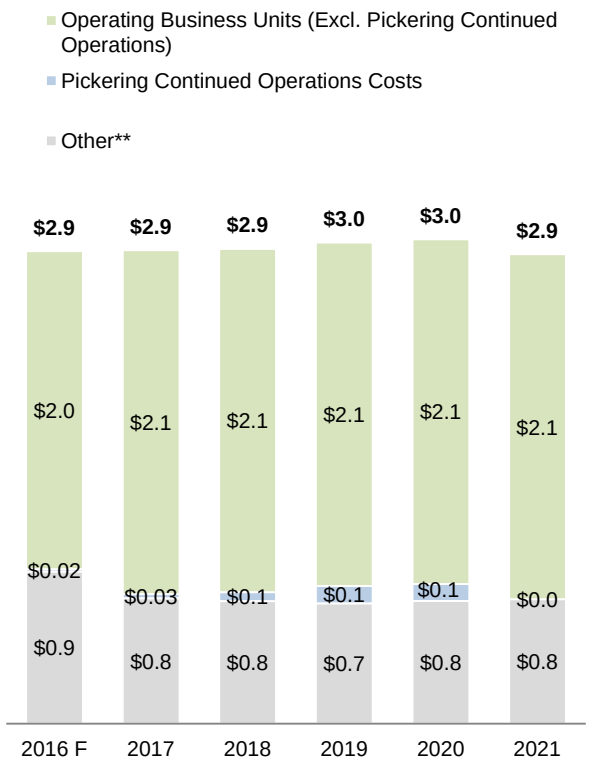
*TGC = OM&A expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

# 1. Business Plan Overview

## *b) Operations, Maintenance and Administration (OM&A) Expenses*

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
  - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
  - Incremental outage and other program costs to enable Pickering continued operations
  - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

### OM&A from Ongoing Operations* ($B)



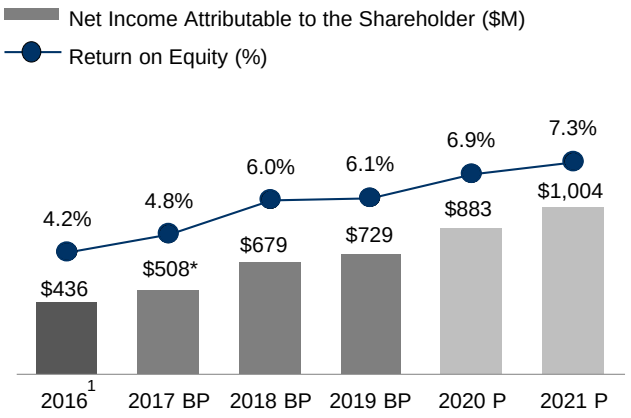

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets
** Includes centrally held pension /OPEB costs and support services

# 1. Business Plan Overview

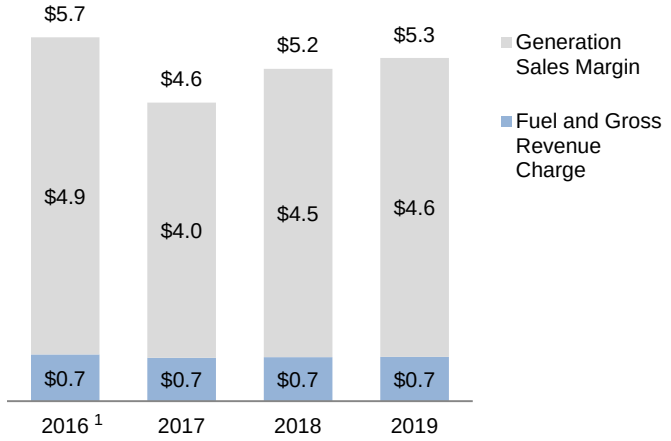
## *c) Financials*

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
  - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
  - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

### Net Income ($M) and ROE (%)




### Revenue Margin ($B)




*Includes extraordinary gain associated with the sale of OPG head office

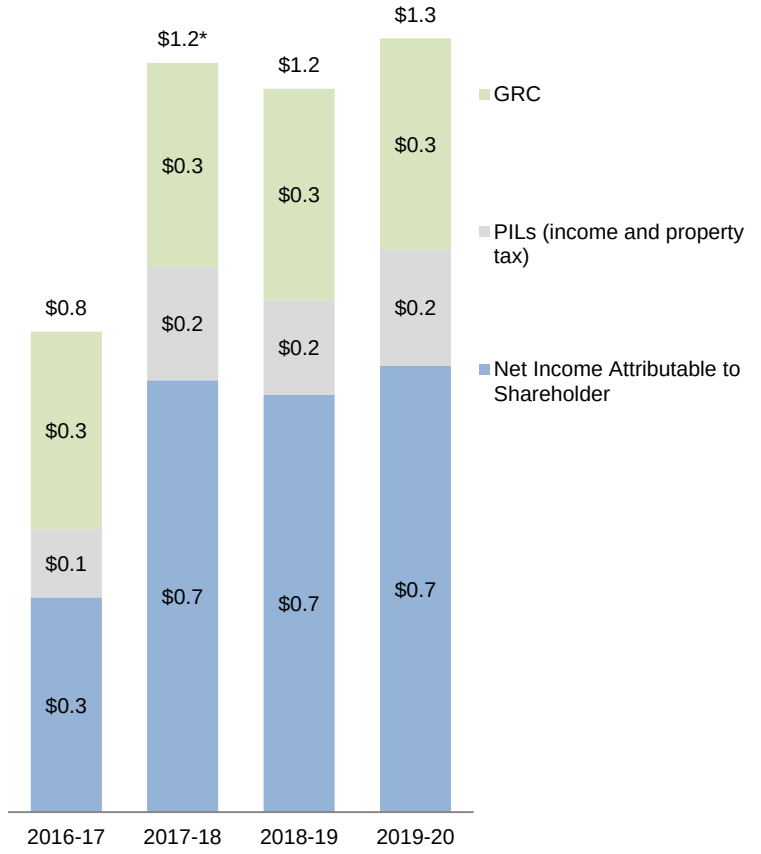
1. Actuals

# 1. Business Plan Overview

## *d) Shareholder Return*

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs) income tax PILs are consolidated by the Ontario Electricity Financial Corporation (OEFC)
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**



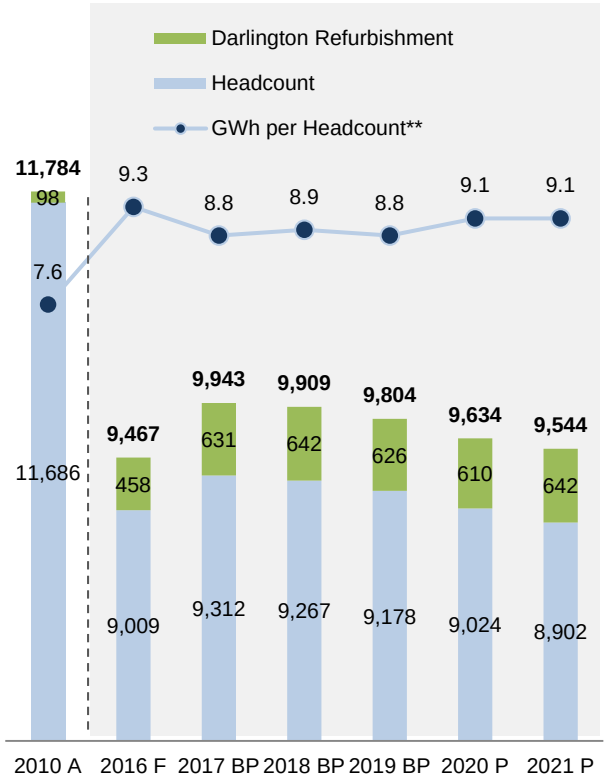

*Includes gain associated with the sale of OPG head office

# 1. Business Plan Overview

## *e) Business Transformation Initiative & Labour Costs*

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**

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# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

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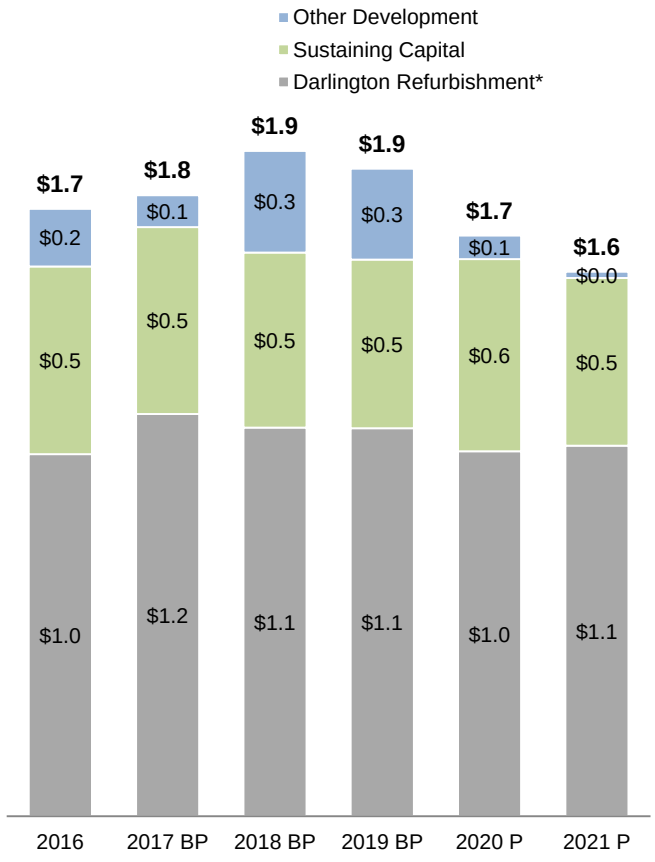


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- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
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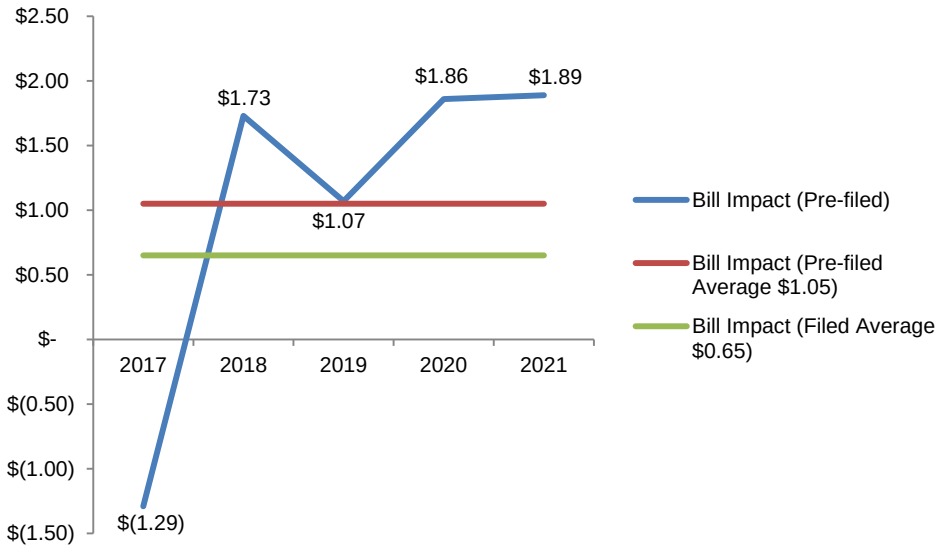


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# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

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- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
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# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
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| **Assets** | |
| Cash and cash equivalents | 0.2 |
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| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
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| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
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| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
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| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
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| **Income before income taxes** | **$0.6** |
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| **Net income** | **$0.5** |
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Mr. Bernard Lord
Chair
Ontario Power Generation
1900-700 University Avenue
Toronto ON M5G 1X6

Dear Mr. Lord,

Thank you for your submission of Ontario Power Generation's (OPG) 2017-2019 Business Plan ("the Plan"). We have reviewed the Plan and find it to be consistent with our government's expectations.

I support the operational and financial targets set by OPG in its business plan. We recognize the substantial cost reductions that OPG has recently achieved and expect OPG to work closely with the Province to fully realize the additional efficiencies incorporated in the Plan in a manner that is consistent with the continued safe and environmentally responsible operation of OPG's facilities.

We commend OPG on its successful start to the Darlington Refurbishment Project, a key objective of Ontario's 2013 Long-Term Energy Plan (2013 LTEP). As a priority project for the government, I expect that OPG will continue to focus on delivering the project as per the schedule and budget contained in the Release Quality Estimate approved by the OPG Board and by the government. I also expect OPG to continue to minimize project risks consistent with the nuclear refurbishment principles set out in the 2013 LTEP, and seek concurrence prior to commencing subsequent unit refurbishments after Unit 2 is successfully returned to service.

We continue to support the planned operation of Pickering units up to 2024 as the station's output will provide reliable, cost-effective and emission-free electricity supply during the Darlington and initial Bruce refurbishments. I expect OPG to seek concurrence to proceed with ongoing Pickering operation after the necessary regulatory approvals are complete.

I understand that the recently approved Ontario Nuclear Funds Agreement (ONFA) Reference Plan has resulted in a reduction of costs to consumers for future decommissioning and long-term management of waste from Ontario's nuclear plants. In addition, the segregated nuclear funds set aside under ONFA have reached fully funded status. With many decades of nuclear generation in the Province's future, the decision to fund these costs now provides security for future generations of Ontarians.

I appreciate the efforts of OPG staff, management and the Board of Directors to date as we worked to develop a plan to refinance the Global Adjustment (GA). Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. OPG will be instrumental to the success of this initiative and we plan to introduce legislation that would, if passed, enable OPG to work with the Independent Electricity System Operator (IESO) to implement this plan.

I expect OPG to continue to keep the government informed with regard to the company's key ongoing and emerging initiatives and progress in achieving its financial

and operational performance commitments. As OPG's performance directly impacts Ontario's fiscal plan, we note the importance of achieving or exceeding OPG's financial performance commitments.

This letter constitutes our concurrence with OPG's Board approved 2017-2019 Business Plan as provided for under the Memorandum of Agreement between OPG and the Shareholder dated July 17, 2015.

Sincerely,

Glenn Thibeault
Minister of Energy

c: Jeff Lyash, President and Chief Executive Officer, OPG
Serge Imbrogno, Deputy Minister, Ministry of Energy

# MINISTRY OF ENERGY

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# TREASURY BOARD / MANAGEMENT BOARD of CABINET SUBMISSION

# ONTARIO POWER GENERATION (OPG) 2017-19 BUSINESS PLAN

**May 2017**

**CONFIDENTIAL**
**MINISTRY OF ENERGY**

**ONTARIO POWER GENERATION (OPG)**
**2017-19 BUSINESS PLAN**

## MINISTRY REQUEST

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

## CONTEXT

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
    - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence is subject to an appearance of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance
- The following presentation provides an overview of OPG's business plan, including:
    1. Business Plan Overview
    2. Other Considerations
- Proceeding with Provincial concurrence now will ensure OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period
- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP, these changes are not reflected in OPG's plan

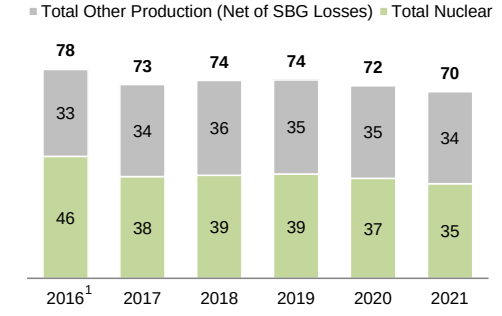
- The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province, and by third-party lending
- These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
- In addition, the Province's net debt position should remain unchanged

## 1. BUSINESS PLAN OVERVIEW

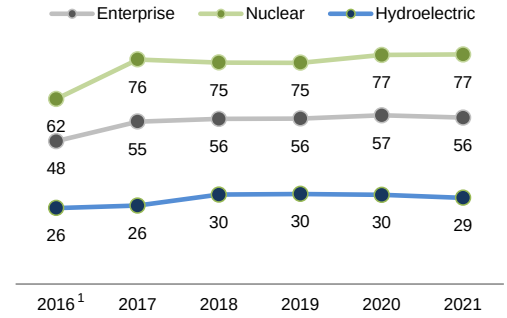
### a) Production & Total Cost of Generation

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While OM&A remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

**Production (TWh)**




**Total Generating Cost ($/MWh)**



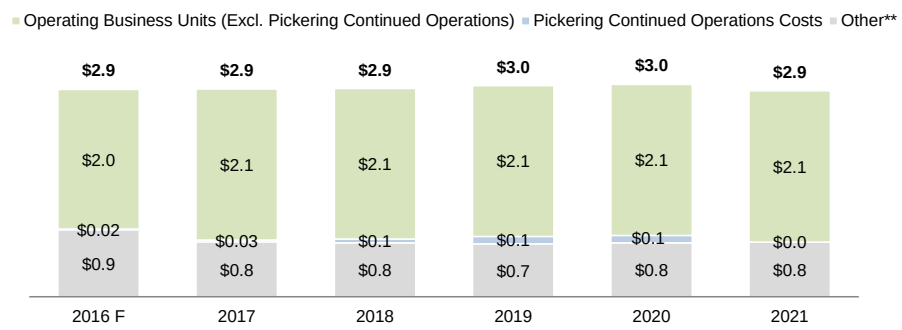

1. Actuals

*TGC = operations, maintenance and administration (OM&A) expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

### b) Operations, Maintenance and Administration (OM&A) Expenses

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
    - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
    - Incremental outage and other program costs to enable Pickering continued operations
    - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

**OM&A from Ongoing Operations* ($B)**



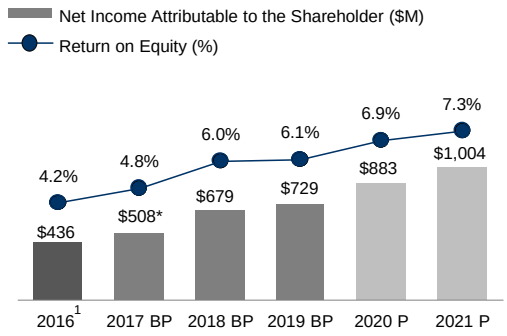

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets

** Includes centrally held pension /OPEB costs and support services

### c) Financials

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
    - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
    - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

**Net Income ($M) and ROE (%)**

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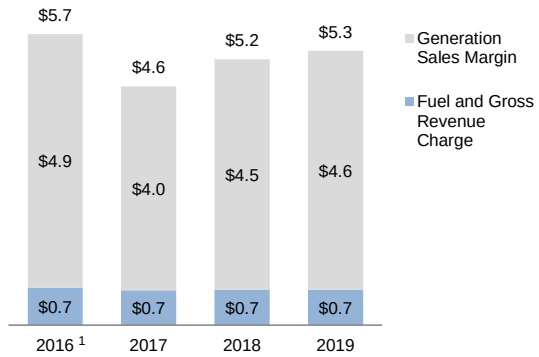


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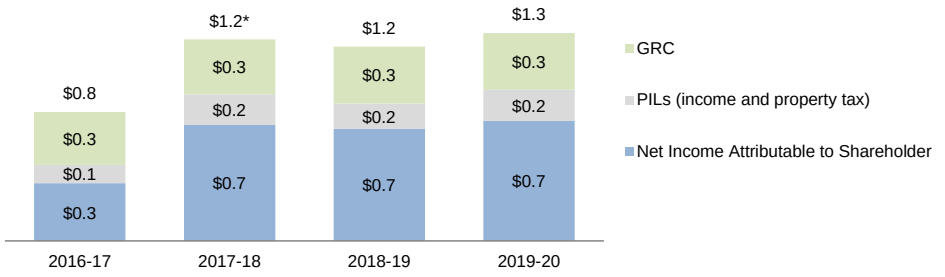
*Includes extraordinary gain associated with the sale of OPG head office

## d) Shareholder Return

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs) and income tax PILs are consolidated by the Ontario Electricity Financial Corporation (OEFC)
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**

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### e) Business Transformation Initiative & Labour Costs

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
    - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
    - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
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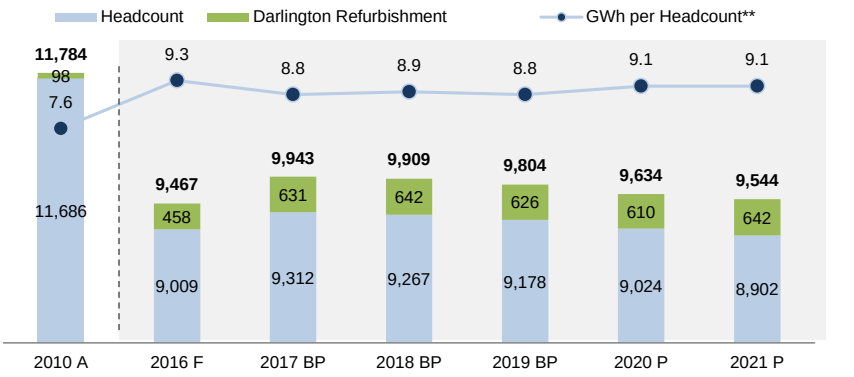


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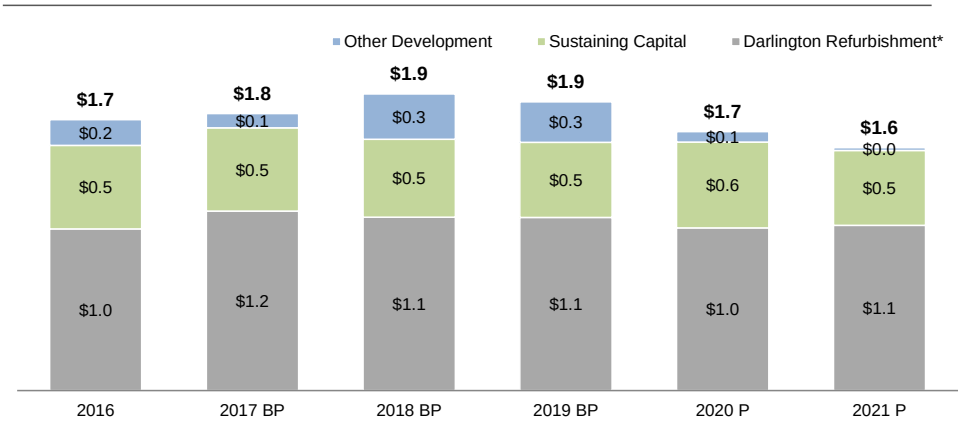


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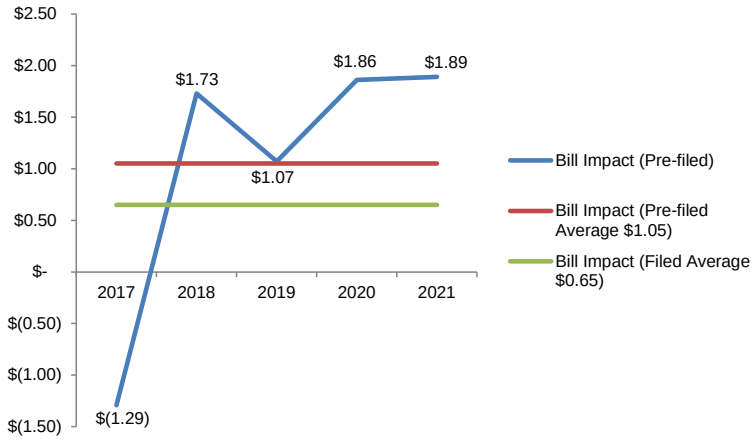


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| **Net income** | **$0.5** |
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| **Net income attributable to non-controlling interest** | **$0.02** |

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Gavin He |
| **Subject:** | FW: OPG TB |
| **Date:** | Thursday, April 20, 2017 12:19:53 PM |
| **Attachments:** | 2017 04 11 OPG Business Plan Review v7.pptx<br>2017 03 14 OPG concurrence letter v6.docx<br>2017 04 11 TBMBC EIGS OPG Business Plan v03.docx |

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Question…you shared these with Ron, right?

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**From:** Montgomery, Kaitlin (MOF) [mailto:Kaitlin.Montgomery@ontario.ca]
**Sent:** Tuesday, April 18, 2017 6:08 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** OPG TB

Hey John – wanted to pass along drafts of the OPG BP TB materials and concurrence letter. The deck and word doc submission are the same so feel free to just comment on one version. These are currently out for review by ENE so likely will be a few more changes to be made but wanted to give you guys a chance to review/input.

Happy to chat
Kaitlin

Ontario

MINISTRY OF
ENERGY

# OPG Business Plan

May 2017

# Context

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
  - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence is subject to an appearance of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance
- The following presentation provides an overview of OPG's business plan, including:
  1. Business Plan Overview
  2. Other Considerations

# Context *(cont'd)*

- Proceeding with Provincial concurrence now will ensure OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period

- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP, these changes are not reflected in OPG's plan

  - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province, and by third-party lending

  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income

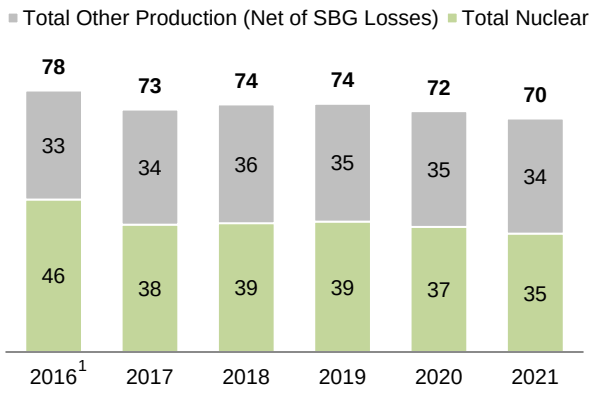
  - In addition, the Province's net debt position should remain unchanged

# 1. Business Plan Overview

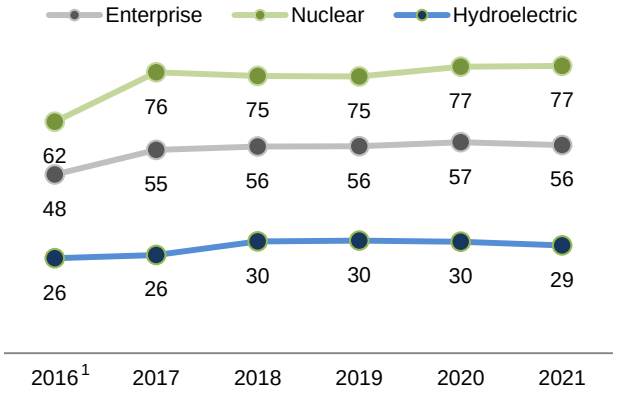
## *a) Production & Total Cost of Generation*

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While Operations, Maintenance and Administration (OM&A) remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

### Production (TWh)




### Total Generating Cost ($/MWh)




1. Actuals

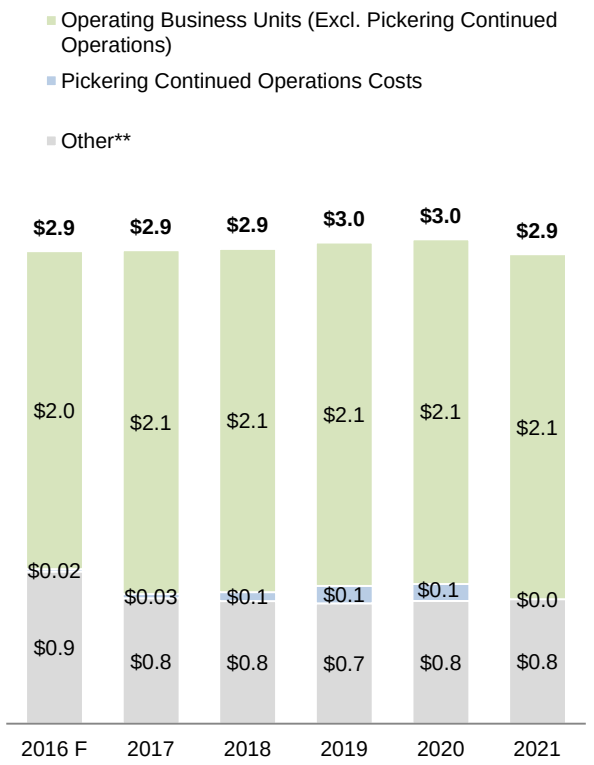
*TGC = OM&A expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

# 1. Business Plan Overview

## *b) Operations, Maintenance and Administration (OM&A) Expenses*

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
  - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
  - Incremental outage and other program costs to enable Pickering continued operations
  - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

### OM&A from Ongoing Operations* ($B)



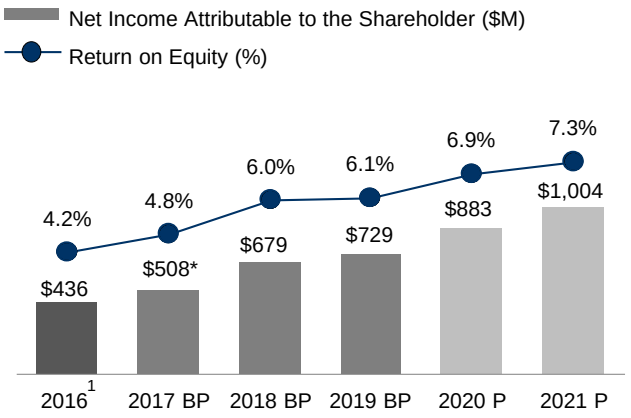

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets
** Includes centrally held pension /OPEB costs and support services

# 1. Business Plan Overview

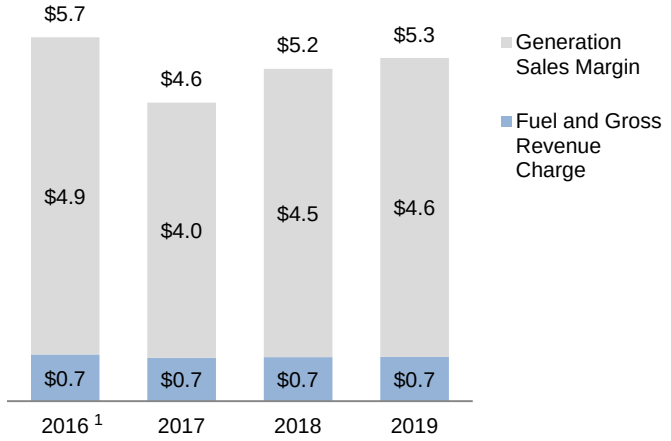
## *c) Financials*

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
  - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
  - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

### Net Income ($M) and ROE (%)




### Revenue Margin ($B)




*Includes extraordinary gain associated with the sale of OPG head office

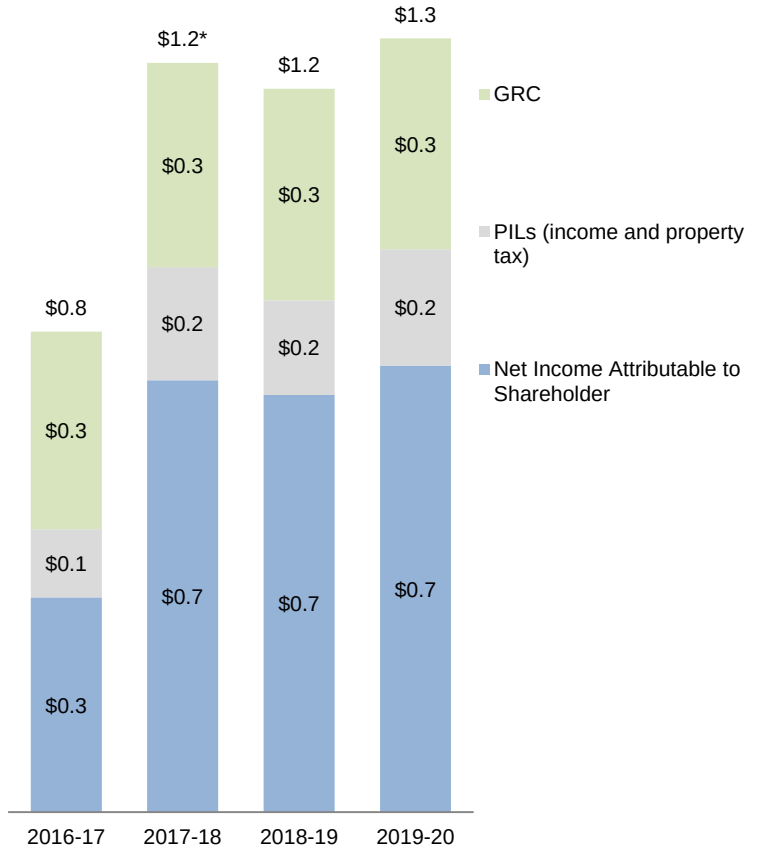
1. Actuals

# 1. Business Plan Overview

## *d) Shareholder Return*

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs) income tax PILs are consolidated by the Ontario Electricity Financial Corporation (OEFC)
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**



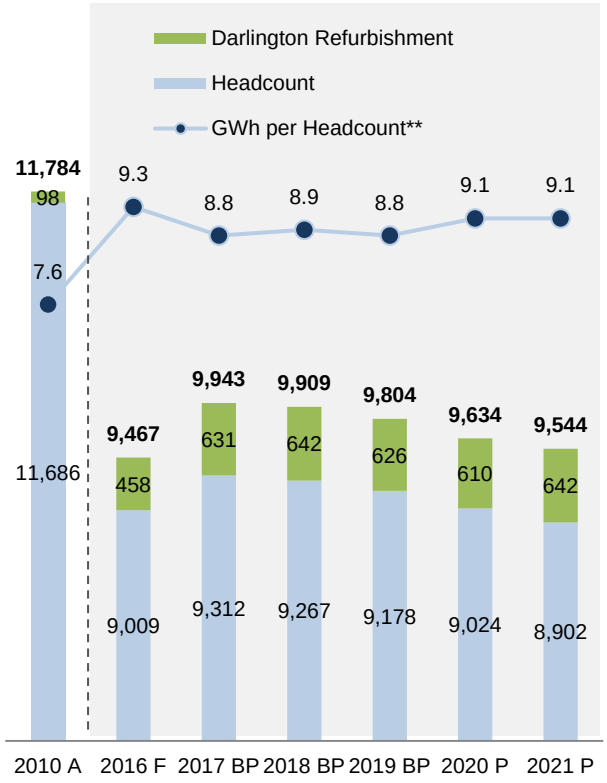

*Includes gain associated with the sale of OPG head office

# 1. Business Plan Overview

## *e) Business Transformation Initiative & Labour Costs*

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



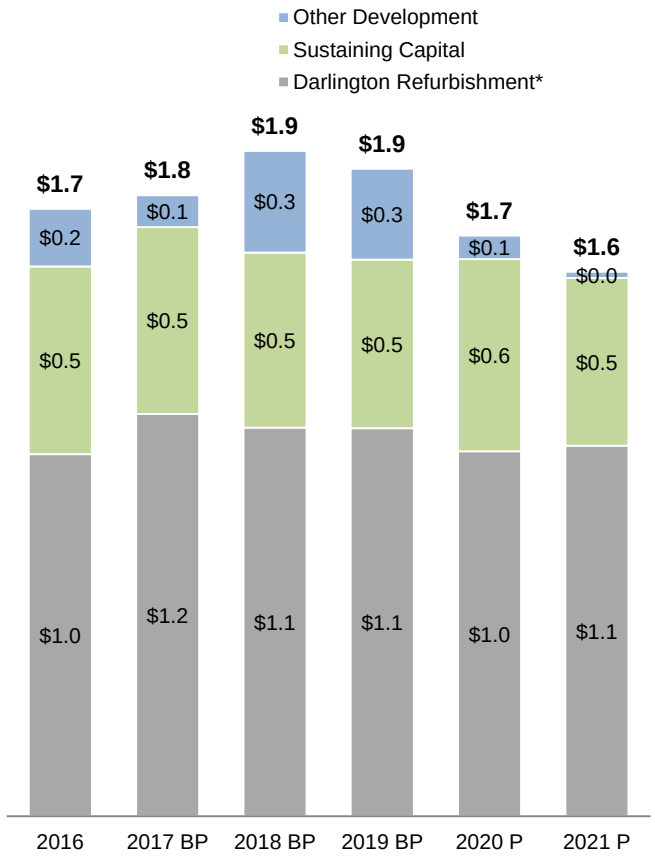

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew II
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

# 2. Other Considerations

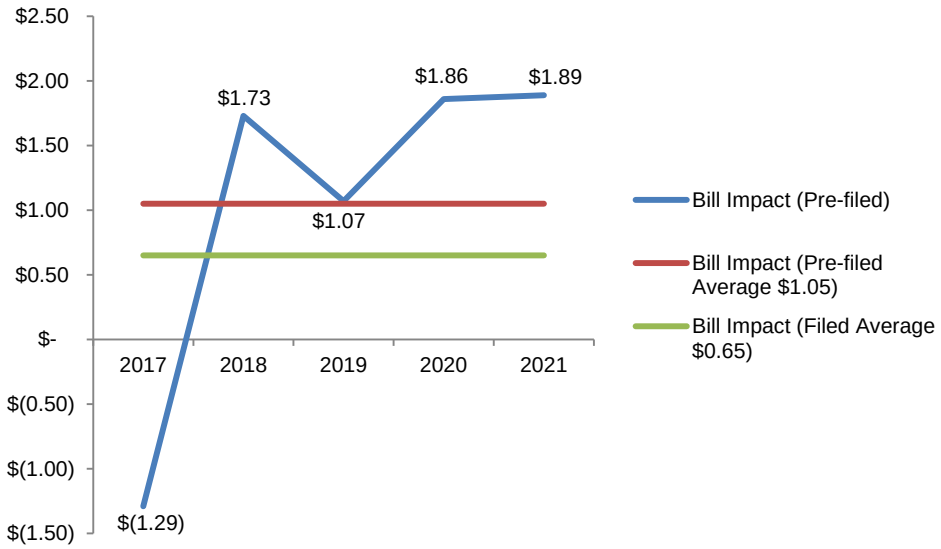
## *Rate Application*

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*

**Rate-Smoothing Proposal:**

- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

## *Special Status for OPG to Approve International Travel*

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
  - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
  - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
  - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

Mr. Bernard Lord
Chair
Ontario Power Generation
1900-700 University Avenue
Toronto ON M5G 1X6

Dear Mr. Lord,

Thank you for your submission of Ontario Power Generation's (OPG) 2017-2019 Business Plan ("the Plan"). We have reviewed the Plan and find it to be consistent with our government's expectations.

I support the operational and financial targets set by OPG in its business plan. We recognize the substantial cost reductions that OPG has recently achieved and expect OPG to work closely with the Province to fully realize the additional efficiencies incorporated in the Plan in a manner that is consistent with the continued safe and environmentally responsible operation of OPG's facilities.

We commend OPG on its successful start to the Darlington Refurbishment Project, a key objective of Ontario's 2013 Long-Term Energy Plan (2013 LTEP). As a priority project for the government, I expect that OPG will continue to focus on delivering the project as per the schedule and budget contained in the Release Quality Estimate approved by the OPG Board and by the government. I also expect OPG to continue to minimize project risks consistent with the nuclear refurbishment principles set out in the 2013 LTEP, and seek concurrence prior to commencing subsequent unit refurbishments after Unit 2 is successfully returned to service.

We continue to support the planned operation of Pickering units up to 2024 as the station's output will provide reliable, cost-effective and emission-free electricity supply during the Darlington and initial Bruce refurbishments. I expect OPG to seek concurrence to proceed with ongoing Pickering operation after the necessary regulatory approvals are complete.

I understand that the recently approved Ontario Nuclear Funds Agreement (ONFA) Reference Plan has resulted in a reduction of costs to consumers for future decommissioning and long-term management of waste from Ontario's nuclear plants. In addition, the segregated nuclear funds set aside under ONFA have reached fully funded status. With many decades of nuclear generation in the Province's future, the decision to fund these costs now provides security for future generations of Ontarians.

I appreciate the efforts of OPG staff, management and the Board of Directors to date as we worked to develop a plan to refinance the Global Adjustment (GA). Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. OPG will be instrumental to the success of this initiative and we plan to introduce legislation that would, if passed, enable OPG to work with the Independent Electricity System Operator (IESO) to implement this plan.

I expect OPG to continue to keep the government informed with regard to the company's key ongoing and emerging initiatives and progress in achieving its financial

and operational performance commitments. As OPG's performance directly impacts Ontario's fiscal plan, we note the importance of achieving or exceeding OPG's financial performance commitments.

This letter constitutes our concurrence with OPG's Board approved 2017-2019 Business Plan as provided for under the Memorandum of Agreement between OPG and the Shareholder dated July 17, 2015.

Sincerely,

Glenn Thibeault
Minister of Energy

c: Jeff Lyash, President and Chief Executive Officer, OPG
Serge Imbrogno, Deputy Minister, Ministry of Energy

# MINISTRY OF ENERGY

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# TREASURY BOARD / MANAGEMENT BOARD of CABINET SUBMISSION

# ONTARIO POWER GENERATION (OPG) 2017-19 BUSINESS PLAN

**May 2017**

**CONFIDENTIAL**
**MINISTRY OF ENERGY**

**ONTARIO POWER GENERATION (OPG)**
**2017-19 BUSINESS PLAN**

## MINISTRY REQUEST

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

## CONTEXT

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
    - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
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- These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
- In addition, the Province's net debt position should remain unchanged

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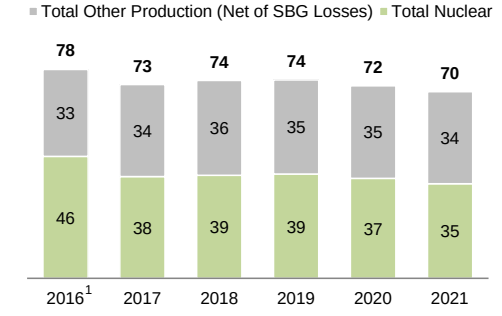
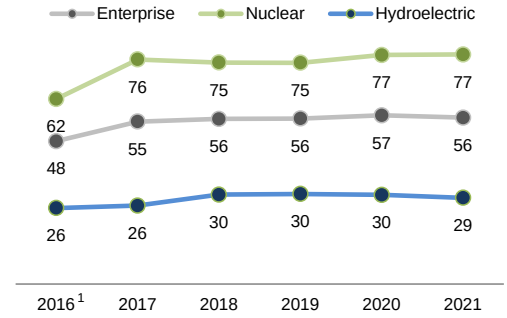
**Production (TWh)**




**Total Generating Cost ($/MWh)**

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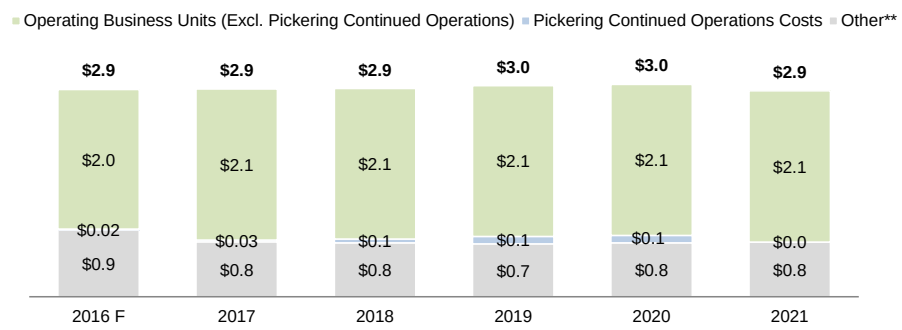


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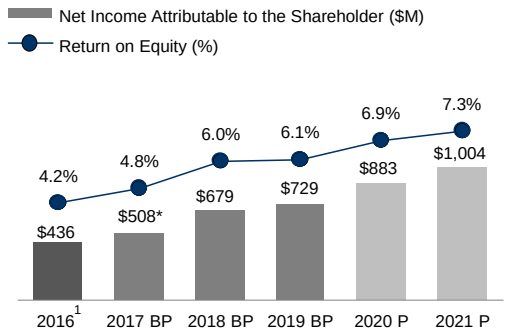
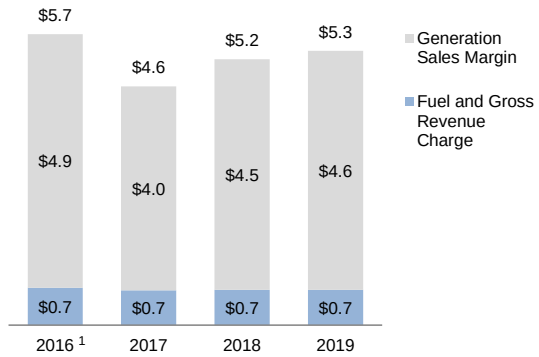
**Net Income ($M) and ROE (%)**




**Revenue Margin ($B)**

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## d) Shareholder Return

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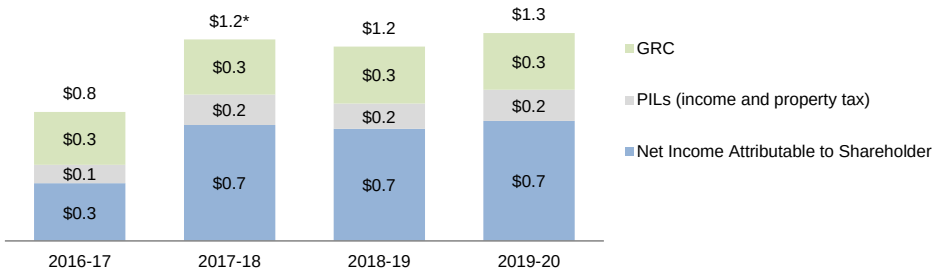
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**

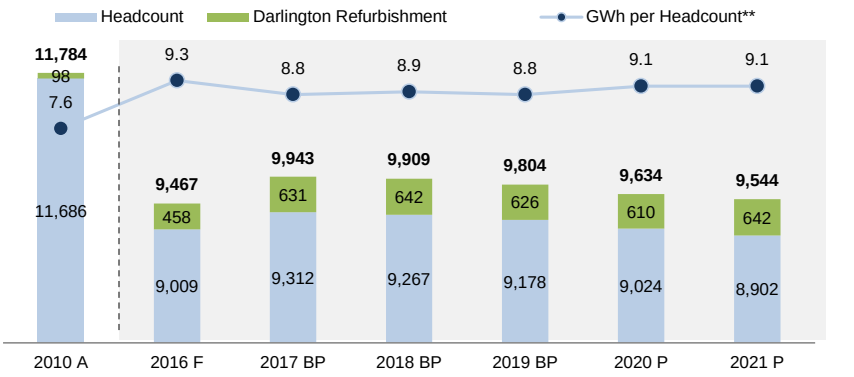



*Includes gain associated with the sale of OPG head office

### e) Business Transformation Initiative & Labour Costs

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
    - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
    - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



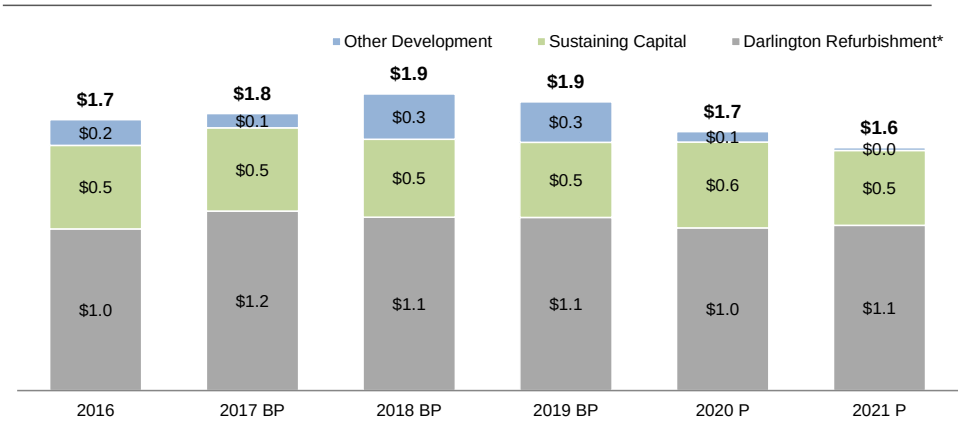

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

### f) Operating Highlights - Projects and Capital Expenditures

- OPG continues to focus on delivery of its major projects over the plan period, including:
    - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained

- **Sustaining Capital:** Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

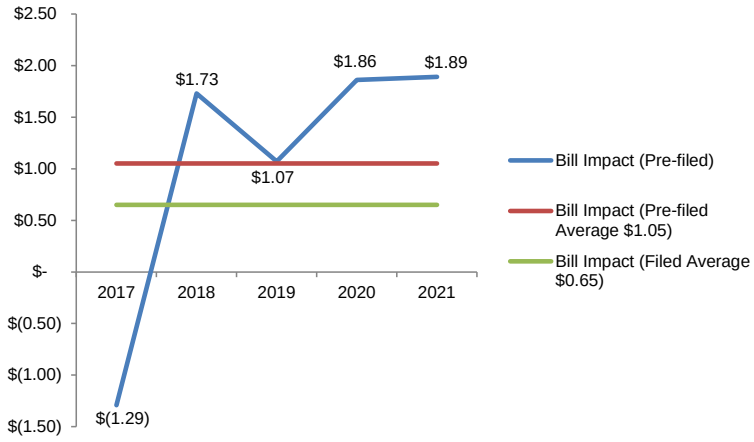
## 2. OTHER CONSIDERATIONS

### Rate Application

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*
- Rate-Smoothing Proposal:
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
  - On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on

the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

## Sales

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## Special Status for OPG to Approve International Travel

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for

which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business

- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
    - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
    - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
    - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

## RECOMMENDATION

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

# APPENDIX

## OPG 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

**From:** John Kim
**To:** Ronald Kwan
**Subject:** FW: Revised Outlook
**Date:** Thursday, January 04, 2018 1:58:13 PM
**Attachments:** Electricity Sector Outlook (2018 01 04)_reverse unpacking.xlsm

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Hi Ron,

Pls. let me know if you have any comments.

Thanks,

John

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**From:** Bruno Amara
**Sent:** Thursday, January 04, 2018 1:52 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Revised Outlook

John

Please see attached. We are formatting the version to send out.

Bruno

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the

"Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization ~~will be largely~~ is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(308)** | **(332)** | **(308)** | **(280)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,755** | **1,428** | **1,391** | **1,702** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **0** | **(1)** | **(1)** | **(1)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(256)** | **(708)** | **(706)** | **(994)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 518 | 204 | 219 |
| | | -15 | -271 | -735 | -738 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| | | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***477.7*** | ***(2.4)*** | ***(23.7)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 305.7 | (14.4) | (103.4) |
| Provision for Electricity Sector (MOF) | (8.4) | (305.7) | 14.4 | 103.4 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 564.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (116.9) | (147.6) | (176.8) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 201.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **477.7** | **(2.4)** | **(23.7)** |

| 2020-21 | |
|---|---|
| 1,676 | |
| 620 | |
| -1,056 | |
| *0* | |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |

***0***

| |
|---|
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***(11.1)*** |

***t***

| |
|---|
| |
| 0.2 |
| 0.0 |
| (311.7) |
| 311.7 |
| 0.0 |
| 135.3 |
| 0.0 |
| (191.5) |
| 0.0 |
| 44.9 |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(11.1)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

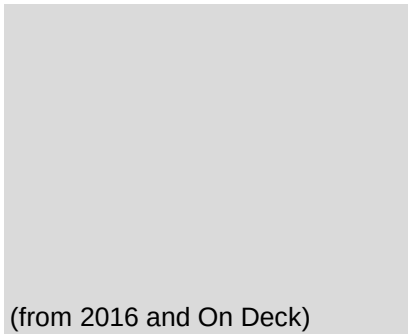
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *0* | *0* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the planned First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. 2017-18 increase is due mainly to recategorization of the PILs impact of the OPG head office sale from Sales and Rentals. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (256) | (708) | (706) | (994) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 27 | 32 | 61 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. **Previous risk removed** with timing impact now reflected in OPG outlook. OEB September 2017 Report, established accrual method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, decision and order instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed.** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previos risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,467 | 1,488 | 1,579 | 1,863 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,531 | 1,525 | 1,459 | 1,334 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (120) | (7) | 75 | 249 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | 31 | 76 | 87 | 89 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | |
| Over allotment option (2015)[3] | 8,150,000 | |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www.l S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.46%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.
2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO
3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option
4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.46% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.46% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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sh.pdf

RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Subject:** | FW: Revised Outlook |
| **Date:** | Thursday, January 04, 2018 4:26:39 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 04)_reverse unpacking_Markup.xlsm |

Fyi

---

**From:** Ronald Kwan
**Sent:** Thursday, January 04, 2018 4:22 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi John,

Some comments and edits, primarily to the footnotes on various tabs. It might also be good to add some of the key footnotes to the cover sheet.

One key query is if all the OPG OEB decision impact is shown on the net income line. Does that overstate the impact on ESDI and what the PRRT request would be? Should we be more cautious, and show, say a split of the OEB impact between net income and PILs at a statutory rate? And should we note that the OPG 2018 multi-year business plan has not yet been received, so estimated impacts are preliminary and expected to be updated.

Ron

---

**From:** John Kim
**Sent:** January-04-18 3:59 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi Ron,

It usually gets well into February when they are able to provide the NUG line. I can ask them but I believe next week's FPC is the first cut at updating so it would be good to submit today even without updated NUGs.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, January 04, 2018 3:56 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi John,

Hasn't SPFB been working on updating the NUG expense and recovery lines?

Ron

---

**From:** John Kim
**Sent:** January-04-18 3:08 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi Ron,

Sure, we can note that in the covering email….would you be okay if we send?

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, January 04, 2018 3:03 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: Revised Outlook

Hi,

On the covering email, should the pension and OPEB risk be shifted to the future, pending a future OEB decision on that?

Ron

On Jan 4, 2018, at 1:58 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Hi Ron,
>
> Pls. let me know if you have any comments.
>
> Thanks,
>
> John
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Thursday, January 04, 2018 1:52 PM
> **To:** John Kim <John.Kim@ofina.on.ca>

**Subject:** Revised Outlook

John

Please see attached. We are formatting the version to send out.

Bruno

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization ~~will be largely~~ is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Year-end results for OPG and Hydro One

- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

<Electricity Sector Outlook (2018 01 04)_reverse unpacking.xlsm>

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(308)** | **(332)** | **(308)** | **(280)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,755** | **1,428** | **1,391** | **1,702** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **0** | **(1)** | **(1)** | **(1)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(256)** | **(708)** | **(706)** | **(994)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
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| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 518 | 204 | 219 |
| | | -15 | -271 | -735 | -738 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| | | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***477.7*** | ***(2.4)*** | ***(23.7)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 305.7 | (14.4) | (103.4) |
| Provision for Electricity Sector (MOF) | (8.4) | (305.7) | 14.4 | 103.4 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 564.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (116.9) | (147.6) | (176.8) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 201.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **477.7** | **(2.4)** | **(23.7)** |

| 2020-21 | |
|---|---|
| 1,676 | |
| 620 | |
| -1,056 | |
| *0* | |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |

***0***

| |
|---|
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***(11.1)*** |

***t***

| |
|---|
| |
| 0.2 |
| 0.0 |
| (311.7) |
| 311.7 |
| 0.0 |
| 135.3 |
| 0.0 |
| (191.5) |
| 0.0 |
| 44.9 |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(11.1)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

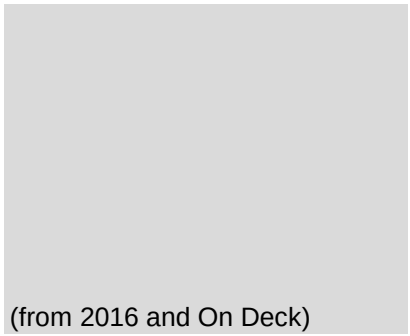
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *0* | *0* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's preliminary **[NTD: Still preliminary?]** 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of **September 2017**.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the ~~**planned**~~ First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is ~~**currently**~~ now assumed to continue ~~end once the DRC ends on a legislated fixed end date of April 1, 2018~~. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects ~~April 23, 2014 announcement~~ that DRC ~~will be~~ eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB rate decision impacts are all shown in the OPG net income line. Actual impacts are likely to be spread out between net income & PILs. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. ~~2017-18 increase is due mainly to recategorization of the PILs impact of the OPG head office sale from Sales and Rentals.~~ |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (256) | (708) | (706) | (994) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 27 | 32 | 61 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | TBD | TBD | TBD |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. **Previous risk removed** **from 17-18**. OEB September 2017 Report, established accrual method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, decision and order instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed** **with timing impact now reflected in OPG outlook**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed.** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,467 | 1,488 | 1,579 | 1,863 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,531 | 1,525 | 1,459 | 1,334 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (120) | (7) | 75 | 249 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | 31 | 76 | 87 | 89 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | |
| Over allotment option (2015)[3] | 8,150,000 | |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www.l S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.46%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.
2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO
3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option
4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.46% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.46% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board

RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

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R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Usman Zahid |
| **To:** | John Kim |
| **Cc:** | Ronald Kwan |
| **Subject:** | FW: sensitive Fair Hydro Trust question |
| **Date:** | Friday, April 27, 2018 3:25:36 PM |

Hi John,

Please see question from Energy below.

Regards,
Usman

**From:** Pichette, Marc (MOF) [mailto:Marc.Pichette@ontario.ca]
**Sent:** Friday, April 27, 2018 1:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Usman, please see question below from the Ministry of Energy that was sent to my director.

**From:** Whytock, John (ENERGY) <John.Whytock@ontario.ca>
**Date:** Thursday, Apr 26, 2018, 4:45 PM
**To:** LeBlanc, Jenna (MOF) <Jenna.LeBlanc@ontario.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Jenna. I've got a sensitive question for you. Our MO asked what the revenue implications of the Fair Hydro Trust were for OPG, and how much we estimated would return to the provincial coffers.

As you'll see below, OPG has put a number on their own expected revenues, but my policy folks were not in a position to say what it could mean for returns to government.

Is this a number that Finance can produce? More importantly, are you willing to share?

Thanks much

jw

**From:** ROWE Jennifer -CORPAFFAIRS [mailto:jennifer.rowe@opg.com]
**Sent:** April-23-18 10:19 AM
**To:** Whytock, John (ENERGY)
**Cc:** KELLY Neal -CORPCOMM
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

John,

Here's a simplified version of what I just sent you:

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of **$4.5 Billion to $4.9 Billion.** The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

Jennifer

---

**From:** LADAK Lubna -TREASURY
**Sent:** Monday, April 23, 2018 10:14 AM
**To:** ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>; KELLY Neal -CORPCOMM <neal.kelly@opg.com>; HARTWICK Ken -FINANCE <ken.hartwick@opg.com>
**Cc:** LEE John -TREASURY <john.s.lee@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of $4.5 Billion to $4.9 Billion.
It is comprised of about $200 M for management fees and $4.3 Billion to $4.7 Billion of interest income.

The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

FYI – I don't know how the Province funds the equity injections. If they borrow the funds, the overall net income impact in their books could be lower. I wouldn't get into this though.

**Lubna Ladak | VP Treasury - FHP| Ontario Power Generation**
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189

lubna.ladak@opg.com

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim; Bruno Amara |
| **Cc:** | Deena Padamadan |
| **Subject:** | Fwd: OPG TB Submission |
| **Date:** | Tuesday, May 02, 2017 3:21:09 PM |
| **Attachments:** | ENE - OPG Business Plan _ Sec.pdf<br>ATT00001.htm |

---

Hi,

See attached.

Also, can we see about staff being invited to the Chair's briefing and to attend TB on this item, if possible.

Thanks,
Ron

Begin forwarded message:

> **From:** "Nguyen, Marianne (MOF)" <Marianne.Nguyen@ontario.ca>
> **Date:** May 2, 2017 at 3:17:07 PM EDT
> **To:** "Nelms, Scott (MOF)" <Scott.Nelms@ontario.ca>, "Kwan, Ronald (OFA)" <Ronald.Kwan@ofina.on.ca>
> **Cc:** "He, Gavin (OFA)" <Gavin.He@ofina.on.ca>, "Tekle, Jonathan (MOF)" <Jonathan.Tekle@ontario.ca>
> **Subject: OPG TB Submission**
>
> Hi team,
>
> Here is the draft submission from today's Secretary's briefing.
>
> Best,
>
> _____
> **Marianne Nguyen**
> Senior Policy Advisor
> Office of the Honourable Charles Sousa
> Minister of Finance
>
> Office: 416-325-0007
> Mobile: 416-562-4452
> Email: marianne.nguyen@ontario.ca

**TAB 3**

**TREASURY BOARD / MANAGEMENT BOARD OF CABINET**

**REQUEST ASSESSMENT NOTE**

| | |
|---|---|
| **Ministry:** | Energy |
| **Meeting Date:** | May 9, 2017 |
| **Agenda Class:** | Discussion (In Camera) |
| **Last reviewed by:** TB/MBC March 24, 2015 | **Tracking to: Fast Track** Cabinet (May 10, 2017) |

| **SUBMISSION TITLE:** | 2017-2019 Business Plan for Ontario Power Generation |
|---|---|

## I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2017-2019 Business Plan

## II. RECOMMENDATIONS:

| | |
|---|---|
| • Receive the 2016-2018 business plan for Ontario Power Generation | *Receive* |
| • Note Minister of Energy will provide concurrence with OPG's Business Plan | *Note* |
| • Approval giving special status to OPG under Section 5.3 of the MBC Travel, Meal and Hospitality Expenses Directive, giving it the authority to approve international travel for its employees. | *tbd* |

## III. FINANCIAL SUMMARY

| **$ Millions** | **2014-15** | **2015-16** | **2016-17** |
|---|---|---|---|
| Initiative cost requested | 0.0 | 0.0 | 0.0 |
| Initiative cost recommended | 0.0 | 0.0 | 0.0 |
| Recommended program base | 0.0 | 0.0 | 0.0 |
| Offset Recommended (Specify Ministry/Program) | 0.0 | 0.0 | 0.0 |
| Total Fiscal Impact | 0.0 | 0.0 | 0.0 |

## IV. KEY COMMENTS AND CONSIDERATIONS

As stipulated as part of the 2013-14 Results-based Planning process, the Ministry of Energy is submitting OPG's annual business plans for review by Treasury Board to facilitate incorporating implications into the Province's fiscal plan.

It is under the responsibility of the Minister of Energy on whether or not to provide the Minister's concurrence of OPG's annual multi-year business plan. The Treasury Board submission provides the Minister of Energy with an opportunity to highlight why concurrence is being given and any conditions placed on it. Appendix C provides more information on the concurrence process and the 2013-14 minute.

Under the memorandum of agreement (MOA, July 2015) between the Province (as sole shareholder and the Ministry of Energy as representative of the shareholder) and OPG, the company is required to annually submit its board-approved multi-year business plan to the Minister of Energy for concurrence. The concurrence letter from the Minister to the company will note key elements of the business plan,

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how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company including indicating any elements of the business plan the government does not concur.

In November 2016, OPG submitted its Board approved 2017-2019 Business Plan to the Ministry.

Ontario's Fair Hydro Plan (OFHP) is not reflected in OPG's latest Business Plan. The Ministry notes the following OFHP implications for OPG:

- As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would develop a Special Purpose Vehicle (OPG Trust) which would use 100 per cent debt financing to purchase the right to future cash flows from IESO. It is proposed that the OPG Trust would raise 51% of required funding directly from capital markets while OPG would provide 49% of the financing requirements. The latter would include 44% debt or equity financing from the Province (Estimates provides for a Ministry of Energy operating asset to make an equity injection) with OPG raising the remaining 5% from capital markets.
    - Provincial borrowing would be offset by an increase in an investment asset in OPG.
    - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
    - In addition, the Province's net debt position should remain unchanged

Financial figures from the OPG Business Plan are included and supplemented with forecast adjustments from the Ontario Financing Authority, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget, and for risks related to the Auditor General recommendation that Ontario include Hydro One and OPG financial information in the consolidated financial statements using the International Financial Reporting System (IFRS) reporting framework as required by PSAB standards. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan.

The earnings before tax (net income and income tax payments in lieu – PILs) of OPG are consolidated on the Province's financial statements and have an one-for-one impact on the Province's surplus/deficit position, excluding adjustments that the Province may make upon consolidation of OPG's financials (e.g., unrealized gains or losses in the nuclear funds). OPG is expected to submit its next multi-year business plan later this year for the period starting January 1, 2018.

***Overview of Current Business Plan***

OPG's 2017-19 Business Plan details key company undertakings such as business transformation and nuclear refurbishment that will have a substantial electricity system benefit, ratepayer and shareholder impacts. These items were flagged in the previous year's multi-year business plan as well.

- Key Income Statement Forecasts:
    - The figures in the OPG Board approved 2017-2019 Business Plan show a decrease in earnings before tax of $294M in 2016-17 and $556M in 2017-18 [with $75M and $400M of the declines in 2016-17 and 2017-18 due to IFRS-related consolidation risks], primarily due to estimated impact of Ontario Nuclear Funds Agreement-related IFRS risks, followed by an increase of $11M in 2018-19 and a decrease of $14M in 2019-20 versus the estimates in the 2016 Budget. The 2019-20 decrease largely reflects an IFRS-related consolidation risk of $200M) as described above.

      OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $466M in 2016. Net income in 2017 is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington

Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations

Net income in 2018 and 2019, before OFA amd MOF adjustments, is projected to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019. Return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021.

In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be $285M and will be distributed to the Trillium Trust.

These estimates are highly dependent on electricity and financial market conditions, regulatory decisions by the Ontario Energy Board (OEB), potential changes to accounting standards or the basis of consolidation in Public Accounts, operational performance, and/or government policy, which can change materially. The first table in Appendix G shows the changes to Province's fiscal plan.

- Annual Operations, Maintenance & Administration (OM&A) expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year.
- The cost of OPG generated electricity to customers is projected to remain ~40% below the average non-OPG cost of electricity to 2018, and over ~30% by 2021. Note: OPG provides predominantly, lower-cost baseload generating capability, rather than more expensive peaking generating capability.
- Headcount Efficiencies – Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.

  OPG continues ramping up recruitment in 2017 to fill key vacancies in certain areas (particularly in the nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020. OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021.

  OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015. OPG intends to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations.

- Key Projects:
  - The plan assumes ongoing operations at Pickering for about four years beyond 2020, and as approved by Cabinet, the execution of the Darlington refurbishment consistent with approved budget of $12.8 billion (including escalation and interest), is now under way. First unit refurbishment began in October 2016, Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained.
  - Sustaining capital expenditures average $570M per year include nuclear expenditures unrelated to Darlington refurbishment and costs for continued operation of Pickering (e.g., Upgrades at Sir Adam Beck and upgrades to DeCewII, and investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility).
- Rate Application to the OEB:

Confidential

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021. Oral hearings began February 2017, decision expected in Q3 2017.
    - OPG 2017-2019 BP assumes new rates effective January 1, 2017. The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay.
- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only.
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

- OPG Request – Special Stats for OPG to Approve International Travel (Appendix F provides more information):
    - OPG has placed a request with the Ministry for authority to approve international travel for its employees. OPG has asked that this application be included with its BP submission to TB/MBC.
        - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business.
        - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds.
        - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases.
        - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date.

*Other Key Fiscal Risks:*

Regulatory risks: OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.

Accounting risks: A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

| | | | |
|---|---|---|---|
| **Name of analyst:** | James Strang | **Phone number:** | 7-2071 |
| **Date:** | May 1, 2017 | **Log number:** | |
| **Branch / Division:** | General Government, Planning and Resources Branch, PEM, TBS | | |

Ecngl Yema

## APPENDIX A: PROPOSED MINUTE (UNDER DEVELOPMENT)

Note receipt of a Business Plan for Ontario Power Generation.

In this regard,

i.) Note the Minister of Energy will provide Ontario Power Generation (OPG) with a concurrence letter for its Business Plan.

ii.) …..request for special status…international travel

iii.) Direct the Ministry, in consultation with the Ministry of Finance / Ontario Financing Authority, to report back to the Board in early January each year with the approved or latest draft business plans for Ontario Power Generation for fiscal planning purposes.

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| FINANCIAL IMPACTS: CHANGES TO EXPENSE AND REVENUE | | | | | TABLE B1 |
|---|---|---|---|---|---|
| | | *Fiscal Plan Basis* | | | *Appropriations Basis* |
| **$ Millions** | | **2014-15** | **2015-16** | **2016-17** | **2014-15** |
| Initiative cost recommended | | 0.0000 | 0.0000 | 0.0000 | |
| *Expense changes:* | | | | | |
| Operating item | Oper | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital item | Cap | 0.0000 | 0.0000 | 0.0000 | 00000 |
| | | | | | |
| | | | | | |
| *Revenue changes:* | | | | | |
| Revenue increase/offset | | 0.0000 | 0.0000 | 0.0000 | |
| Revenue decrease | | 0.0000 | 0.0000 | 0.0000 | |
| **Total Fiscal Impact (draw from c-funds)** | | **0.0000** | **0.0000** | **0.0000** | **0.0000** |

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## APPENDIX C: CONCURRENCE OVERVIEW

Under agreements between the Province (as sole shareholder) and OPG, the company is required to annually submit its multi-year business plan to the Minister of Energy for concurrence. Review of the business plan by Treasury Board prior to concurrence was stipulated as part of the 2013-14 Results-based Planning process (see below).

Concurrence is typically provided to OPG via a letter from the Minister of Energy. The letter will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company. The letter may also indicate any elements of the business plan of which the government does not concur and/or provide additional guidance on expectations going forward.

The current submission looks at the multi-year business plan for OPG covering 2016-2018. Concurrence with the plan is still pending.

Below is the 2013-14 Results-based Plan Minute:

> Directed the Ministry of Energy and its agencies, Ontario Power Generation Inc. and Hydro One Inc., in consultation with the Ontario Financing Authority, to report back:
>
> - Annually each autumn with the respective multi-year business plans of the agencies as approved by the Boards of the companies, for review by Treasury Board/Management Board of Cabinet.
>  - In this regard, the report should include the following, on a calendar and government fiscal year basis:
>  - Multi-year financial and operational targets, including net income and earnings-before-tax.
>  - Projected revenues and cash flows to the Province, including the Ontario Electricity Financial Corporation.
>  - Planned financings from the Ontario Electricity Financial Corporation.
> - Quarterly with financial projection updates and progress reports on the agencies' respective business plan targets and any other new developments, initiatives or risks that may have a material fiscal impact on the Province including variance analysis of last quarter and year-to-date against the annual business plan reviewed by Treasury Board/Management Board of Cabinet.

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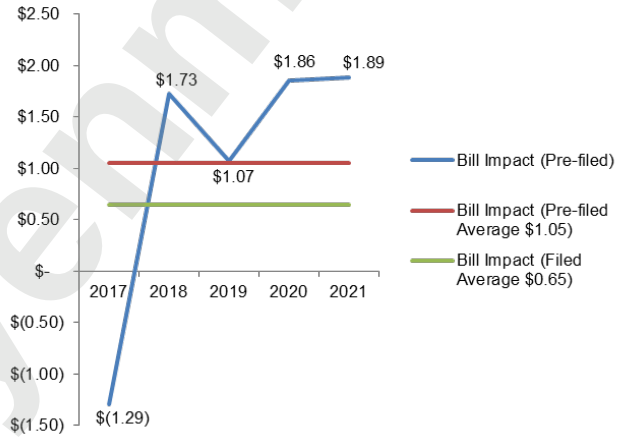
## APPENDIX D: SUMMARY OF KEY HIGHLIGHTS FROM OPG BUSINESS PLAN

The Ministry indicates OPG financial and ratepayer forecasts show some changes from last year's business plan projections, as reviewed by Treasury Board in September 2016.

This is in part because 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations.

Also, actions taken by the Province and OPG in early 2017 to enable OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only. OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year.

**Comparison of Annual Bill Impact ($/Month per year)**




*Production and Total Cost of Generation*

OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016. This reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016 and overlaps between unit refurbishments, as well as, the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage.

Total generating cost shows an increasing trend over the planning period relative to 2016, reflecting Lower nuclear production due to Darlington refurbishment outages, increased sustaining capital spending on two large hydroelectric projects (The Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation).

*Operations, Maintenance and Administration (OM&A) Expenses*

Annual OM&A expenses (excluding Darlington refurbishment OM&A) from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year. Increases related to changes in nuclear outage scope at Darlington and planned hiring to fill staffing gaps, and enabling Pickering continued operations, offset by declining pension related costs, due to projected pension asset returns, increases employee contributions, and new method for dermining interest components of pension costs.

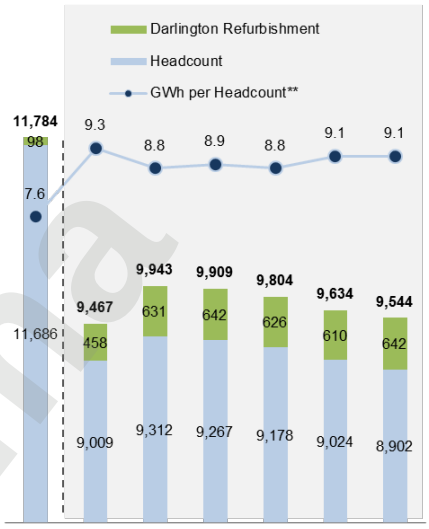
Ontario Energy Board

*Business Transformation and Labour Costs*

As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016:

- Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.
- OPG continues recruitment in 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
  - To date in 2017, OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



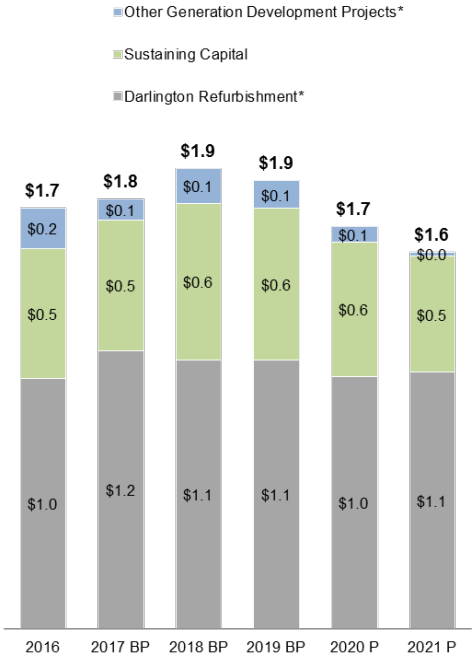

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

*Projects and Capital Expenditures*

OPG continues delivery of major projects over the plan period, including:

- Darlington Refurbishment – Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, requiring concurrence from the Province prior to commencement
- Sustaining Capital – Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- Other Generation Development Projects – Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

Cabinet Confidence

*Sales*

The following table summarizes sales recently completed and currently underway (as of April 2017). The fiscal plan implications of the completed OPG Head Office sale is reflected in the 2017 Budget. (TBC).

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

caclnguyenma

## APPENDIX E: PROVINCIAL FISCAL PLAN IMPLICATIONS OF BUSINESS PLANS PROCEEDING – (UNDER DEVELOPMENT)

Ontario Power Generation is a Government Business Enterprises (GBE), and consolidated to the Province's financials on a modified equity basis. The Province's Fiscal Plan reflects the entity as Income from Business Enterprises and Electricity Payments-in-Lieu of Taxes (PILs) (As Revenue only).

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 471 | 586 | 673 | |
| Income Tax | 224 | 159 | 182 | |
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 96 | 166 | 135 | 170 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income (before IFRS Risk) | 379 | 480 | 678 | 726 |
| IFRS Consolidation Adjustment | (75) | (400) | | (200) |
| GA – OPG Trust Net Income Impact (assumed, to offset IOD) | 17 | 54 | 99 | 153 |
| OPG Head Office* | | 222 | | |
| Net Income | 304 | 97 | 732 | 825 |
| Income Tax | 92 | 92 | 135 | 170 |
| OPG Head Office* | | 74 | | |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (167) | (489) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | (132) | (67) | (47) | 6 |
| **TOTAL OF OPG CHANGES** | (299) | (556) | 12 | 182 |

- Net Income and PILs contributions from OPG Head Office are included in Sales and Rental under Other Non-Tax Revenue in the 2017 Budget.

Cabinet Confidence

OPG's fiscal results are also impacted by Other PILs to the Ontario Electricity Financial Corporation (OEFC) and the Province. The following table reflects these others impacts in addition to the latest net income and income tax PILs from OPG's August update.

| **Revenue** ($millions) | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Combined Other PILs & Other GRC | 342 | 351 | 359 | |
| Other PILs (GRC to OEFC, Proxy Property Tax) | 213 | 223 | 232 | |
| Other GRC (to MOF & Niagara Parks Commission) | 129 | 128 | 137 | |
| **2017-19 OPG Business Plan** | | | | |
| Combined Other PILs & Other GRC | 329 | 350 | 363 | 362 |
| Other PILs (GRC to OEFC, Proxy Property Tax)[3] | 218 | 232 | 243 | 241 |
| Other PILs (GRC to MOF & Niagara Parks Commission) | 110 | 118 | 120 | 121 |
| Net Income (including OPG Head Office sale) | 379 | 702 | 678 | 726 |
| **2017 Budget Adjustments** | | | | |
| ONFA adjustment | 8 | | | |
| OPG Trust Interest Revenue - TBC | | 17 | 54 | 99 |
| OPG IFRS consolidation risk reflected in fiscal plan | (75) | (400) | - | (200) |
| Income Tax PILs to OEFC | 92 | 166 | 135 | 170 |

Source: OPG 2017-2019 Business Plan and further details provided by OPG March 14, 2017

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| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim; Shajee Kathirgamanathan |
| **Subject:** | OPG Business Plan Meeting (2017 05 01 v2).pptx |
| **Date:** | Wednesday, May 03, 2017 5:37:36 PM |
| **Attachments:** | OPG Business Plan Meeting (2017 05 01 v2).pptx |

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Suggested slide 2 edits

DRAFT

# OPG Fiscal Impacts

Corporate and Electricity Finance Division
2017-05-01

DRAFT

# OPG Fiscal Impact

- The table below illustrates OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **OPG Net Income - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan*[1] | 349 | 702 | 678 | 726 | 913[1] |
| *OPG Monthly Shareholder Update (February 2017)* | 30 | | | | |
| *OPG IFRS Consolidation Risk*[2] | (75) | (400) | - | (200) | - |
| *OPG Head Office Sales (Reported under Sales and Rentals)*[3] | | (222) | | | |
| *GA Refinancing – OPG Trust Interest Revenue* | | 17 | 54 | 99 | 153 |
| ***OPG Net Income (After Tax, Adjusted)*** | **304** | **97** | **732** | **625** | **1,066** |
| *ONFA Adjustments*[4] | 8 | - | - | - | - |
| **OPG Income Tax PILs - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan* | 96 | 166 | 135 | 170 | 298[1] |
| *OPG Monthly Shareholder Update (February 2017)* | (4) | | | | |
| *OPG Head Office Sales (Reported under Sales and Rentals)*[3] | | (74) | | | |
| ***OPG Income Tax PILs (Adjusted)*** | 92 | 92 | 135 | 170 | 298 |

1 Fiscalized projection from OPG Business Plan

2 IFRS risk is related to Province's reporting of nuclear asset retirement obligations. The Ontario Auditor General recommended (2016 AG Report) that the Province include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards, versus the companies U.S. GAAP basis of reporting.

3 For public Budget reporting, projected net impacts of Province asset optimization strategy including, OPG Head Office sale, are reported under Sales and Rentals for commercial confidentiality. OPG proceeds estimate updated per 2017 Budget.

4 Provincial consolidation adjustments for unrealized earnings on decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds.

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# Updated OPG Fiscal Impacts

- The table below illustrates updated OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Other updates since Budget 2017** | | | | | |
| *March 2017 Shareholder Update: OPG Net Income* | 385 | - | - | - | - |
| *March 2017 Shareholder Update: Income Tax Expense* | 94 | - | - | - | - |
| *ONFA Adjustments (as at Mar 31, 2017)* | 49 | - | - | - | - |

# Risks

- **OEB Risks:** OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing) and unfavourable future treatment of pension costs would adversely affect OPG's results, resulting in negative fiscal impacts.
- **IFRS Risks:** A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| *Net additional OPG IFRS Consolidation Risks* | - | (25) | (525) | (475) | N/A |

- **Financing Costs:** Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

# Risks – Darlington Refurbishment

- **Darlington Refurbishment Risk:** Darlington Refurbishment is executed consistent with the approved project budget and schedule. Failure to maintain cost and schedule commitments for the project could potentially result in significant write-offs against net income as well as reputational damage. In addition, inability to carry out the refurbishment of the first unit as planned may result in the Province of Ontario (Province) not proceeding with OPG's refurbishment of the remaining units.

- Darlington Refurbishment Update from March 2017 OPG Monthly Update:
  - Vault Preparations commenced on January 11th. Since that time, the project has lost 28 days of critical path and, is two days behind the working schedule. Key contributors to these delays are unanticipated work, vendor performance, and vendor and OPG integration.
  - In order to mitigate the impacts, the Joint Venture and OPG have implemented four Logistic Coordinators, an hour-by-hour schedule of critical path activities, assigned dedicated staff to vault and rubber area activities and OPG's construction oversight organization is taking a move active and intrusive role on execution activities.

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# Electricity Sector Rules of Thumb

- **OPG Rule of Thumb**: For every $50M change in OPG revenues due to changes in regulated prices, all-in rate impact of about 0.03 ¢/kWh (less than 0.5% of total bill)

- **H-1 Rule of Thumb**: For every $50M change in H-1 revenue due to changes in regulated rates, all-in rate impact of about 0.03 ¢/kWh (less than 0.5% of total bill)

- **DRC Rule of Thumb**: The DRC is generally charged at 0.7 ¢/kWh, about 10% of the total bill for industrial users and around 5% for a typical residential consumer after OCEB)*

| OPG Risks | Fiscal Impact |
|---|---|
| Realised gains in Nuclear funds v plan -/+ 1% | -/+ $110 million |
| Change in Regulated Prices -/+ 1% | -/+ $30 million |
| Regulated ROE -/+ 1% | -/+ $30 million |
| Nuclear regulated price -/+ 0.1 ¢/kWh | -/+ $50 million* |
| Hydro regulated price -/+ 0.1 ¢/kWh | -/+ $20 million* |
| Nuclear output -/+ 1 TWh | -/+ $55 million |
| Hydro output -/+ 1 TWh | -/+ $30 million* |
| Market price -/+ 0.1 ¢/kWh | -/+ $15 million* |

| H-1 Risks | Fiscal Impact |
|---|---|
| Ontario load -/+ 1% | -/+ $20 million |
| Average peak demand -/+ 100 MW | -/+ $8 million |
| Regulated ROE for distribution -/+ 1% | -/+ $30 million |
| Regulated ROE for transmission -/+ 1% | -/+ $50 million |

| DRC Risks | Fiscal Impact |
|---|---|
| Ontario load -/+ 1 TWh | -/+ $7 million |
| DRC Rate -/+ 0.1 ¢/kWh | -/+ $135 million |

*Risk estimates based on 2012 production and market prices*

PLACEHOLDER
To be updated with more recent info, if available

| | |
|---|---|
| **From:** | Strang, James (TBS) |
| **To:** | John Kim |
| **Cc:** | Chris Skubel (MGS); Felix Fung (MOF) |
| **Subject:** | OPG Business Plan |
| **Date:** | Tuesday, May 02, 2017 4:17:23 PM |
| **Attachments:** | 5 2017-05-09 RAN OPG Business Plan v2.doc |

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John,

Chair's - Thursday, May 4th 1:00-3:00pm. OPG and FHP towards at the beginning of the Agenda.

OPCD is reviewing the note (Attached). Sec was very brief today. Cindy V (OPCD) Indicated there's a few accounting aspects at play – I caught the IFRS consolidation risk and she referenced another in general terms, I'm guessing nuclear funds related? Please confirm if the first bullet under Key Income Statement Forecasts is correct.

I also noticed the financial table on page 12 repeats amounts appearing on page 11 (for example OPG IFRS consolidation, and Net Income (including OPG Head Office). The blurb at the top of page is talking about the following table being other OPG fiscal results. Perhaps the blurb at the top of page 12 can be updated to reflect what's in the table, and clarify what '2017 budget adjustments" are as adjustments to what?

Thanks in advance,

James

TAB 3

**TREASURY BOARD / MANAGEMENT BOARD OF CABINET**
**REQUEST ASSESSMENT NOTE**

| | |
|---|---|
| **Ministry:** | Energy |
| **Meeting Date:** | May 9, 2017 |
| **Agenda Class:** | Discussion (In Camera) |
| **Last reviewed by:** TB/MBC March 24, 2015 | **Tracking to: Fast Track** Cabinet (May 10, 2017) |

| **SUBMISSION TITLE:** | 2017-2019 Business Plan for Ontario Power Generation |
|---|---|

~~**Prepared based on draft submission**~~

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## I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2017-2019 Business Plan

## II. RECOMMENDATIONS:

| | |
|---|---|
| • Receive the 2016-2018 business plan for Ontario Power Generation | *Receive* |
| • Note Minister of Energy will provide concurrence with OPG's Business Plan | *Note* |
| • Approval giving special status to OPG under Section 5.3 of the MBC Travel, Meal and Hospitality Expenses Directive, giving it the authority to approve international travel for its employees. | *tbd* |

## III. FINANCIAL SUMMARY

| **$ Millions** | **2014-15** | **2015-16** | **2016-17** |
|---|---|---|---|
| Initiative cost requested | 0.0 | 0.0 | 0.0 |
| Initiative cost recommended | 0.0 | 0.0 | 0.0 |
| Recommended program base | 0.0 | 0.0 | 0.0 |
| Offset Recommended (Specify Ministry/Program) | 0.0 | 0.0 | 0.0 |
| Total Fiscal Impact | 0.0 | 0.0 | 0.0 |

## IV. KEY COMMENTS AND CONSIDERATIONS

As stipulated as part of the 2013-14 Results-based Planning process, the Ministry of Energy is submitting OPG's annual business plans for review by Treasury Board to facilitate incorporating implications into the Province's fiscal plan.

It is under the responsibility of the Minister of Energy on whether or not to provide the Minister's concurrence of OPG's annual multi-year business plan. The Treasury Board submission provides the Minister of Energy with an opportunity to highlight why concurrence is being given and any conditions placed on it. Appendix C provides more information on the concurrence process and the 2013-14 minute.

Under the memorandum of agreement (MOA, July 2015) between the Province (as sole shareholder and the Ministry of Energy as representative of the shareholder) and OPG, the company is required to annually submit its board-approved multi-year business plan to the Minister of Energy for concurrence.

The concurrence letter from the Minister to the company will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company including indicating any elements of the business plan the government does not concur.

In November 2016, OPG submitted its Board approved 2017-2019 Business Plan ~~(Board-approved?)~~ to the Ministry.

Ontario's Fair Hydro Plan (OFHP) is not reflected in OPG's latest Business Plan. The Ministry notes the following OFHP implications for OPG:

- As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would develop a Special Purpose Vehicle (OPG Trust) which would use 100 per cent debt financing to purchase the right to future cash flows from IESO. It is proposed that the OPG Trust would raise 51% of required funding directly from capital markets while OPG would provide 49% of the financing requirements. The latter would include 44% debt or equity financing from the Province (Estimates provides for a Ministry of Energy operating asset to make an equity injection) with OPG raising the remaining 5% from capital markets.
  - Provincial borrowing would be offset by an increase in an investment asset in OPG.
  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
  - In addition, the Province's net debt position should remain unchanged
    - ~~As part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province (Equity injection via an operating asset, raised from higher debt, with additional shares to the Province as sole shareholder), and by third-party lending (check with OFA – currently 256.3M common shares increasing to….needed? Perhaps explain why there are shares given province is sole shareholder, linked to value of OPG assets/equity)~~
  - ~~These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income~~
  - ~~In addition, the Province's net debt position should remain unchanged~~ ~~(Check is OFA)~~

Financial figures from the OPG Business Plan are included and supplemented with forecast adjustments from the Ontario Financing Authority, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget, and for risks related to the Auditor General recommendation that Ontario include Hydro One and OPG financial information in the consolidated financial statements using the International Financial Reporting System (IFRS) reporting framework as required by PSAB standards. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan. ~~Financial figures from the OPG Business Plan are included and supplemented with forecast changes for the Ontario Financing Authriy, MOF for OFHP implications as part of Province's finalized fiscal plan for the 2017 Budget. The Ministry of Energy indicates it is generally supportive of the fiscal, financial and operational strategies laid out in the business plan.~~

The earnings before tax (net income and income tax payments in lieu – PILs) of OPG are consolidated on the Province's financial statements and have an one-for-one impact on the Province's surplus/deficit position, excluding adjustments that the Province may make upon consolidation of OPG's financials (e.g., unrealized gains or losses in the nuclear funds). OPG is expected to submit its next multi-year business plan later this year for the period starting January 1, 2018~~7~~.

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**Commented [BA1]:** Also added MoF changes for IFRS risk

***Overview of Current Business Plan***

OPG's 2017-19 Business Plan details key company undertakings such as business transformation and nuclear refurbishment that will have a substantial electricity system benefit, ratepayer and shareholder impacts. These items were flagged in the previous year's multi-year business plan as well.

- Key Income Statement Forecasts:
  - The figures in the OPG Board approved 2017-2019 Business Plan show a decrease in earnings before tax of $294M in 2016-17 and $556M in 2017-18 [with $75M and $400M of the declines in 2016-17 and 2017-18 due to IFRS-related consolidation risks], primarily due to estimated impact of Ontario Nuclear Funds Agreement-related IFRS risks, followed by an increase of $11M in 2018-19 and a decrease of $14M in 2019-20 versus the estimates in the 2016 Budget. The 2019-20 decrease largely reflects an IFRS-related consolidation risk of $200M) as described above.

  - ~~The figures in the OPG Board approved 2017-2019 Business Plan, along with OFA forecast updates for OFHP (TBC), show a decrease in earnings before tax of $84M in 2017-18 and $89M in 2017-18, followed by increases of $59M in 2018-19 and $120M in 2019-20 over the estimates in the 2016 Budget..~~

    OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $4636M in 2016. Net income in 2017 is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations

    Net income in 2018 and 2019, before OFA amd MOF adjustments, is projected~~lanned~~ to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019. Return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021.

    In early January 2017, subsequent to the OPG Board's approval of the 2017-2019 Business Plan, OPG reached an agreement with KingSett Canadian Real Estate Income Fund LP for the purchase of OPG's head office property. The net gain is estimated to be $285M and will be distributed to the Trillium Trust.

    These estimates are highly dependent on electricity and financial market conditions, regulatory decisions by the Ontario Energy Board (OEB), potential changes to accounting standards or the basis of consolidation in Public Accounts, operational performance, and/or government policy, which can change materially. The first table in Appendix G shows the changes to Province's fiscal plan.

  - Annual Operations, Maintenance & Administration (OM&A) expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year.

  - The cost of OPG generated electricity to customers is projected to remain ~40% below the average non-OPG cost of electricity to 2018, and over ~30% by 2021. Note: OPG provides predominantly, lower-cost baseload generating capability, rather than more expensive peaking generating capability.

  - Headcount Efficiencies – Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.

    OPG continues ramping up recruitment in 2017 to fill key vacancies in certain areas (particularly in the nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020. OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower

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than 2017 levels in 2021.

OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015. OPG intends to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations.

- Key Projects:
  - The plan assumes ongoing operations at Pickering for about four years beyond 2020, and as approved by Cabinet, the execution of the Darlington refurbishment consistent with approved budget of $12.8 billion (including escalation and interest), is now under way. First unit refurbishment began in October 2016, Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained.
  - Sustaining capital expenditures average $570M per year include nuclear expenditures unrelated to Darlington refurbishment and costs for continued operation of Pickering (e.g., Upgrades at Sir Adam Beck and upgrades to DeCewII, and investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility).
- Rate Application to the OEB:
  - OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021. Oral hearings began February 2017, decision expected in Q3 2017.
    - OPG 2017-2019 BP assumes new rates effective January 1, 2017. The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay.
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only.
  - On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year
- OPG Request – Special Stats for OPG to Approve International Travel (Appendix F provides more information):
  - OPG has placed a request with the Ministry for authority to approve international travel for its employees. OPG has asked that this application be included with its BP submission to TB/MBC.
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business.
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds.
    - OPG requires a high level of international business travel at approximately 90-100

trips annually, while Darlington accounts for 45% and is expected see increases.

- OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date.

*Other Key Fiscal Risks:*

Regulatory risks: OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.

Accounting risks: A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.~~Regulatory risks: Potential disallowance of recovery of OPG's current or future deferral and variance account balances (including for the proposed nuclear rate smoothing), future treatment of pension costs.~~

~~Accounting risks: Any change in the basis of accounting used for consolidation of OPG on the Province's financial statements could result in potentially significant fiscal impacts.~~

~~Financing Costs: Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.~~

| | | | |
|---|---|---|---|
| **Name of analyst:** | James Strang | **Phone number:** | 7-2071 |
| **Date:** | May 1, 2017 | **Log number:** | |
| **Branch / Division:** | General Government, Planning and Resources Branch, PEM, TBS | | |

## APPENDIX A: PROPOSED MINUTE (UNDER DEVELOPMENT)

Note receipt of a Business Plan for Ontario Power Generation.

In this regard,

i.) Note the Minister of Energy will provide Ontario Power Generation (OPG) with a concurrence letter for its Business Plan.

ii.) …..request for special status…international travel

iii.) Direct the Ministry, in consultation with the Ministry of Finance / Ontario Financing Authority, to report back to the Board in early January each year with the approved or latest draft business plans for Ontario Power Generation for fiscal planning purposes.

| **FINANCIAL IMPACTS: CHANGES TO EXPENSE AND REVENUE** | | | | | **TABLE B1** |
|---|---|---|---|---|---|
| | | ***Fiscal Plan Basis*** | | | ***Appropriations Basis*** |
| **$ Millions** | | **2014-15** | **2015-16** | **2016-17** | **2014-15** |
| Initiative cost recommended | | 0.0000 | 0.0000 | 0.0000 | |
| *Expense changes:* | | | | | |
| Operating item | Oper | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Capital item | Cap | 0.0000 | 0.0000 | 0.0000 | 00000 |
| | | | | | |
| | | | | | |
| *Revenue changes:* | | | | | |
| Revenue increase/offset | | 0.0000 | 0.0000 | 0.0000 | |
| Revenue decrease | | 0.0000 | 0.0000 | 0.0000 | |
| **Total Fiscal Impact (draw from c-funds)** | | **0.0000** | **0.0000** | **0.0000** | **0.0000** |

## APPENDIX C: CONCURRENCE OVERVIEW

Under agreements between the Province (as sole shareholder) and OPG, the company is required to annually submit its multi-year business plan to the Minister of Energy for concurrence. Review of the business plan by Treasury Board prior to concurrence was stipulated as part of the 2013-14 Results-based Planning process (see below).

Concurrence is typically provided to OPG via a letter from the Minister of Energy. The letter will note key elements of the business plan, how these elements relate to the policy direction and priorities of the Province, and the government's expectation for the performance of the company. The letter may also indicate any elements of the business plan of which the government does not concur and/or provide additional guidance on expectations going forward.

The current submission looks at the multi-year business plan for OPG covering 2016-2018. Concurrence with the plan is still pending.

Below is the 2013-14 Results-based Plan Minute:

Directed the Ministry of Energy and its agencies, Ontario Power Generation Inc. and Hydro One Inc., in consultation with the Ontario Financing Authority, to report back:

- Annually each autumn with the respective multi-year business plans of the agencies as approved by the Boards of the companies, for review by Treasury Board/Management Board of Cabinet.
  - In this regard, the report should include the following, on a calendar and government fiscal year basis:
  - Multi-year financial and operational targets, including net income and earnings-before-tax.
  - Projected revenues and cash flows to the Province, including the Ontario Electricity Financial Corporation.
  - Planned financings from the Ontario Electricity Financial Corporation.
- Quarterly with financial projection updates and progress reports on the agencies' respective business plan targets and any other new developments, initiatives or risks that may have a material fiscal impact on the Province including variance analysis of last quarter and year-to-date against the annual business plan reviewed by Treasury Board/Management Board of Cabinet.

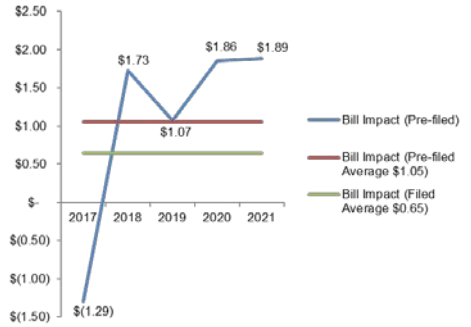
## APPENDIX D: SUMMARY OF KEY HIGHLIGHTS FROM OPG BUSINESS PLAN

The Ministry indicates OPG financial and ratepayer forecasts show some changes from last year's business plan projections, as reviewed by Treasury Board in September 2016.

This is in part because 2017 net income is forecast to increase as a result of new regulated rates, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations.

Also, actions taken by the Province and OPG in early 2017 to enable OPG to smooth its rates based on OPG's weighted average hydroelectric and nuclear all-in rates (which approximates total bill impact), rather than on the basis of nuclear base rates only. OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average year-over-year annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year.

**Comparison of Annual Bill Impact ($/Month per year)**




*Production and Total Cost of Generation*

OPG's production is expected to fall to 69.8 TWh by 2021 from 77.6 TWh in 2016. This reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016 and overlaps between unit refurbishments, as well as, the Pickering Vacuum Building Outage (VBO) in 2021 requiring the shutdown of all units for the duration of the outage.

Total generating cost shows an increasing trend over the planning period relative to 2016, reflecting Lower nuclear production due to Darlington refurbishment outages, increased sustaining capital spending on two large hydroelectric projects (The Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation).

*Operations, Maintenance and Administration (OM&A) Expenses*

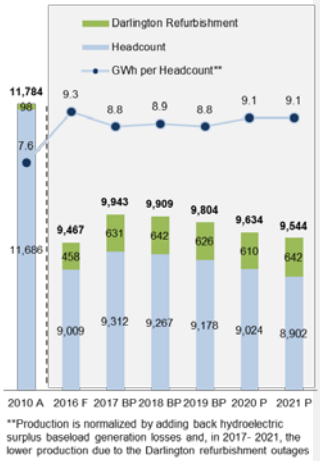
Annual OM&A expenses (excluding Darlington refurbishment OM&A) from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year. Increases related to changes in nuclear outage scope at Darlington and planned hiring to fill staffing gaps, and enabling Pickering continued operations, offset by declining pension related costs, due to projected pension asset returns, increases employee contributions, and new method for dermining interest components of pension costs.

*Business Transformation and Labour Costs*

As part of a company-wide business transformation, OPG saved over $1B in costs from January 2011 to December 2016:

- Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3.
- OPG continues recruitment in 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
  - To date in 2017, OPG has hired ~95 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations, per the terms of the collective agreement

**Ongoing Operations Regular Headcount and Productivity**



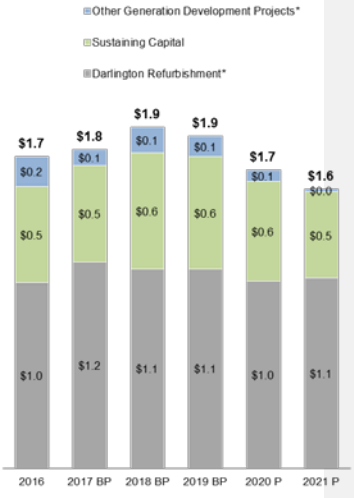

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

*Projects and Capital Expenditures*

OPG continues delivery of major projects over the plan period, including:

- Darlington Refurbishment – Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, requiring concurrence from the Province prior to commencement
- Sustaining Capital – Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- Other Generation Development Projects – Investments in current (e.g., hydroelectric) and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility by 2019

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

*Sales*

The following table summarizes sales recently completed and currently underway (as of April 2017). The fiscal plan implications of the completed OPG Head Office sale is reflected in the 2017 Budget. (TBC).

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| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| Current Status | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| Site Description | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| Buyer | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| Value | Estimated up-front 2017-18 fiscal impact of ~$375M (includes after-tax gain as well as PILs to OEFC) | TBD | TBD |
| Other Considerations | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| Timing | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## APPENDIX E: PROVINCIAL FISCAL PLAN IMPLICATIONS OF BUSINESS PLANS PROCEEDING – (UNDER DEVELOPMENT)

Ontario Power Generation is a Government Business Enterprises (GBE), and consolidated to the Province's financials on a modified equity basis. The Province's Fiscal Plan reflects the entity as Income from Business Enterprises and Electricity Payments-in-Lieu of Taxes (PILs) (As Revenue only).

| Revenue ($millions) | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| **2016 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 471 | 586 | 673 | |
| Income Tax | 224 | 159 | 182 | |
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 96 | 166 | 135 | 170 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income (before IFRS Risk) | 379 | 480 | 678 | 726 |
| IFRS Consolidation Adjustment | (75) | (400) | | (200) |
| GA – OPG Trust Net Income Impact (assumed, to offset IOD) | 17 | 54 | 99 | 153 |
| OPG Head Office* | | 222 | | |
| Net Income | 304 | 97 | 732 | 825 |
| Income Tax | 92 | 92 | 135 | 170 |
| OPG Head Office* | | 74 | | |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (167) | (489) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | (132) | (67) | (47) | 6 |
| **TOTAL OF OPG CHANGES** | (299) | (556) | 12 | 182 |

- Net Income and PILs contributions from OPG Head Office are included in Sales and Rental under Other Non-Tax Revenue in the 2017 Budget.

| ~~Revenue ($millions)~~ | ~~2016-17~~ | ~~2017-18~~ | ~~2018-19~~ | ~~2019-20~~ |
|---|---|---|---|---|
| **~~2016 Ontario Budget~~** | | | | |
| ~~Ontario Power Generation~~ | | | | |
| ~~Net Income~~ | ~~471~~ | ~~586~~ | ~~673~~ | ~~705~~ |
| ~~Income Tax~~ | ~~224~~ | ~~159~~ | ~~182~~ | ~~108~~ |

**Commented [RK2]:** I thought a small amount (100?) was ultimately included here too -- CHECK

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| | | | | |
|---|---|---|---|---|
| **2017-2019 OPG Business Plan** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 349 | 702 | 678 | 726 |
| Income Tax | 111 | 184 | 154 | 189 |
| **2017 Ontario Budget** | | | | |
| Ontario Power Generation | | | | |
| Net Income | 387 | 497 | 732 | 825 |
| Income Tax | ? | ? | ? | ? |
| **Change in GBE Net Income (Between Budgets)** | | | | |
| Ontario Power Generation | (84) | (89) | 59 | 120 |
| **Change in GBE Income Tax PILs +/(-)** | | | | |
| Ontario Power Generation | ? | ? | ? | ? |
| **TOTAL OF OPG CHANGES** | ? | ? | ? | ? |

OPG's fiscal results are also impacted by Other PILs to the Ontario Electricity Financial Corporation (OEFC) and the Province. The following table reflects these others impacts in addition to the latest net income and income tax PILs from OPG's August update.

~~Table below to be updated – OFA~~

| ~~Revenue ($millions)~~ | ~~2016-17~~ | ~~2017-18~~ | ~~2018-19~~ | ~~2019-20~~ |
|---|---|---|---|---|
| ~~2016 Ontario Budget~~ | | | | |
| ~~Combined Other PILs & Other GRC~~ | ~~342~~ | ~~351~~ | ~~359~~ | |
| ~~Other PILs (GRC to OEFC, Proxy Property Tax)~~ | ~~213~~ | ~~223~~ | ~~232~~ | |
| ~~Other GRC (to MOF & Niagara Parks Commission)[1]~~ | ~~129~~ | ~~128~~ | ~~137~~ | |
| ~~2016-18 OPG Business Plan~~ | | | | |
| ~~Combined Other PILs & Other GRC[2]~~ | ~~353~~ | ~~358~~ | ~~366~~ | |
| ~~Other PILs (GRC to OEFC, Proxy Property Tax)[3]~~ | ~~215~~ | ~~220~~ | ~~220~~ | |
| ~~Other PILs (GRC to MOF & Niagara Parks Commission)[3]~~ | ~~135~~ | ~~140~~ | ~~140~~ | |
| ~~OPG Monthly Update (August 2016)~~ | | | | |
| ~~Net Income~~ | ~~361~~ | ~~-~~ | ~~-~~ | |
| ~~Income Tax PILs to OEFC~~ | ~~98~~ | ~~-~~ | ~~-~~ | |

~~1. The GRC to MOF & Niagara Parks Commission (NPC) is provided to enable comparison to the 2016-18 Business Plan.~~
~~2. Include GRC to OEFC, GRC to MOF and NPC and Proxy Property Tax, provided to TBS by Energy on September 14, 2016.~~
~~3. Preliminary 2016-19 Business Plan forecast provided by Energy, January 29, 2016. (Do not add to the Combined Other PILs & Other GRC row, likely due to rounding.)~~

| Revenue ($millions) | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Ontario Budget | | | | |
| Combined Other PILs & Other GRC | 342 | 351 | 359 | |
| Other PILs (GRC to OEFC, Proxy Property Tax) | 213 | 223 | 232 | |
| Other GRC (to MOF & Niagara Parks Commission) | 129 | 128 | 137 | |
| 2017-19 OPG Business Plan | | | | |
| Combined Other PILs & Other GRC | 329 | 350 | 363 | 362 |
| Other PILs (GRC to OEFC, Proxy Property Tax)[3] | 218 | 232 | 243 | 241 |
| Other PILs (GRC to MOF & Niagara Parks Commission) | 110 | 118 | 120 | 121 |

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| | | | | |
|---|---|---|---|---|
| Net Income (including OPG Head Office sale) | 379 | 702 | 678 | 726 |
| **2017 Budget Adjustments** | | | | |
| ONFA adjustment | 8 | | | |
| OPG Trust Interest Revenue - TBC | | 17 | 54 | 99 |
| OPG IFRS consolidation risk reflected in fiscal plan | (75) | (400) | - | (200) |
| Income Tax PILs to OEFC | 92 | 166 | 135 | 170 |

Source: OPG 2017-2019 Business Plan and further details provided by OPG March 14, 2017

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|---|---|
| **From:** | John Kim |
| **To:** | James Strang (FIN) (James.Strang@ontario.ca) |
| **Cc:** | Felix Fung (MOF) (Felix.Fung@ontario.ca) |
| **Subject:** | OPG TB |
| **Date:** | Wednesday, April 19, 2017 1:29:33 PM |
| **Attachments:** | 2017 04 11 OPG Business Plan Review v7.pptx<br>2017 03 14 OPG concurrence letter v6.docx<br>2017 04 11 TBMBC EIGS OPG Business Plan v03.docx |

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Sorry, just got back to my office….there you go.

Still draft versions is what I'm being told.

John

Ontario

MINISTRY OF
ENERGY

# OPG Business Plan

May 2017

# Context

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
  - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence is subject to an appearance of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance
- The following presentation provides an overview of OPG's business plan, including:
  1. Business Plan Overview
  2. Other Considerations

# Context *(cont'd)*

- Proceeding with Provincial concurrence now will ensure OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period

- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP, these changes are not reflected in OPG's plan

  - The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province, and by third-party lending

  - These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income

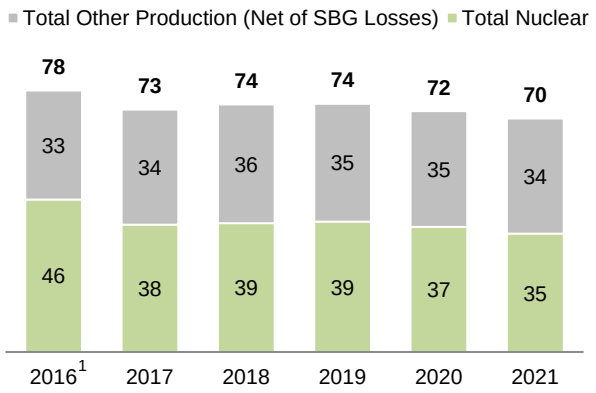
  - In addition, the Province's net debt position should remain unchanged

# 1. Business Plan Overview

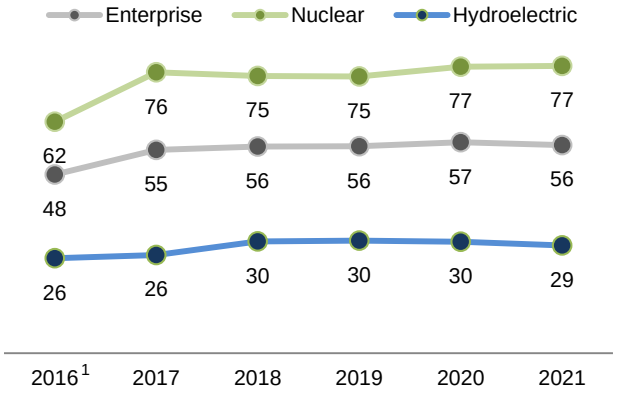
## *a) Production & Total Cost of Generation*

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While Operations, Maintenance and Administration (OM&A) remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

### Production (TWh)




### Total Generating Cost ($/MWh)




1. Actuals

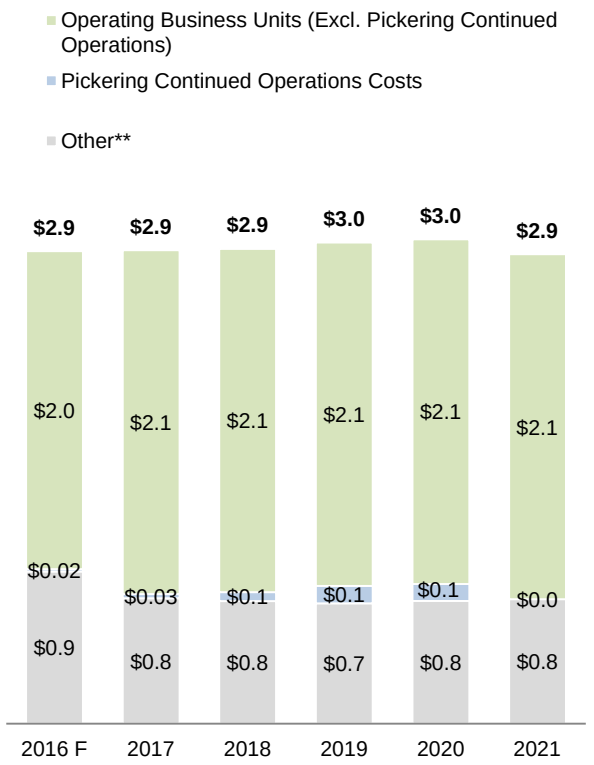
*TGC = OM&A expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

# 1. Business Plan Overview

## *b) Operations, Maintenance and Administration (OM&A) Expenses*

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
  - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
  - Incremental outage and other program costs to enable Pickering continued operations
  - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

### OM&A from Ongoing Operations* ($B)



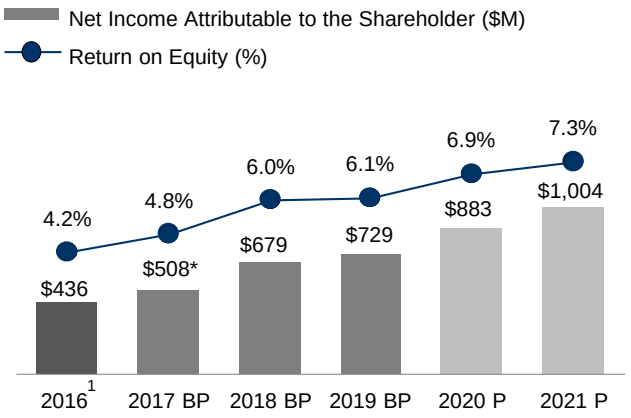

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets
** Includes centrally held pension /OPEB costs and support services

# 1. Business Plan Overview

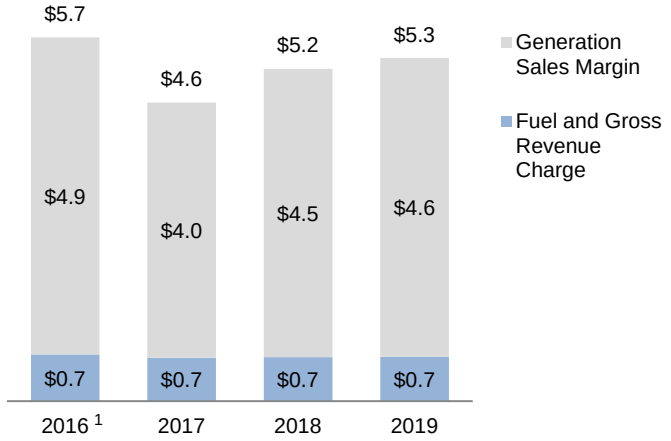
## *c) Financials*

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
  - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
  - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

### Net Income ($M) and ROE (%)




### Revenue Margin ($B)




*Includes extraordinary gain associated with the sale of OPG head office

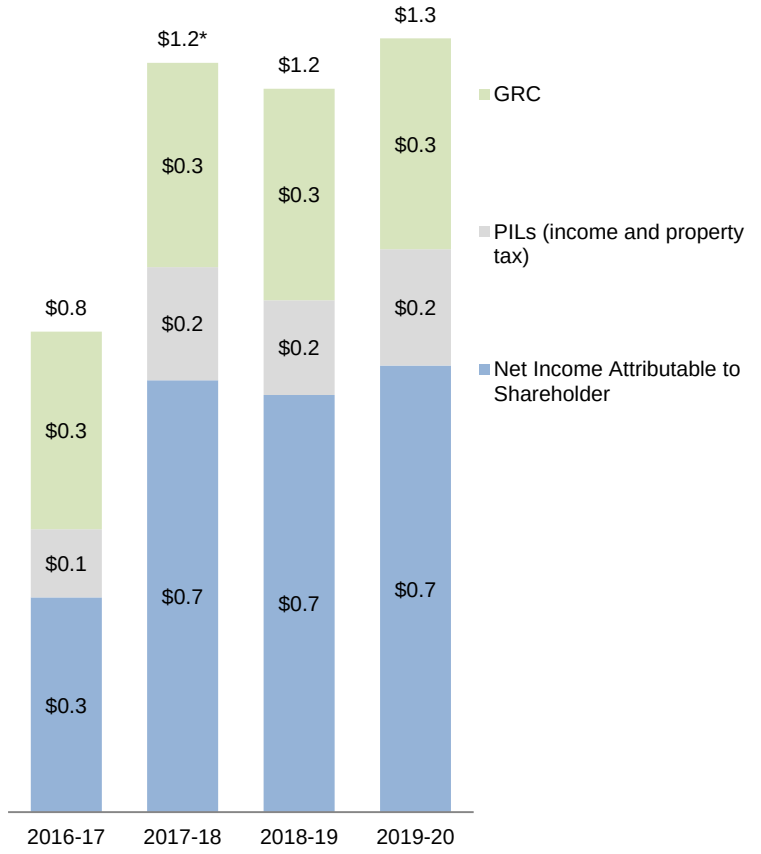
1. Actuals

# 1. Business Plan Overview

## *d) Shareholder Return*

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs) income tax PILs are consolidated by the Ontario Electricity Financial Corporation (OEFC)
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**



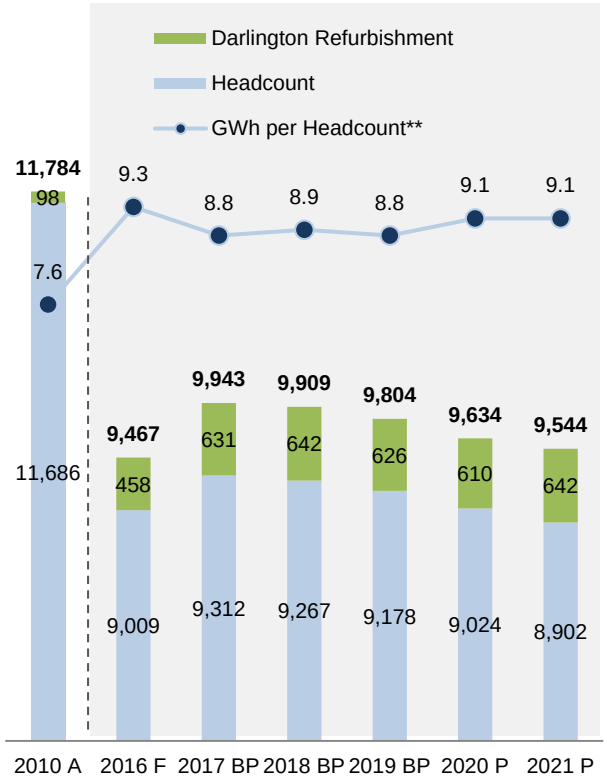

*Includes gain associated with the sale of OPG head office

# 1. Business Plan Overview

## *e) Business Transformation Initiative & Labour Costs*

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
  - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
  - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
  - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



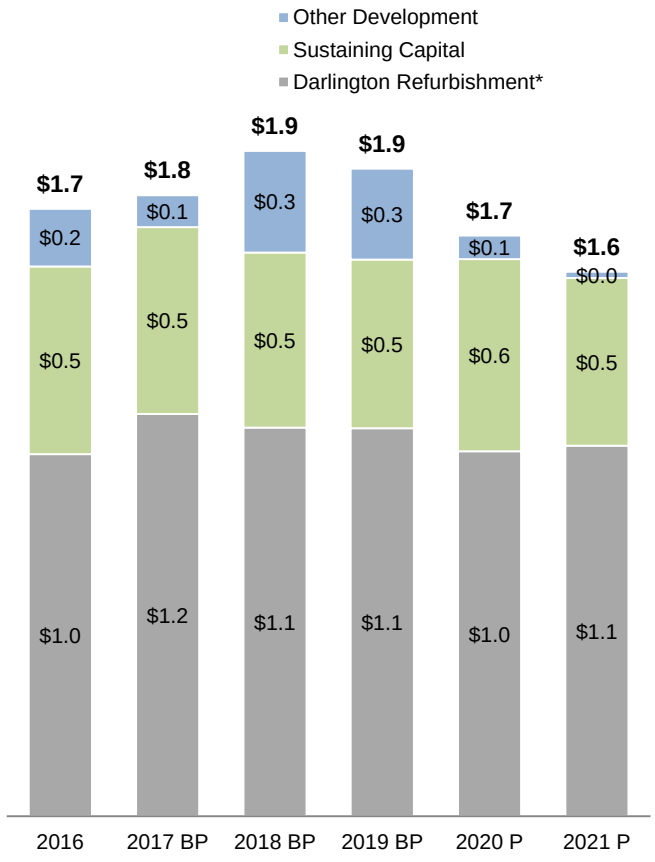

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

# 1. Business Plan Overview

## *f) Operating Highlights - Projects and Capital Expenditures*

- OPG continues to focus on delivery of its major projects over the plan period, including:
  - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained
  - **Sustaining Capital:** Expenditures average $570M, including:
    - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
    - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew II
    - Lower Mattagami upgrades in 2018 and 2019
  - **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

# 2. Other Considerations

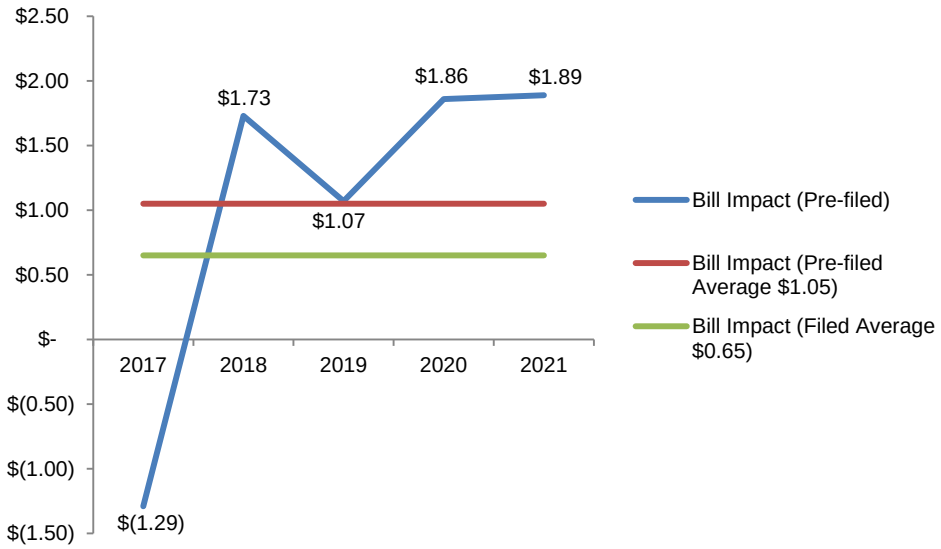
## *Rate Application*

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*

**Rate-Smoothing Proposal:**

- On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
- On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

# 2. Other Considerations

*Sales*

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

# 2. Other Considerations

## *Special Status for OPG to Approve International Travel*

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
  - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business
- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
  - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
  - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
  - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
  - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

# Appendix

# 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

Mr. Bernard Lord
Chair
Ontario Power Generation
1900-700 University Avenue
Toronto ON M5G 1X6

Dear Mr. Lord,

Thank you for your submission of Ontario Power Generation's (OPG) 2017-2019 Business Plan ("the Plan"). We have reviewed the Plan and find it to be consistent with our government's expectations.

I support the operational and financial targets set by OPG in its business plan. We recognize the substantial cost reductions that OPG has recently achieved and expect OPG to work closely with the Province to fully realize the additional efficiencies incorporated in the Plan in a manner that is consistent with the continued safe and environmentally responsible operation of OPG's facilities.

We commend OPG on its successful start to the Darlington Refurbishment Project, a key objective of Ontario's 2013 Long-Term Energy Plan (2013 LTEP). As a priority project for the government, I expect that OPG will continue to focus on delivering the project as per the schedule and budget contained in the Release Quality Estimate approved by the OPG Board and by the government. I also expect OPG to continue to minimize project risks consistent with the nuclear refurbishment principles set out in the 2013 LTEP, and seek concurrence prior to commencing subsequent unit refurbishments after Unit 2 is successfully returned to service.

We continue to support the planned operation of Pickering units up to 2024 as the station's output will provide reliable, cost-effective and emission-free electricity supply during the Darlington and initial Bruce refurbishments. I expect OPG to seek concurrence to proceed with ongoing Pickering operation after the necessary regulatory approvals are complete.

I understand that the recently approved Ontario Nuclear Funds Agreement (ONFA) Reference Plan has resulted in a reduction of costs to consumers for future decommissioning and long-term management of waste from Ontario's nuclear plants. In addition, the segregated nuclear funds set aside under ONFA have reached fully funded status. With many decades of nuclear generation in the Province's future, the decision to fund these costs now provides security for future generations of Ontarians.

I appreciate the efforts of OPG staff, management and the Board of Directors to date as we worked to develop a plan to refinance the Global Adjustment (GA). Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. OPG will be instrumental to the success of this initiative and we plan to introduce legislation that would, if passed, enable OPG to work with the Independent Electricity System Operator (IESO) to implement this plan.

I expect OPG to continue to keep the government informed with regard to the company's key ongoing and emerging initiatives and progress in achieving its financial

and operational performance commitments. As OPG's performance directly impacts Ontario's fiscal plan, we note the importance of achieving or exceeding OPG's financial performance commitments.

This letter constitutes our concurrence with OPG's Board approved 2017-2019 Business Plan as provided for under the Memorandum of Agreement between OPG and the Shareholder dated July 17, 2015.

Sincerely,

Glenn Thibeault
Minister of Energy

c: Jeff Lyash, President and Chief Executive Officer, OPG
Serge Imbrogno, Deputy Minister, Ministry of Energy

# MINISTRY OF ENERGY

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# TREASURY BOARD / MANAGEMENT BOARD of CABINET SUBMISSION

# ONTARIO POWER GENERATION (OPG) 2017-19 BUSINESS PLAN

**May 2017**

**CONFIDENTIAL**
**MINISTRY OF ENERGY**

**ONTARIO POWER GENERATION (OPG)**
**2017-19 BUSINESS PLAN**

## MINISTRY REQUEST

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

## CONTEXT

- As required by the Memorandum of Agreement (MOA) between Ontario Power Generation and the Minister of Energy, OPG provided its Business Plan for 2017-2019 to the Ministry of Energy on November 29 for concurrence
    - Please note that while OPG is seeking concurrence for its three year 2017-19 business plan, the plan also includes financial projections for 2020 and 2021
- The Minister's concurrence is subject to an appearance of OPG's business plan before TB/MBC
- The Ministry of Energy review and analysis of OPG's business plan is supported by the Electricity Investment and Governance Secretariat, a unit within the Ministry of Finance
- The following presentation provides an overview of OPG's business plan, including:
    1. Business Plan Overview
    2. Other Considerations
- Proceeding with Provincial concurrence now will ensure OPG has support from its shareholder as it implements the plan and provides clarity to the Ontario Energy Board (OEB) as it reviews OPG's current rate application covering the 2017-2021 period
- Business plan forecasts may be affected by Ontario's Fair Hydro Plan (OFHP). Given the stage of implementation of OFHP, these changes are not reflected in OPG's plan

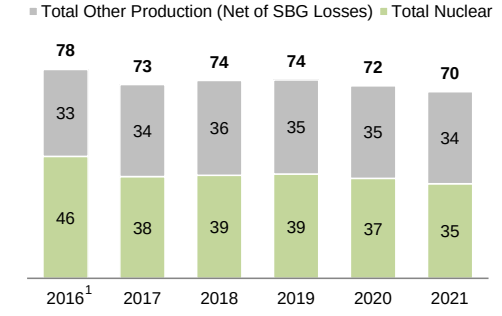
- The Ministry anticipates that as part of supporting the financing and administration of the global adjustment smoothing mechanism, OPG would purchase the right to future cash flows from IESO, financed by capital infusions from the Province, and by third-party lending
- These changes are expected to be fiscally neutral as they would result in an increase in Provincial interest on debt, offset by increases in OPG net income
- In addition, the Province's net debt position should remain unchanged

## 1. BUSINESS PLAN OVERVIEW

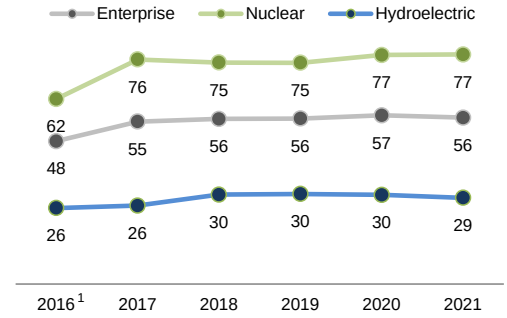
### a) Production & Total Cost of Generation

- OPG's production is expected to fall to 69.8 TWh by 2021 from 78.2 TWh in 2016
  - Reflects a declining trend in the Darlington production due to refurbishment outages starting in October 2016
  - Also includes a partial overlap starting in 2021 between second and third unit refurbishments
- While OM&A remains relatively stable over the planning period (see next slide), total generating cost (TGC)* shows an increasing trend over the planning period relative to 2016, reflecting:
  - Lower nuclear production due to Darlington refurbishment outages, and
  - Increased sustaining capital spending (included in TGC) on two large hydroelectric projects, the Lower Mattagami dam safety upgrade and the Sir Adam Beck I GS power canal liner rehabilitation

**Production (TWh)**




**Total Generating Cost ($/MWh)**



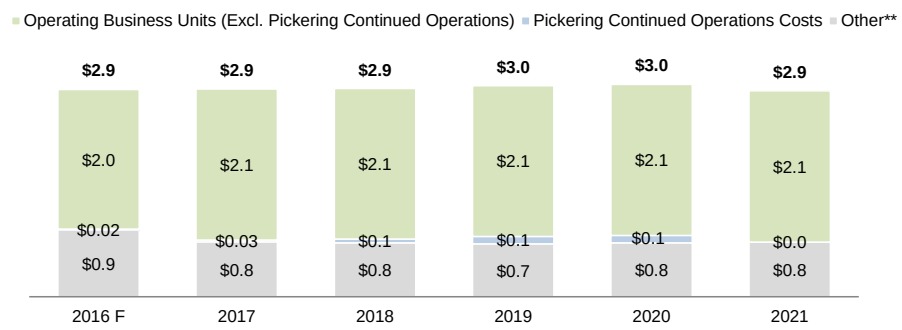

1. Actuals

*TGC = operations, maintenance and administration (OM&A) expenses from ongoing operations + fuel and Gross Revenue Charge expenses for OPG-operated stations + sustaining capital expenditures) divided by OPG generation adjusted for surplus baseload generation losses

### b) Operations, Maintenance and Administration (OM&A) Expenses

- Annual OM&A expenses from ongoing operations are expected to stay consistent over the plan period, averaging $2.9B per year
- Increases over 2016 are mainly attributable to:
    - Increases in business unit expenditures, including changes in nuclear outage scope at Darlington, and planned hiring to fill staffing gaps
    - Incremental outage and other program costs to enable Pickering continued operations
    - Partially offset by declining pension and OPEB costs over the period due to projected pension asset returns, increased employee contributions, and adoption of a new method for applying discount rates to determine interest components of pension costs

**OM&A from Ongoing Operations* ($B)**



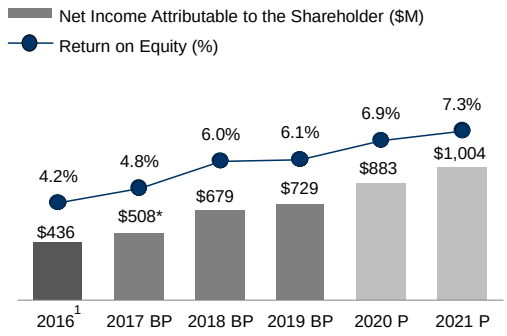

*Excludes Darlington refurbishment OM&A expenses and all OEB variance and deferral account offsets

** Includes centrally held pension /OPEB costs and support services

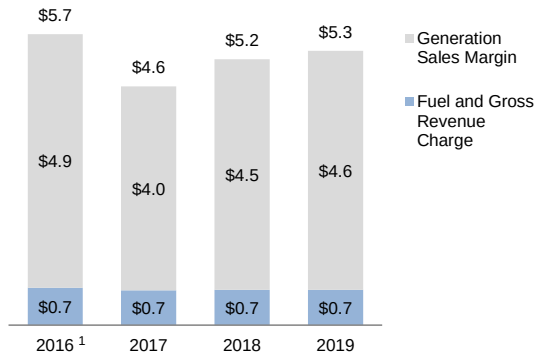
### c) Financials

- OPG is forecasting net income attributable to the Shareholder to reach $1B in 2021, from $436M in 2016
    - 2017 net income is forecast to increase as a result of new regulated rates, a gain on sale of OPG's head office, higher capitalized interest for the Darlington Refurbishment expenditures partially offset by reduced production as a result of planned outages at Sir Adam Beck I and DeCew II hydro stations
    - Net income in 2018 and 2019 is planned to increase, primarily due to higher production, and earnings from oncoming stations including Nanticoke solar in 2019
- As a result, return-on-equity (ROE) is estimated to increase from 4.2% in 2016 to 7.3% by 2021
- Overall, the 2017-19 Business Plan is largely unchanged relative to last year's plan in terms of commitments for Net Income, and Total Shareholder Return

**Net Income ($M) and ROE (%)**




**Revenue Margin ($B)**



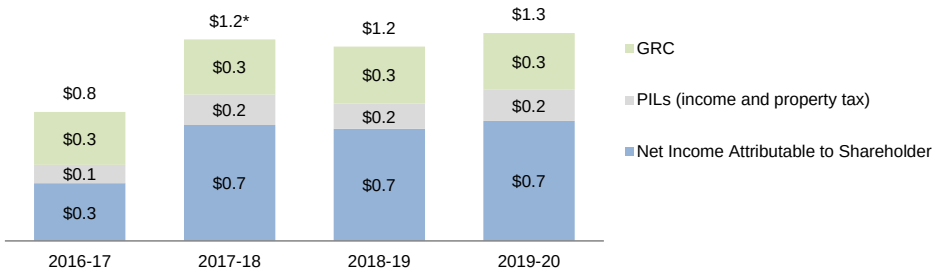

1. Actuals

*Includes extraordinary gain associated with the sale of OPG head office

## d) Shareholder Return

- Total return to the shareholder averages ~$1B over the period
- Total return to the shareholder improves over the period largely due to changes in net income, which OPG attributes to:
  - Assumed OEB rate outcomes
  - Completion of the first Darlington unit refurbishment
  - Further cost efficiencies
- Net income is consolidated by the Province as Revenue from Government Business Enterprises (GBEs) and income tax PILs are consolidated by the Ontario Electricity Financial Corporation (OEFC)
- OPG also pays a Gross Revenue Charge (GRC) and Property Taxes to the OEFC

**Total Shareholder Return ($B)**

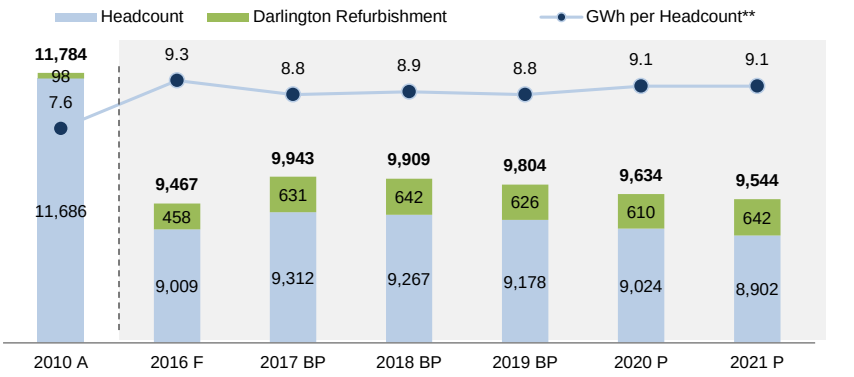



*Includes gain associated with the sale of OPG head office

### e) Business Transformation Initiative & Labour Costs

- As part of a company-wide business transformation, OPG has saved over $1B in costs from January 2011 to December 2016
    - Headcount has fallen from 11,686 in 2010 to a forecasted 9,009 in 2016 while GWh per headcount has increased from 7.6 to 9.3
- However, OPG is ramping up recruitment between 2016 and 2017 to fill key vacancies in certain areas (particularly in the Nuclear business unit) due to high levels of attrition from employee demographics, as well as continued Pickering operations beyond 2020
    - OPG is forecasting regular headcount to show a net increase of ~300 by the end of 2017 before gradually decreasing to 4% lower than 2017 levels in 2021
- In addition, to date OPG has hired ~60 Term employees, a new category of non-regular staff negotiated with the Power Workers' Union (PWU) through collective bargaining in 2015
    - Intention is to add fewer regular staff in circumstances where they are likely to be laid off as a result of the end of Pickering commercial operations

**Ongoing Operations Regular Headcount and Productivity**



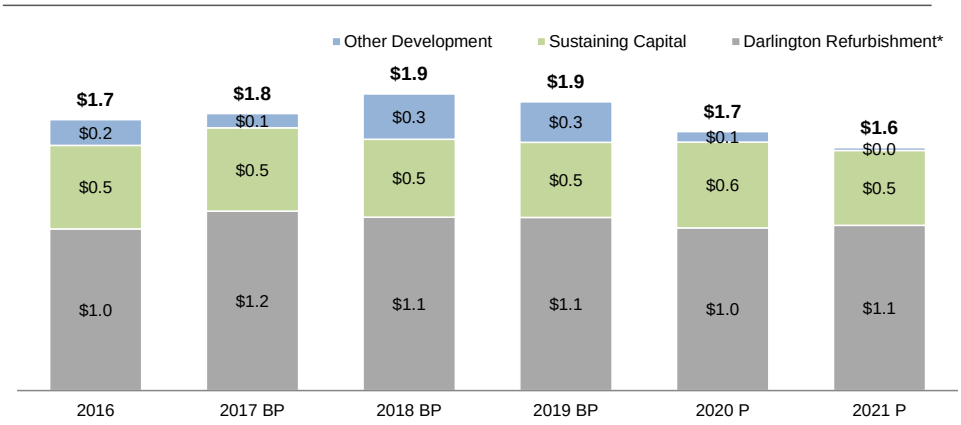

**Production is normalized by adding back hydroelectric surplus baseload generation losses and, in 2017- 2021, the lower production due to the Darlington refurbishment outages

### f) Operating Highlights - Projects and Capital Expenditures

- OPG continues to focus on delivery of its major projects over the plan period, including:
    - **Darlington Refurbishment**: Unit 2 is assumed to be returned to service in February 2020 with the second unit refurbishment commencing immediately thereafter and the third unit refurbishment starting in July 2021, assuming necessary concurrence from the Province is obtained

- **Sustaining Capital:** Expenditures average $570M, including:
  - Nuclear expenditures unrelated to refurbishment at Darlington and costs for continued operation of Pickering
  - Regulated hydro expenditures including upgrades at Sir Adam Beck and upgrades to DeCew ll
  - Lower Mattagami upgrades in 2018 and 2019
- **Other Developments:** Investments in current and emerging generation technologies including solar and energy storage including construction and operation of the Nanticoke solar facility

**Capital Expenditure Estimates ($B)**




*Includes expenditures budgeted by Support Services

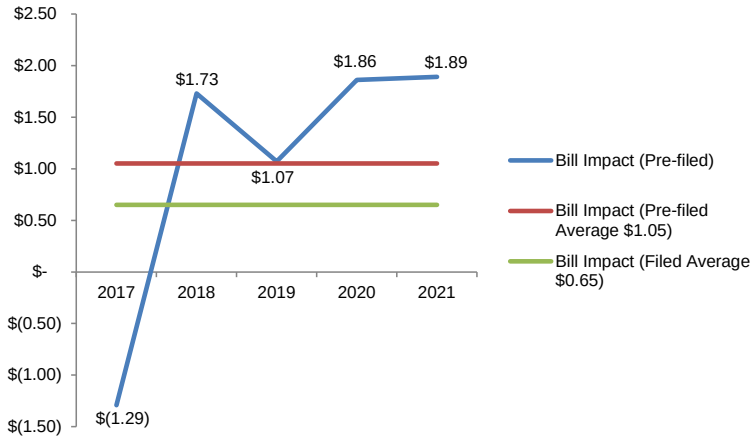
## 2. OTHER CONSIDERATIONS

### Rate Application

- OPG's 2017-19 Business Plan is dependent on the outcome of its rate filing with the OEB for the five-year period from 2017-2021
- Oral hearings began February 21, 2017 with a decision expected in Q3 2017
- OPG's 2017-19 Business Plan assumes new rates are effective January 1, 2017
  - The OEB setting a later effective date would negatively impact OPG's 2017-18 fiscal year net income by ~$50-60M per month of delay*
- Rate-Smoothing Proposal:
  - On March 2, 2017 the Province filed an amendment to O.Reg.53/05, which enables OPG to smooth its rates based on OPG's total bill impact, rather than on the basis of nuclear rates only
  - On March 8, 2017 OPG filed a revised rate smoothing proposal with the OEB, which is expected to decrease the average annual impact on

the monthly customer bill for an average consumption of 750 KWh/month from about $1.05 to 65 cents per month per year

**Comparison of Annual Bill Impact ($/Month per year)**




*Forecasted in May 2016

## Sales

| | OPG Head Office | R.L. Hearn Site | Lakeview Site |
|---|---|---|---|
| **Current Status** | Completed | Agreement Reached | OPG and Infrastructure Ontario are preparing for marketing |
| **Site Description** | 700 University Ave. and parking garage at 40 Murray St. in Toronto | ~33 acres at the R.L. Hearn site in Toronto | ~67 acres to be transferred by the purchaser to the City of Mississauga (Municipal Park Lands) and ~110 acres to be developed for mixed uses (Uplands) |
| **Buyer** | KingSett Canadian Real Estate Income Fund LP | Studios of America Limited Partner | TBD |
| **Value** | Estimated up-front 2017-18 fiscal impact of ~$375M | TBD | TBD |
| **Other Considerations** | N/A | N/A | Negotiations with the City have been lengthy and costs to remediate/prepare site may be significant due to concerns regarding site condition |
| **Timing** | The sale closed in April 2017 | Anticipated to close in Q3 2017 | Marketing is planned to start in April 2017, pending negotiations with the City, with an anticipated closing in 2017 |

## Special Status for OPG to Approve International Travel

- On January 24, 2017, OPG's President and CEO wrote to the Deputy Minister requesting authority for OPG to approve international travel for its employees
    - Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive allows agencies/organizations, for

which international travel may be integral to their business, to seek TB/MBC approval for special status to ensure that the approval process does not have an undue negative effect on its ability to conduct business

- OPG has indicated that international travel is integral to the safe and prudent operation of its business and that special status will enable efficient decision-making while lowering travel costs
    - OPG cites the importance of enabling its engagement with the international community (in particular in regards to nuclear safety), procurement activities, and investment and due diligence processes for its pension fund and nuclear funds
    - OPG requires a high level of international business travel at approximately 90-100 trips annually, while Darlington accounts for 45% and is expected see increases
    - OPG indicated that the approval process, which took 23 days on average in 2016, delays flight bookings which results in higher costs as airlines raise fares closer to the travel date
    - OPG believes the inability to make timely commitments on events and meetings impacts employee engagement as well as its international relationships and reputation
- OPG has asked that this application be included with the Ministry's submission to TB/MBC seeking concurrence with OPG's 2017-19 business plan

## RECOMMENDATION

The Ministry of ENERGY is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

1. NOTE the receipt of OPG's 2017-2019 Business Plan.
2. NOTE that the Minister of Energy will provide concurrence with OPG's Business Plan.
3. APPROVE OPG's application for Special Status to Approve International Travel under Section 5.3 of the Management Board of Cabinet's Travel, Meal and Hospitality Expenses Directive dated January 1, 2017.

# APPENDIX

## OPG 2016 Year-End Financials

| OPG Balance Sheet as at Dec 31<br>$B | 2016 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 0.2 |
| Available-for-sale securities | 0.2 |
| Receivables from related parties | 0.4 |
| Nuclear fixed asset removal and nuclear waste management funds | 0.02 |
| Other current assets | 0.9 |
| **Total current assets** | **$1.7** |
| **Net property, plant and equipment** | **$20.0** |
| **Net intangible assets** | **$0.1** |
| Nuclear fixed asset removal and nuclear waste management funds | 16.0 |
| Regulatory assets | 5.9 |
| Other long-term assets | 0.7 |
| **Other assets** | **$22.5** |
| **Total assets** | **$44.4** |
| **Liabilities** | |
| Accounts payable and accrued charges | 1.2 |
| Short-term debt and long-term debt due within one year | 1.1 |
| Income taxes payable and other current liabilities | 0.1 |
| **Total current liabilities** | **$2.4** |
| Long-term debt | 4.4 |
| Fixed asset removal and nuclear waste management liabilities | 19.5 |
| Pension liabilities | 3.0 |
| Other post-employment benefit liabilities | 2.9 |
| Other liabilities | 1.7 |
| | **$31.5** |
| **Total liabilities** | **$33.9** |
| **Equity** | |
| Equity attributable to the Shareholder | 10.4 |
| Equity attributable to non-controlling interest | 0.1 |
| **Total equity** | **$10.5** |
| **Total liabilities and equity** | **$44.4** |

| OPG Income Statement Year Ended Dec 31<br>$B | 2016 |
|---|---|
| Revenue | $5.7 |
| Fuel expense | 0.7 |
| **Gross margin** | **$4.9** |
| Operations, maintenance and administration | 2.7 |
| Depreciation and amortization | 1.3 |
| Accretion on fixed asset removal and nuclear waste management liabilities | 0.9 |
| Earnings on nuclear fixed asset removal and nuclear waste management funds | -0.7 |
| Other expenses | 0.02 |
| **Total expenses** | **$4.2** |
| **Income before other (gains) losses, interest and income taxes** | **$0.7** |
| Other (gains) losses | -0.02 |
| **Income before interest and income taxes** | **$0.7** |
| Net interest expense | 0.1 |
| **Income before income taxes** | **$0.6** |
| Income tax expense | 0.2 |
| **Net income** | **$0.5** |
| **Net income attributable to the Shareholder** | **$0.4** |
| **Net income attributable to non-controlling interest** | **$0.02** |

**From:** Bruno Amara
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** OPG changes
**Date:** Thursday, February 15, 2018 7:17:08 PM
**Attachments:** OPG Comparisons.xlsx

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Hi Ron

For what it's worth, I put these tables together to help make more clear the changes in OPG's Outlook when comparing OPG's current 2018-2021 BP to a) 2017 Budget and b) our previous January 2018 Outlook distribution.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**OPG Business Plan 2018-2021**

| | $ Millions | | | | 2017 Budg<br>$ Millions |
|---|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **2017-18** |
| **Net Income** | 712 | 795 | 1,053 | 877 | 480 |
| **OPG Headquarters**** | 283 | | | | |
| **OPG Lakeview**** | 200 | | | | |
| **Sub-total** | **1,195** | **795** | **1,053** | **877** | **480** |
| **OPG Fair Hydro Plan Amounts** | 10 | 80 | 150 | 225 | 17 |
| **Sub-total** | **1,205** | **875** | **1,203** | **1,102** | **497** |
| **IFRS Adjustment** | (400) | (475) | (700) | (750) | (400) |
| **Sub-total** | **805** | **400** | **503** | **352** | **97** |
| | | | | | |
| **PILs** | | | | | |
| GRC to OEFC | 206 | 209 | 212 | 212 | 205 |
| Property Tax to OEFC | 13 | 14 | 14 | 13 | 18 |
| **Sub-total** | **219** | **223** | **226** | **225** | **223** |
| | | | | | |
| **Income Tax PLs** | 58 | 54 | 175 | 169 | 92 |
| **OPG Headquarters**** | 93 | | | | 74 |
| **OPG Lakeview**** | 70 | | | | - |
| **Sub-total** | **221** | **54** | **175** | **169** | **166** |
| | | | | | |
| **Total OPG** | **1,245** | **677** | **904** | **746** | **486** |

* 2017 Budget is based on OPG 2017-2019 Business Plan. 2020-21 is EFB estimate

** OPG Headquarters and Lakeview amonts were reported in Sales and Rentals at the time of the 2017 Budget

**ɡet***

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 678 | 726 | 913 |
| | | |
| | | |
| **678** | **726** | **913** |
| 54 | 99 | 153 |
| **732** | **825** | **1,066** |
| | (200) | |
| **732** | **625** | **1,066** |
| | | |
| 212 | 219 | 220 |
| 19 | 19 | 19 |
| **231** | **238** | **239** |
| | | |
| 135 | 170 | 298 |
| | | |
| | | |
| **135** | **170** | **298** |
| | | |
| **1,098** | **1,033** | **1,603** |

**$ Millions**

| 2017-18 | 2018-19 | 2019-20 | 2020-21 | |
|---|---|---|---|---|
| 232 | 117 | 327 | (36) | |
| 283 | - | - | - | |
| 200 | - | - | - | |
| **715** | **117** | **327** | **(36)** | |
| (7) | 26 | 51 | 72 | |
| **708** | **143** | **378** | **36** | |
| - | (475) | (500) | (750) | |
| **708** | **(332)** | **(122)** | **(714)** | see change table line 7 |
| | | | | |
| 1 | (3) | (7) | (8) | |
| (5) | (5) | (5) | (6) | |
| **(4)** | **(8)** | **(12)** | **(14)** | |
| | | | | |
| (34) | (81) | 5 | (129) | |
| 19 | - | - | - | |
| 70 | - | - | - | |
| **55** | **(81)** | **5** | **(129)** | |
| | | | | |
| **759** | **(421)** | **(129)** | **(857)** | |

**OPG Business Plan 2018-2021** **January El**

| | $ Millions | | | | | $ Millions |
|---|---|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** | | **2017-18** |
| **Net Income** | 1,037 | 795 | 1,053 | 877 | | 574 |
| **OEB Impact*** | (325) | na | na | na | | (320) |
| **OPG Headquarters**** | 283 | | | | | 283 |
| **OPG Lakeview**** | 200 | | | | | |
| **Sub-total** | **1,195** | **795** | **1,053** | **877** | | **537** |
| **OPG Fair Hydro Plan Amounts** | 10 | 80 | 150 | 225 | | 12 |
| **Sub-total** | **1,205** | **875** | **1,203** | **1,102** | | **549** |
| **IFRS Adjustment** | (400) | (475) | (700) | (750) | | (400) |
| **Sub-total** | **805** | **400** | **503** | **352** | - | **149** |
| | | | | | | |
| **PILs** | | | | | | |
| GRC to OEFC | 206 | 209 | 212 | 212 | | 214 |
| Property Tax to OEFC | 13 | 14 | 14 | 13 | | 18 |
| **Sub-total** | **219** | **223** | **226** | **225** | | **232** |
| | | | | | | |
| **Income Tax PLs** | 58 | 54 | 175 | 169 | | 67 |
| **OPG Headquarters**** | - | na | na | na | | (107) |
| **OPG Lakeview**** | 93 | | | | | 95 |
| **OPG Lakeview** | 70 | | | | | |
| **Sub-total** | **221** | **54** | **175** | **169** | | **55** |
| | | | | | | |
| **Total OPG** | **1,245** | **677** | **904** | **746** | | **436** |

* OPG Business Plan noted that impavct of deferred effective date was $325M (impact note separated out in pre

** OPG Headquarters and Lakeview amonts were reported in Sales and Rentals at the time of the 2017 Budget.di

**ectricty Outlook Distribution**

| | | | $ Millions | | | | |
|---|---|---|---|---|---|---|---|
| **2018-19** | **2019-20** | **2020-21** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | |
| 678 | 726 | 913 | 463 | 117 | 327 | (36) | |
| (109) | (115) | (136) | (5) | | | | |
| | | | - | - | - | - | |
| | | | 200 | - | - | - | |
| **569** | **611** | **777** | **658** | **226** | **442** | **100** | |
| 42 | 82 | 128 | (2) | 38 | 68 | 97 | |
| **612** | **693** | **906** | **656** | **263** | **510** | **196** | |
| (475) | (700) | (750) | - | - | - | - | |
| **137** | **(7)** | **156** | **656** | **263** | **510** | **196** | see change |
| | | | | | | | |
| 224 | 222 | 222 | (8) | (15) | (10) | (10) | |
| 19 | 19 | 19 | (5) | (5) | (5) | (6) | |
| **243** | **241** | **241** | **(13)** | **(20)** | **(15)** | **(16)** | |
| | | | | | | | |
| 135 | 170 | 298 | (9) | (81) | 5 | (129) | |
| | | | 107 | | | | |
| | | | (2) | - | - | - | |
| | | | 70 | - | - | - | |
| **135** | **170** | **298** | **166** | **(81)** | **5** | **(129)** | |
| | | | | | | | |
| **515** | **404** | **695** | **809** | **162** | **500** | **51** | |

vious table)

istribution included OPG Headquarters but not Lakeview.

table line 7

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Ronald Kwan; John Kim |
| **Subject:** | Outlook and PRRT |
| **Date:** | Thursday, February 22, 2018 5:42:34 PM |
| **Attachments:** | Electricity Sector Outlook (2018 02 22)_v03.xlsm<br>Revised_2018-19 PRRT - Program Note_EFB_ Wrap Up 2 update 2018022 (CPFB edit).docx |

Hi Ron, John

We revised the Electricity Outlook based on the updated IFRS impacts. Versus previous this revised IFRS increased OPG net income and ESDI by $100M, 100, 225, 325 starting in (Added a vs Previous panel to the Cover Sheet line 97). The explanation for OPG changes from Budget is also updated.

CQSD had also requested that we updated the PRRT note to be consistent with the electricity update. We had already sent a DRAFT to CQSD to review. This is also attached.

The only further update now would be NUGs. TBS/OB had asked for numbers (not just electricity) to be finalized as of tomorrow to prepare for weekend meetings.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

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Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 797 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (797) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,804** | **1,463** | **1,835** | **1,781** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **386** | **817** | **865** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 672 | 449 | 736 | 711 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (672) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 808 | (232) | 103 | (389) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 93 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **793** | **(672)** | **(262)** | **(916)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **886** | **(553)** | **(139)** | **(811)** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/16/2018 | | Other Data |

| | | |
|---|---|---|
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |
| 2/22/2018 | 20180222-1 | OPG |
| | | OPG |
| | | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other

ONFA consolidation adjustment for Dec 2017
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)
Update based on January 31, 2018 BSC material for OEFC YTD and Siva email
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Rounding adjustment

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,675 | 386 | 817 |
| | | -15 | 886 | -553 | -139 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |
| Interest on Debt | Expense | | (2.5) | 8.0 | (7.0) |

| | | | | |
|---|---|---|---|---|
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (35.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 100.0 | 100.0 | 225.0 |
| Provision for Electricity Sector (MOF) | Expense | (100.0) | (100.0) | (225.0) |
| OPG Income | Revenue | 100.0 | 100.0 | 225.0 |
| | | (0.0) | (0.0) | (0.0) |

| | | | |
|---|---|---|---|
| ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 865 |
| -811 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |
| 0.4 | |

| |
|---|
| 0.0 |
| (39.3) |
| 33.7 |
| (33.7) |
| (127.3) |
| (10.0) |
| (6.0) |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 180.7 |
| 180.7 |
| (180.7) |
| 3.0 |
| 3.0 |
| (3.0) |
| |
| |
| |
| (2.0) |
| 96.5 |
| 96.5 |
| (96.5) |
| 0.0 |
| 0.0 |
| 0.0 |
| 19.2 |
| 19.2 |
| (19.2) |
| 0.0 |
| 0.0 |
| 0.0 |
| 50.4 |
| (50.4) |
| (4.4) |
| 0.0 |
| 0.0 |
| 0.0 |
| 325.0 |
| (325.0) |
| 325.0 |
| (0.0) |
| |
| |
| |
| ***0*** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

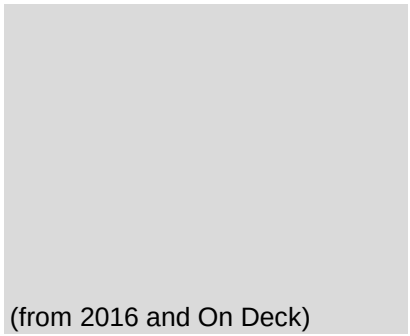
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income[1] | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector[4] | (795) | - | (290) | (797) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | | |
| **Total Electricity Expenses of the Province** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,247 | 334 | 499 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | |
| Interest on Debt | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 795 | - | 290 | 797 | 449 | 736 | 711 |
| Other (Finance) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **1,353** | **3,549** | **737** | **1,379** | **287** | **719** | **774** |
| **Impact on Surplus/(Deficit)** | **1,715** | **3,876** | **915** | **1,675** | **386** | **817** | **865** |
| *variance to OEFC check* | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 808 | (232) | 103 | (389) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower projected IFRS adjustment for 2017-18 and lower OPG expenses than assumed at the time of Budget 2017.<br><br>2018-19 to 2020-21 chnages reflect the negative impact of higher projeceted IFRS adjustment impacts over that period partially offset by higher OPG net income in 2018-19 and 2020-21 and more than offset by higher OPG net income in 2019-20. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **828.5** | **(441)** | **(89)** | **(603)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (672) | (449) | (736) | (711) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(635)** | **(361)** | **(648)** | **(623)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 93 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 672 | 449 | 736 | 711 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **692** | **241** | **587** | **404** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **886** | **-553** | **-139** | **-811** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 793 | (672) | (262) | (916) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 33 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 499 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 797 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,319 | 1,652 | 2,006 | 1,925 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,911** | **287** | **719** | **774** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,292** | **1,005** | **286** | **(488)** |

**1**

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2** **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | (35) | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 93 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 272 | 449 | 736 | 711 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 732 | 157 | 502 | 310 | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **823** | **241** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,292** | **1,005** | **286** | **(488)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 905 | 500 | 728 | 677 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,251** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **797** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **797** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

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adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

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ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

| | |
|---|---|
| **Government Priority Outcome** | **Supportive and Dynamic Business Environment** |
| **Program Type** | **Supporting** |
| **Ministry Linkages** | **Ministry of Energy** |

## I. Assessment of Program Base

| $M | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | Growth Rate 15-16 to 17-18 | Growth Rate 18-19 to 20-21 |
|---|---|---|---|---|---|---|---|---|
| **Current Allocation** | | | | | | | | |
| Operating Expense | 892.9 | 877.8 | 308.0010 | 331.0010 | 307.0010 | 279.0010 | | |
| Capital Expense | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| **Total Expense** | **892.9** | **877.8** | **308.0010** | **331.0010** | **307.0010** | **279.0010** | | |
| % Growth | | -2% | -65% | 7% | -7.3% | -9.1% | X.X% | X.X% |
| Operating Assets | 109.96 | 0.0 | 275.00 | 0.0 | | | | |
| Capital Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |

| $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|
| Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

*Notes:*

1. Table should be presented on a fully consolidated basis. Capital assets include acquisitions of consolidated entities. Consolidation information should be consistent with information in ORBIT and information submitted to the Office of the Provincial Controller Division (OPCD).
2. See ORBIT for current allocation.

### 1) OBJECTIVES

Supports the mandate of the Ontario Electricity Financial Corporation ("OEFC") to e.g., manage its debt, financial risks and other liabilities, arising from the restructuring of Ontario Hydro.

**1203-S - Hydro One Inc., provincial corporate tax provision, the Electricity Act, 1998**

Under the amendments made to section 91.2 of the *Electricity Act, 1998* in the *Budget Measures Act, 2015*, the Minister of Finance has a statutory requirement to pay OEFC in each fiscal year an amount equal to tax payable under the *Taxation Act, 2007* (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year, to continue to help

service and pay down the electricity sector stranded debt. Hydro One Inc. is composed of Hydro One Ltd.'s regulated Ontario distribution, transmission and remotes businesses.

Prior to the IPO of Hydro One Ltd. in November 2015, Hydro One Ltd. and all its subsidiaries, including Hydro One Inc., were subject to electricity payments-in-lieu of taxes (PILs) regime, where PILs were paid to OEFC. Now, Hydro One is required to pay federal and provincial corporate income taxes to the federal and provincial governments respectively.

The Ministry is requesting a placeholder in the amount of $1,000 for 1203-S to avoid disclosing any information which may be used by the market to speculate on the performance of Hydro One. In addition, this is a consistent approach other divisions take when the forecast is not available. The actuals for 2015-16 and 2016-17 were $2.9 million (a partial year only, related to the 2015 calendar year following the November IPO) and $24.8 million, respectively.

**1203-12 - OEFC Dedicated Electricity Earnings**

The transfer of Dedicated Electricity Earnings to OEFC is in accordance with policy adopted by the government since the restructuring of Ontario Hydro as at April 1, 1999 to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

This includes transferring to the OEFC the cumulative combined profits of electricity sector government business enterprises (GBEs) in excess of the interest carrying cost of the government's investment in the GBEs.

OEFC receives the payment as revenue and it appears in OEFC's income statement as "Electricity Sector Dedicated Income" (ESDI).

## 2) OUTCOMES

Supports the servicing and pay down of OEFC's legacy debt and liabilities related to the former Ontario Hydro, including the reduction of OEFC's unfunded liability ("stranded debt") as reported in OEFC's annual financial statements.

Any payments under these statutory line items would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC upon consolidation of OEFC into the Province's finances in the Public Accounts of Ontario (OEFC is an agency of the Ministry of Finance, and its financial results are consolidated into Public Accounts).

## 3) RESOURCES

OEFC uses its revenues, including transfers under 1203-S and 1203-12, to meet its expenses related to its mandate, under the *Electricity Act, 1998,* to service and pay down its debt and other liabilities.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## 4) COST DRIVERS

The costs drivers are not in the control of the Ministry of Finance, as the amounts under 1203-S and 1203-12 arise from the financial performance, tax planning of entities outside its control – Ontario Power Generation and Hydro One, decisions of the Ontario Energy Board, and tax rates.

Under section 91.2 of the *Electricity Act, 1998*, the Minister of Finance has a statutory requirement to pay the OEFC in each fiscal year an amount equal to tax payable under the *Taxation Act, 2007* (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.

Dedicated Electricity Earnings arise from the financial performance of Ontario Power Generation and Hydro One, less the interest carrying cost of the government's investment in the GBEs. Payments under this line item are fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC upon consolidation into the Province's finances in the Public Accounts of Ontario

| Cost Drivers | Description |
|---|---|
| Section 91.2 of the *Electricity Act, 1998* | Under section 91.2 of the *Electricity Act, 1998*, the Minister of Finance has a statutory requirement to pay the OEFC in each fiscal year an amount equal to tax payable under the Taxation Act, 2007 (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.<br>Any payments under this statutory line item would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC on the consolidation of the Province's finances in the Public Accounts of Ontario (OEFC is an agency of Ministry of Finance, and its financial results are consolidated into Public Accounts). |

## 5) GROWTH RATES

For the Operating Expense, after consolidations, the decreasing amount / negative growth rate is primarily due to the fact that OEFC's power supply contract mounts, which account for the majority of operating expenses on a net basis, are projected to generally decline over time, primarily due to the termination / expiration of the contracts over time.

## 6) RISKS

If approval is not provided, the Province and Minister of Finance would be criticized for not supporting and being in compliance with the statutory requirement under s. 91.2 of the *Electricity Act, 1998* and the commitment to help service and pay down the electricity sector stranded debt.

The program amounts are driven by external factors, primarily the financial performance of OPG and Hydro One. However, the transfers to OEFC are fiscally-neutral on consolidation, so there is no fiscal risk from this transfer program.

## 7) OTHER FACTORS

- The OFA, Corporate and Electricity Finance Division, will request from Hydro One Ltd. ("Hydro One") the provincial tax payable information from Hydro One Inc., upon the availability of the information. Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly, so this information is not available publicly, and there may be concerns on commercial and taxpayer confidentiality. Access to the information on a timely basis may also be challenging in the future. Hydro One does provide other information to the Province to support reporting in Public Accounts of the Province's income from Hydro One.
- The provincial CIT amount provided by Hydro One annually is unaudited and prior to a tax assessment by the Canada revenue Agency.
- Some stakeholders may consider the amount to be very low, and much lower than the annualized amount of corporate income PILs paid by Hydro One to OEFC prior to the IPO.
    - The lower amount is consistent with the communications by the Premier's Advisory Council on Government Assets and in Hydro One's IPO Prospectus, that the newly taxable entity would have a large tax shield ("deferred tax benefit") from a revaluation of assets at fair market value for tax purposes, and as reported in Hydro One's 2015 annual financial statements.
    - The revaluation would also reduce the actual federal CIT paid for a number of years, reducing "leakage" to the federal government.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## II. Requested Program Changes

| $M | 17-18 | 18-19 | 19-20 | 20-21 | Growth Rate 18-19 to 20-21 |
|---|---|---|---|---|---|
| **Proposed Allocation** | | | | | |
| *MOF Expense* | *797.3165* | *449.1131* | *736.2681* | *711.0019* | |
| *OEFC Consolidation Expense* | *(599.5398)* | *(259.3269)* | *(595.3046)* | *(601.4462)* | |
| Operating Expense | 197.7767 | 189.7862 | 140.9635 | 109.5557 | |
| Capital Expense | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Total Expense** | 0.0 | 0.0 | 0.0 | 0.0 | |
| % Growth | | -38.3% | -25.8% | -22.0% | -23.9% |
| Operating Assets | 0.0 | 0.0 | | | |
| Capital Assets | 0.0 | 0.0 | 0.0 | 0.0 | |

| $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|
| Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

*Notes:*

1. Table should be presented on a fully consolidated basis. Capital assets include acquisitions of consolidated entities. Consolidation information should be consistent with information in ORBIT and information submitted to the Office of the Provincial Controller Division (OPCD).
2. See ORBIT for current allocation.

* Reflects sum of all financial impacts related to Key Operating, Capital, Climate Change, FTE and Technical Decisions

### 1) Rationale for Change (including impacts on outcomes)

Under the assumptions in the 2017 Fiscal Plan, the discretionary payment of Dedicated Electricity Earnings from the Minister of Finance to the OEFC was assumed to not continue after March 31, 2018. Since the time of the April 1, 1999, restructuring of Ontario Hydro, it has been assumed that the government policy commitment to dedicate these electricity earnings to OEFC would end once the residual stranded debt was retired. Under the *Budget Measures Act, 2015*, the residual stranded debt concept has been removed from the Act, and the Debt Retirement Charge has a fixed legislatively end date of April 1, 2018, instead of being tied to the retirement of residual stranded debt.

Note that while the Debt Retirement Charge (DRC) paid by non-residential electricity users ends as at April 1, 2018 (and ended for residential users as of January 1, 2016), OEFC is expected to continue to have significant debt and other liabilities to service and pay down. The Ministry of Finance proposes that the government continue to make the fiscally-neutral transfer of Dedicated Electricity Earnings to OEFC after April 1, 2018 to continue to help pay down the OEFC's debt and liabilities.

## PROGRAM NOTE
## MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

The estimated amount of the proposed continued Dedicated Electricity Earnings transfer to OEFC would be $449M for fiscal year 2018-19, $736M for 2019-20, and $711M for 2020-21. However, any payments under this item would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the consolidation of revenue of OEFC into the Province's Public Accounts of Ontario. (OEFC is an agency of Ministry of Finance, and its financial results are consolidated into Public Accounts).

The requested Dedicated Electricity Earnings amounts over the 2018-19 to 2020-21 period reflect Hydro One and OPG projected net income performance less the interest carrying cost of the government's investment in the GBEs. The amounts also include projected International Financial Reporting Standard (IFRS) adjustments with respect to OPG net income. These amounts are subject to change.

### 2) Impacts on Program Resources

No impact

### 3) Changes in Cost Drivers

No changes in cost drivers.

### 4) Changes in Growth Rates

N/A

### 5) Integrated Change Narrative

N/A

There would likely be more of a communications issue to manage if OEFC's financial statements no longer showed Electricity Sector Dedicated Income to OEFC in fiscal 2018-19 and beyond.

### 6) Program Linkages

N/A

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## III. Requested Change Decisions

## 1) Operating Decisions

### Key Decisions

| Operating Decisions | $M | 18-19 | 19-20 | 20-21 | Docket # |
|---|---|---|---|---|---|
| A. The Ministry is requesting to continue to receive Dedicated Electricity Earnings after April 1, 2018. | *MOF Expense* | *449.1121* | *736.2671* | *711.0009* | |
| | *OEFC Consolidation Expense* | *(590.3269)* | *(902.3046)* | *(880.4462)* | X |
| | Operating Expense | (141.2148 | (166.0375) | (169.4453) | |
| | Operating Asset | 0.0 | | | |

### Non-Financial Decisions

| Non-Financial Decisions | Docket # |
|---|---|
| | X |

## IV. Risks

| Objective(s) | Risk(s) | Risk Category | Risk Level | Rationale for Risk Level & Mitigation Plan Considerations |
|---|---|---|---|---|
| *Under section 91.2 of the Electricity Act, 1998, the Minister of Finance will pay the OEFC an amount equal to tax payable under the Taxation Act, 2007 (i.e., the provincial CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.* | *If approval is not provided, the Province and Minister of Finance would be criticized for not complying with its statutory requirement under s. 91.2 of the Act / its commitment to help service and pay down the electricity sector stranded debt.* | *Financial and Policy* | *Low* | • **Risk Likelihood:** *Low.*<br>• **Risk Impact:** *Low.*<br>• **Time Scale:** *Ongoing.*<br><br>**Mitigation/Action Plan Considerations:**<br>• If approval is not provided, the Province and Minister of Finance would potentially be criticized for not complying with its statutory requirement under s. 91.2 of the Electricity Act, 1998, or its commitment to help service and pay down the electricity sector stranded debt.<br>• This request was approved in 2015-16 and 2016-17, and it is unlikely that approvals would not be granted for future years, in compliance with the Act. |
| *The Minister of Finance will continue to pay ESDI to the OEFC to serve and pay down stranded debt after DRC ends on April 1, 2018* | *Unfunded liability will be paid down more slowly without projected annual ESDI amount.* | *Financial* | *Low* | • **Risk Likelihood:** Low<br>• **Risk Impact:** Low<br>• **Time Scale:** Ongoing<br><br>**Mitigation/Action Plan Considerations:**<br>• Unfunded liability will be paid down more slowly without projected annual ESDI.<br>• The loss of ESDI revenue to the OEFC will be in addition to other recent revenue decreases (e.g., from the DRC) as a result of other measures put in place (e.g., for electricity price mitigation).<br>• Overall, impact to the Province is fiscally-neutral on consolidation as the OEFC ESDI revenue offsets the Ministry of Finance ESDI expense. |

## V. Implementation

Section 91.2 of the *Electricity Act, 1998*

- OPCD, as part of its interactions with Hydro One on Public Accounts, will request the provincial tax payable information from Hydro One. However, Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly, so this information is not otherwise expected to be available in the future.
- The provincial CIT amount provided by Hydro One is unaudited, as Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly.

Vote Item 1203-12: Electricity Sector Dedicated Income (ESDI)

- The Minister of Finance will continue to pay ESDI to the OEFC to help service and pay down debt and liabilities after DRC ends on April 1, 2018.

## VI. Communications/Stakeholder Engagement Plans

Section 91.2 of the *Electricity Act, 1998*

- Payment under section 91.2 of the *Electricity Act, 1998* will be included in payments-in-lieu of taxes revenue provided in various public documents, most notably OEFC's annual report and its annual financial statements, with the latter included in Volume 2 of Public Accounts.
- Some stakeholders may consider the amount to be very low, and much lower than the annualized amount of corporate income PILs paid by Hydro One to OEFC prior to the IPO.
    - The lower amount is consistent with the communications by the Premier's Advisory Council on Government Assets and in Hydro One's IPO Prospectus, that the newly taxable entity would have a large tax shield from a "deferred tax benefit", and as reported in Hydro One's 2015 annual financial statements.
    - The deferred tax benefit would also reduce the actual federal CIT paid for a number of years, reducing "leakage" to the federal government.

Vote Item 1203-12: Electricity Sector Dedicated Income (ESDI)

- The Minister of Finance will continue to pay ESDI to the OEFC to help service and pay down OEFC debt and liabilities after DRC ends on April 1, 2018.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## VII. Proposed Minute

There are no changes to the Statutory Operating Expense 1203-S "Hydro One Inc., Provincial Corporate Tax Provision, the Electricity Act, 1998" to facilitate future payments to the OEFC as required under s. 91.2 of the *Electricity Act, 1998*.

The Treasury Board/Management Board of Cabinet receive a request to approve an increase to the Dedicated Electricity Earnings (1203-102) of $449M in 2018-19, $736M in 2019-20 and $711M in 2020-21. No increase is projected for 2019-20.

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These amounts, which are transferred to the OEFC, will be fully offset upon the OEFC's consolidation with the Province. While the Electricity Finance Program allocation will increase, there is no net fiscal impact upon consolidation as this increase is offset by OEFC revenue.

In this regard, the following multi-year resources for the program are as follows:

| | $M | 18-19 | 19-20 | 20-21 |
|---|---|---|---|---|
| | Operating Expense | 189.7862 | 140.9635 | 109.5557 |
| | Capital Expense | 0.0 | 0.0 | 0.0 |
| | **Total Expense** | **189.7862** | **140.9635** | **109.5557** |
| | Operating Assets | X.X | | |
| | Capital Assets | X.X | X.X | X.X |

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Note the following multi-year capital resources:

| | $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|---|
| | Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| | Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

In this regard, the Board approve/note/direct:

| | | |
|---|---|---|
| i) | An increase of $449,112,100 in 2018-19, $736,267,100 in 2019-20 and $711,000,900 in 2020-21 in Ontario Electricity Financial Corporation Dedicated Electricity Earnings – Electricity Sector Dedicated Income (Vote/item 1203-12) offset by consolidations. | Docket # |
| ii) | Approve decreases of $590,326,900 in 2018-19, $902,304,600 in 2019-20, and 880,446,200 in 2020-21 in the Ontario Electricity Financial Corporation operating consolidation as a result of updated electricity sector forecasts. | |

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Cc:** | Esther Jeon; Shajee Kathirgamanathan |
| **Subject:** | Outlook |
| **Date:** | Thursday, January 04, 2018 5:06:26 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 04)_Distribution.xlsm |

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1st half of 2018)
- Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

Key Changes to Risks

- Risk related to Pensions and Other Pension Benefits (OPEBs) is removed. OEB's September

2017 Report, established accrual accounting method is the default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB's December 28 OPG rate decision restates this and OEB instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

- Risk of related to effective date for OPG rates is removed as the estimated impact is now built into the OPG outlook.
- OEB Staff recommendation wrt OPG rate application risk remove as final OEB decision estimated impacts are now built into the OPG outlook.
- Nuclear liabilities risk removed as OEB has deferred consideration of this issue until next OPG rate application in 2021.
- ONFA adjust positive risk is removed as it is now incorporated into the IOPG outlook.

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# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,645** | **1,286** | **1,225** | **1,532** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(366)** | **(850)** | **(873)** | **(1,165)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (366) | (850) | (873) | (1,165) | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed from 2017-18. OEB September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,357 | 1,346 | 1,413 | 1,693 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (230) | (149) | (91) | 78 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

**$ Millions**

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG Income - January 2018

**$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Bu | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this | 0 | (475) | (500) | (750) |

**OPG PIL - Budget 2017**

**$ Millions**

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Net Income Before Tax | 383 | 396 | 572 | 867 | 795 | 1364 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1066 |
| Income Taxes | 92 | 92 | 92 | 135 | 170 | 298 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 | 219 | 220 |
| Proxy Property Tax | 16 | 14 | 18 | 19 | 19 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** | **408** | **537** |

**OPG PIL - January 2018**

**$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Income Before Tax | 383 | 308 | 723 | 235 | 125 | 409 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 | 170 | 298 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) | (38) | (45) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | | | |
| Unpack PILs related to HQ gain on sale | | | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 | 222 | 222 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 | 19 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** | **373** | **494** |

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017

**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One Income - January 2018

**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

**Hydro One PIL - Budget 2017**
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Income Taxes PILs | 132 | 160 | 181 | 205 | 212 | 225 |
| Proxy Property Tax | 2 | 2 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** | **214** | **227** |

**Hydro One (100% Ownership)**
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 | 780 | 845 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 | 212 | 225 |
| Proxy Property Tax | 2 | 2 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** | **214** | **227** |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | |
| **Adjustment for DSF Unrealized Earnings** | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | |
| Unrealized Earnings as at fiscal year end / latest quarter | (175) | 0 | |
| Bruce Variance Account Adjustment | (82) | 0 | |
| OPG Net Income Adjustment | (93) | 0 | |
| **Adjustment for UFSF Unrealized Earnings** | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | |
| Unrealized Earnings as at fiscal year end / latest quarter | (82) | 56 | |
| Bruce Variance Account Adjustment | (42) | 28 | |
| OPG Net Income Adjustment | (40) | 28 | |
| **Unrealized Earnings -- Fiscal YTD** | **(133)** | **28** | |
| ***Adjustment for Change in Due to Province*** | | | |
| **Adjustment for DSF Due to Province** | | | |
| Due to Province (cost basis) as at beginning of year | 0 | 39 | |
| Unrealized Earnings as at fiscal year end / latest quarter | 39 | 79 | |
| **Change in Due to Province -- Fiscal YTD** | **39** | **40** | |
| **Adjustment for UFSF Due to Province** | | | |
| Due to Province (cost basis) as at beginning of year | 295 | 370 | |
| Unrealized Earnings as at fiscal year end / latest quarter | 370 | 407 | |
| **Change in Due to Province -- Fiscal YTD** | **75** | **37** | |
| **Provincial Consolidation Adjustment** | **247** | **49** | |

## Other Data

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Debt Retirement Charge | 621 | 0 | 0 | 0 | 0 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 838 | 182 | 183 | 134 | 103 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 167 | 169 | 179 | 175 | 148 |
| IESO | 2 | 3 | 3 | 3 | 3 |
| Other (Net) | 20 | 20 | 20 | 10 | 10 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| MEU - PIL Income Tax | 109.8 | | | | |
| MEU - PIL Property Tax | 0.6 | | | | |
| MEU - GRC | 1.2 | | | | |
| TOTAL MEU PILs | 111.6 | | | | |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Miscellaneous/Other (OEFC FS) | 14 | | | | |
| Demand Management Support Costs (IEI) | 8 | 10 | | | |
| Operating [Expense] | 7 | 6 | 7 | 7 | 7 |
| Interest on nuclear risk funding | - | - | - | - | - |
| Amortization of deferred debt costs | - | - | - | - | - |
| Amortization of NUG liability | 129 | 74 | 41 | 30 | 28 |
| Debt Guarantee Fee | 122 | 102 | 99 | 98 | 91 |

| | | | | | |
|---|---|---|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | | | | |
| Other (Finance) | -7 | -6 | -7 | -7 | -7 |
| Demand Management Support Costs (IEI) | -8 | -10 | | | |
| Debt Guarantee Fee | (122) | (102) | (99) | (98) | (91) |

| | |
|---|---|
| **From:** | Gavin He |
| **To:** | John Kim |
| **Cc:** | Bruno Amara |
| **Subject:** | RE: 2018 estimates |
| **Date:** | Tuesday, May 15, 2018 1:39:04 PM |
| **Attachments:** | RE OPG Equity Injection Interest.msg |

Hi John,

Attached is what we provided to Risk so far on Friday and haven't heard back from them since. I will send them a follow up again today.

Regards,
Gavin He

---

**From:** John Kim
**Sent:** Tuesday, May 15, 2018 1:38 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: 2018 estimates

I think we need the data from Risk to do the equity injection piece.

---

**From:** Bruno Amara
**Sent:** Tuesday, May 15, 2018 1:37 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: 2018 estimates

By the way. To confirm that we did get attached from FTD.

---

**From:** Robert Bozinoski
**Sent:** Monday, April 30, 2018 2:15 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: 2018 estimates

Draft OEFC 17-18 interest from Province is $454 million.

---

**From:** Bruno Amara
**Sent:** Thursday, April 26, 2018 9:46 AM
**To:** Robert Bozinoski <Robert.Bozinoski@ofina.on.ca>
**Cc:** Siva Nathan <Siva.Nathan@ofina.on.ca>; Shemin Meralli <Shemin.Meralli@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>

**Subject:** RE: 2018 estimates

OK Thanks. If you have the 2017-18 version of attached that would be helpful as well.

Thanks
Bruno

---

**From:** Robert Bozinoski
**Sent:** Thursday, April 26, 2018 8:05 AM
**To:** George Sakura <George.Sakura@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>; Shemin Meralli <Shemin.Meralli@ofina.on.ca>
**Subject:** FW: 2018 estimates

Forwarding your question regarding the Estimates to George.

---

**From:** Bruno Amara
**Sent:** Wednesday, April 25, 2018 3:24 PM
**To:** Robert Bozinoski <Robert.Bozinoski@ofina.on.ca>
**Cc:** Siva Nathan <Siva.Nathan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** 2018 estimates

Hi Rob

We are reviewing the Estimates Briefing Book and I am trying to answer some questions with respect to figures on *Interest on Debt Payable to the OEFC* (see page 140 of attached pdf file). I'm wondering if you can help shed some light. I want to coordinate with you before responding to request for comments to ensure that we are on same page.

The first attached excel file shows numbers from page 140 of attached pdf file vs. figures from our Budget Outlook file. Questions are:

- 2018-19, should estimate be updated?
- 2017-18, where did Estimate of $490M come from?

The 2nd excel file has EFB calculations of annual interest costs. Questions are:

- 2016-17, EFB's estimate was off by $23M, I assume because we were not taking into account timing of debt payment. We revised the calculation which gets pretty close to the actual. I just want to confirm that the actual of $514M the Hydro One IPO affecting only a few months (3) of 2017-17. Note: this doesn't matter for response re: estimates, we just want to understand the calculation of the 2016-17 figure of $514M.
- The 2018 estimate, I think is last year's estimate before we factored in the last share sale. Should that figure be updated?

Happy to drop by to discuss, or over phone.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** Shajee Kathirgamanathan []
**To:** Alexander Kraas [Alexander.Kraas@ofina.on.ca]
**CC:** Gavin He [Gavin.He@ofina.on.ca]; IOD_RPA [IOD_RPA@ofina.on.ca]
**Subject:** RE: OPG Equity Injection Interest
**Date:** Friday, May 11, 2018 16:59:57

---

Sure Alex.

These are the actuals so far:

**Transaction Date**

**Total Equity Required for the Period**

**[OFA's equity injection amount]**

2017-12-20

518,760,000.00

2018-03-22

202,400,000.00

2018-04-16

65,560,000.00

(For now, we're just looking for the 2017-18 costs so the 3rd equity injection, on April 16th can be omitted).

We can discuss further on Monday.

Thanks,

Shajee

**Shajee Kathirgamanathan**

Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Alexander Kraas
**Sent:** Friday, May 11, 2018 2:43 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: OPG Equity Injection Interest

Hello Shajee;

Would you please provide us with a monthly breakdown of the equity injections (actuals and future)?

Best regards

Alex

**From:** Shajee Kathirgamanathan
**Sent:** Friday, May 11, 2018 2:03 PM
**To:** IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Equity Injection Interest

Hi all,

Just a friendly follow up on this.

Would an amount be available for the interest costs so far for the equity injections?

I’m happy to chat further if there’s any questions/clarifications.

Thanks,
Shajee

**Shajee Kathirgamanathan**

Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, May 09, 2018 11:08 AM
**To:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: OPG Equity Injection Interest

Great. Thank you all, and happy to discuss further on this.

Cheers

Shajee

**Shajee Kathirgamanathan**

Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Alexander Kraas
**Sent:** Wednesday, May 09, 2018 11:01 AM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; IOD_RPA <IOD_RPA@ofina.on.ca>
**Subject:** RE: OPG Equity Injection Interest

Thank you for the reminder, Shajee;

We are working on it.

BTW & as before, please address all IOD-related e-mails to the Outlook group "IOD_RPA" to ensure that your requests automatically reach the right person.

Best regards

Alex

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, May 09, 2018 10:17 AM
**To:** Alexander Kraas <Alexander.Kraas@ofina.on.ca>
**Cc:** Christina Zhang <Christina.Zhang@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG Equity Injection Interest

Hi Alex,

Hope you're well. Just a friendly follow up on this request from last week…

We have details on the equity injections that have occurred and amounts, but we're looking to have an accurate idea of the interest costs (from the Province's perspective) for the OPG equity injections that have occurred.

Would your area be able to help us with this, or is there another area that would be more appropriate to talk to.

Thanks,
Shajee

**Shajee Kathirgamanathan**

Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Shajee Kathirgamanathan
**Sent:** Monday, April 30, 2018 1:39 PM
**To:** IOD_RPA <IOD_RPA@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** OPG Equity Injection Interest

Hi Alex and team,

Hope you all are well.

You might be aware, as part of the Fair Hydro Plan the Province (via the OFA) provides an equity injection into OPG in return for OPG shares.

Since December 2017 when the equity injection began, the province has invested approximately $787M in equity into OPG. We're trying to develop an accurate picture of the interest costs of these equity injections thus far. I know we've dealt with your area before on projecting interest costs regarding FHP, but would you have information on what the exact costs have been due for the equity injections.

Happy to discuss this further or be redirected elsewhere if there's another area that would be more appropriate to talk to.

Thanks,

Shajee

**Shajee Kathirgamanathan**

Senior Advisor

Electricity Finance Branch, Corporate and Electricity Finance Division

Ontario Financing Authority

Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** Shajee Kathirgamanathan
**To:** John Kim
**Cc:** Bruno Amara
**Subject:** RE: DM/MO Briefing | Rate Mitigation/OPG Business Plan/H1
**Date:** Wednesday, May 03, 2017 3:44:02 PM
**Attachments:** OPG Business Plan Meeting (2017 05 01 v2).pptx

---

Hi John,

Please find attached the back pocket deck for the briefing.

File also found here;
S:\Users\CEF\Hydro 2017\Briefings\Deputy\OPG Business Plan and Rate Mitigation

Thanks
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Bruno Amara
**Sent:** Monday, May 01, 2017 10:13 AM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Salman Qadir <Salman.Qadir@ofina.on.ca>; Adam Prokop <Adam.Prokop@ofina.on.ca>
**Subject:** FW: DM/MO Briefing | Rate Mitigation/OPG Business Plan/H1

Hi Shajee

See Ron's request below. Could you please help prepare. We can discuss later this morning what Ron has in mind.

Thanks
Bruno

---

**From:** Ronald Kwan
**Sent:** Friday, April 28, 2017 4:54 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: DM/MO Briefing | Rate Mitigation/OPG Business Plan/H1

Hi,

Aside from the EIGS material, would you put together back pocket slides on what was put in for OPG for the 2017 Budget Fiscal Plan, noting the OPG IFRS consolidation adjustment and the potential issue with ESDI to OEFC, and on the latest monthly update info from OPG, including the updated ONFA consolidation adjustment.

For me as well, a few points on risks, such as on the main OEB rate decision risks, Darlington refurb status, and our normal "rule of thumb" OPG performance risks table slide.

Anything else you might think we should be prepared for?

Ron

-----Original Appointment-----
**From:** Ronald Kwan **On Behalf Of** Thompson, Scott (MOF)
**Sent:** April-28-17 14:29
**To:** John Kim; Bruno Amara
**Subject:** FW: DM/MO Briefing | Rate Mitigation/OPG Business Plan/H1
**When:** May-04-17 10:00-11:00 (UTC-05:00) Eastern Time (US & Canada).
**Where:** Deputy Minister's Baordroom - 7th Fl. Frost South, 7 Queens Park Crescent

-----Original Appointment-----
**From:** Thompson, Scott (MOF) [mailto:Scott.Thompson@ontario.ca]
**Sent:** April-25-17 15:24
**To:** Thompson, Scott (MOF); Nancy Kennedy (MOHLTC); Ronald Kwan; Vivienne Skoberne (MOHLTC); Scott Nelms (ENERGY); Michael Waterston (MOF); Gwendolynne Young (ENE); Marianne Nguyen (MCYS); David McLean (MOF); Gavin He; @FIN-R-TOR.7QueensParkCres.Deputy.Boardroom (MOF)
**Cc:** Tobias P. Whitfield (MOF); Gadi Mayman
**Subject:** DM/MO Briefing | Rate Mitigation/OPG Business Plan/H1
**When:** May-04-17 10:00-11:00 (UTC-05:00) Eastern Time (US & Canada).
**Where:** Deputy Minister's Baordroom - 7th Fl. Frost South, 7 Queens Park Crescent

DRAFT

# OPG Fiscal Impacts

Corporate and Electricity Finance Division
2017-05-01

DRAFT

# OPG Fiscal Impact

- The table below illustrates OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **OPG Net Income - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan* | 349 | 702 | 678 | 726 | 913[1] |
| *OPG Monthly Shareholder Update (February 2017)* | 30 | | | | |
| *OPG IFRS Consolidation Risk* | (75) | (400) | - | (200) | - |
| *OPG Head Office Sales (Reported under Sales and Rentals)* | | (222) | | | |
| *GA Refinancing – OPG Trust Interest Revenue* | | 17 | 54 | 99 | 153 |
| ***OPG Net Income (After Tax, Adjusted)*** | **304** | **97** | **732** | **625** | **1,066** |
| *ONFA Adjustments*[2] | 8 | - | - | - | - |
| **OPG Income Tax PILs - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan* | 96 | 166 | 135 | 170 | 298[1] |
| *OPG Monthly Shareholder Update (February 2017)* | (4) | | | | |
| *OPG Head Office Sales (Reported under Sales and Rentals)* | | (74) | | | |
| ***OPG Income Tax PILs (Adjusted)*** | 92 | 92 | 135 | 170 | 298 |

1 Fiscalized projection from OPG BP
2 From December 31, 2016 ONFA Consolidation Adjustments, OPG

DRAFT

# Updated OPG Fiscal Impacts

- The table below illustrates updated OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Other updates since Budget 2017** | | | | | |
| *March 2017 Shareholder Update: OPG Net Income* | 385 | - | - | - | - |
| *March 2017 Shareholder Update: Income Tax Expense* | 94 | - | - | - | - |
| *ONFA Adjustments (as at Mar 31, 2017)* | 49 | - | - | - | - |

# Risks

- **OEB Risks:** OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing) and unfavourable future treatment of pension costs would adversely affect OPG's results, resulting in negative fiscal impacts.
- **IFRS Risks:** A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| *Net additional OPG IFRS Consolidation Risks* | - | (25) | (525) | (475) | N/A |

- **Financing Costs:** Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

# Risks – Darlington Refurbishment

- **Darlington Refurbishment Risk:** Darlington Refurbishment is executed consistent with the approved project budget and schedule. Failure to maintain cost and schedule commitments for the project could potentially result in significant write-offs against net income as well as reputational damage. In addition, inability to carry out the refurbishment of the first unit as planned may result in the Province of Ontario (Province) not proceeding with OPG's refurbishment of the remaining units.

- Darlington Refurbishment Update from March 2017 OPG Monthly Update:
  - Vault Preparations commenced on January 11th. Since that time, the project has lost 28 days of critical path and, is two days behind the working schedule. Key contributors to these delays are unanticipated work, vendor performance, and vendor and OPG integration.
  - In order to mitigate the impacts, the Joint Venture and OPG have implemented four Logistic Coordinators, an hour-by-hour schedule of critical path activities, assigned dedicated staff to vault and rubber area activities and OPG's construction oversight organization is taking a move active and intrusive role on execution activities.

DRAFT

# Electricity Sector Rules of Thumb

- **OPG Rule of Thumb**: For every $50M change in OPG revenues due to changes in regulated prices, all-in rate impact of about 0.03 ¢/kWh (less than 0.5% of total bill)

- **H-1 Rule of Thumb**: For every $50M change in H-1 revenue due to changes in regulated rates, all-in rate impact of about 0.03 ¢/kWh (less than 0.5% of total bill)

- **DRC Rule of Thumb**: The DRC is generally charged at 0.7 ¢/kWh, about 10% of the total bill for industrial users and around 5% for a typical residential consumer after OCEB)*

| OPG Risks | Fiscal Impact |
|---|---|
| Realised gains in Nuclear funds v plan -/+ 1% | -/+ $110 million |
| Change in Regulated Prices -/+ 1% | -/+ $30 million |
| Regulated ROE -/+ 1% | -/+ $30 million |
| Nuclear regulated price -/+ 0.1 ¢/kWh | -/+ $50 million* |
| Hydro regulated price -/+ 0.1 ¢/kWh | -/+ $20 million* |
| Nuclear output -/+ 1 TWh | -/+ $55 million |
| Hydro output -/+ 1 TWh | -/+ $30 million* |
| Market price -/+ 0.1 ¢/kWh | -/+ $15 million* |

| H-1 Risks | Fiscal Impact |
|---|---|
| Ontario load -/+ 1% | -/+ $20 million |
| Average peak demand -/+ 100 MW | -/+ $8 million |
| Regulated ROE for distribution -/+ 1% | -/+ $30 million |
| Regulated ROE for transmission -/+ 1% | -/+ $50 million |

| DRC Risks | Fiscal Impact |
|---|---|
| Ontario load -/+ 1 TWh | -/+ $7 million |
| DRC Rate -/+ 0.1 ¢/kWh | -/+ $135 million |

*Risk estimates based on 2012 production and market prices*

PLACEHOLDER
To be updated with more recent info, if available

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim |
| **Cc:** | Bruno Amara; Shajee Kathirgamanathan; Gavin He; Atif Ali |
| **Subject:** | RE: Draft ESDI amount |
| **Date:** | Tuesday, May 22, 2018 2:00:09 PM |
| **Attachments:** | MB20_Business_Case - 2018 ESDI Submission2018__17_05_v5_Markup2.doc |

Hi John,

A few suggestions.

Ron

---

**From:** John Kim
**Sent:** May-17-18 17:12
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** Draft ESDI amount

Hi Ron,

As discussed, we wanted to run by you the draft note on the ESDI. We used the format of MB 20 to draft the material. So the draft amount is preliminary, pending the IFRS adjustment.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

# ELECTRICTY SECTOR DEDICTED NET INCOME TREASURY BOARD ORDER [DRAFT]

**1. PROGRAM/BRANCH:** Corporate and Electricity Finance Division / Electricity Finance Branch

**2. SUMMARY OF REQUEST:**

The Ministry of Finance requests Treasury Board to approve a Treasury Board Order under section 1.0.8 of the Financial Administration Act for $432,261,237 [TBC, following finalization of the International Financial Reporting Standards (IFRS) adjustment] for Ontario Electricity Financial Corporation (OEFC) Dedicated Electricity Earnings Other Transactions (Vote-Item 1203-12) for the fiscal year 2017-18 offset from the Contingency Fund (Vote-Item 3404-02).

The current estimate for Electricity Sector Dedicated Income (ESDI) for 2017-18, based on the current estimate for the IFRS adjustment, stands at $957,079,537. The 2017-18 Printed Estimated amount approved was $524,818,300. As a result, a Treasury Board Order (TBO) approval is requested in the amount of $432,261,237 [TBC] to make up the funding shortfall.

This request is fiscally neutral, on consolidation, as the expense related to Vote Item 1203-12 is fully offset by OEFC's revenue from the Electricity Sector Dedicated Income ~~on consolidation~~.

This supports the Province's policy commitment, which has also been renewed to continue going forward, to dedicate to OEFC the cumulative combined net income of OPG and Hydro One in excess of the Province's interest cost of its investment in these companies ~~to OEFC~~, in order to help pay down the legacy debt and other liabilities of the former Ontario Hydro.

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

The following two tables provide a summary of the funding request for the Ministry, by standard account and by program area. Detailed financial information is provided in the Appendices.

**$Million (except FTEs)**

| Ministry Summary | | | | | |
|---|---|---|---|---|---|
| PSAB * | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Salaries/Wages | | | | | |
| Employee Benefits | | | | | |
| Transportation & communication | | | | | |
| Services | | | | | |
| Supplies & Equipment | | | | | |
| Other Transactions | | | 432.3 | | |
| **Total** | **X** | **X** | **432.3** | | |
| Offset (enter as negative number) | X | X | | | |
| **Total net of Offset** | **0** | **0** | | | |
| Classified FTEs at March 31 | | | | | |
| Unclassified FTEs at March 31 | | | | | |
| * If cash implications differ from PSAB, please provide cash numbers in a separate table. | | | | | |

$Million

| Financial Implications by Program Area | | | | | |
|---|---|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Division/Branch | X | X | | | |
| Total | | | 432.3 | | |

## 4. BACKGROUND:

The estimated final year-end 2017-18 ESDI of $957.1 million, is based on Ontario Power Generation's (OPG) net income, including the performance of OPG's segregated nuclear funds as at March 31, 2018 and the Province's share of Hydro One net income as at March 31, 2018, as reported in their respective financial statements. The ESDI amount reflects the following adjustments:

- a net adjustment of -$300 million, the estimate provided by OPG via OPCD at the time of Budget 2018, comprised of adjustments to OPG net income to report based on International Financial Reporting Standards.

The corporations' stand-alone financials are reported based on U.S. Generally Accepted Accounting Principles, and

- 2017-18 ESDI will also include a prior-year adjustment of $15 million related to Hydro One Brampton 2016-17 net income. This amount was used in reporting Electricity Sector Dedicated Income in the Ontario Electricity Financial Corporation's 2016-17 ESDI amounts but was not included in the 2016-17 Public Accounts as Hydro One Brampton financials had not been finalized. This prior-year adjustment aligns the Province's Public Accounts with OEFC financial reporting.

The 2017-18 Printed Estimates ESDI provision from Budget 2017 was $524.8 million. The increased ESDI compared to the 2017-18 printed estimates is due to higher than expected OPG income, primarily due to higher than expected one-time after-tax gains on sales of OPG real estate properties (OPG head office properties and Lakeview) and higher than expected realised gains in the OPG segregated funds for nuclear liabilities, as well as a lower than projected operating expenses and higher nuclear output.

| | $ Millions | | |
|---|---|---|---|
| | **Printed Estimates ESDI 2017-18** | **Actual ESDI 2017-18 [TBC]** | **Change** |
| OPG Net Income (US GAAP) | 497 | 1,331 | 834 |
| OPG - IFRS Adjustment [TBC][1] | - | (300) | (300) |
| Hydro One Net Income (US GAAP)[2] | 520 | 368 | (152) |
| **Total** | **1,017** | **1,399** | **382** |
| OPG – Public Debt Interest | (300) | (300) | - |
| OPG FHP Equity Injection Interest Cost[23] | - | (3) | (3) |
| Hydro One – Public Debt Interest | (192) | (154) | 38 |
| Prior-year adjustment | | 15 | 15 |
| **ESDI (Actual per OEFC Financial Statement)** | **525** | **957** | **432** |

Note: Numbers may not add up due to rounding.

1 This reflects the estimated impact of a provincial accounting consolidation adjustment from U.S. Generally Accepted Accounting Principles (US GAAP, the companies' reporting basis) to International Financial Reporting Standards (IFRS) in reflecting the financial results of the electricity GBEs in the Province's financial statements.

~~1~~2 The Province's income from Hydro One for the purposes of the ESDI calculation did not assume an amount or timing for a Hydro One share offering, which ultimately occurred in May 2017 for about 20% of shares.

~~2~~3 See Appendix 1 for explanatory note

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OEFC is an Agency of the Province and is consolidated into the financial statements of the Province of Ontario on a line-by-line basis.

OEFC is the legal successor to the former Ontario Hydro and is responsible for managing and paying down the former Ontario Hydro's debt and certain other liabilities, including the portion that is "stranded debt".

The transfer of electricity sector dedicated earnings to OEFC is in accordance with policy initially adopted by the Government in 1999-2000, and renewed in 2018.

The Province has committed to dedicate ~~the~~its cumulative combined net income

of OPG and Hydro One, in excess of the Province's interest cost of its investment in its electricity subsidiaries, to OEFC.

~~Since~~After Estimates moved from a cash basis to an accrual basis, Treasury Board has supported this policy, approving in the Ministry of Finance's appropriations of the transfer of electricity sector earnings in excess of the interest carrying cost of the investment in the sector to OEFC for the benefit of electricity consumers.

The Province's net income from OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries would be reflected as revenue in the operation of OEFC by way of receiving this ESDI provision from the Ministry of Finance.

## 5. ADMINISTRATIVE IMPACTS:

N/A

## 6. RISKS:

*Past and Future ESDI transfers to OEFC*
This transaction is consistent with government policy to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

If approval not be provided for this transfer it calls into question prior policy commitments to the OEFC as well as future commitments, as part of the responsible management and pay down of electricity sector debt and other liabilities.

## 7. OPERATIONAL REQUIREMENTS:

N/A

**Salaries/Wages, Benefits and Staff Strength:**

N/A

Impact on Ministry's Staff Strength:

N/A

**Other Direct Operating Expenditures (ODOE):**

N/A

**(1) HR-Related Expenses**

N/A

**(2) Legal Expenses**

N/A

**(3) Information Technology**

N/A

**(1) Accommodation**

N/A

**(2) General ODOE:**

N/A

## 8. COMMUNICATION PLAN

**N/A**

## 9. INTERNAL EFFICIENCIES:

N/A

**10. BUSINESS CASE:**

Not considered a Business Case.

Continued implementation of a policy commitment initially implemented by the Government in 1999-2000.

**11. REVENUE IMPACT:**

This request is fiscally neutral to the Province's fiscal plan. The Ministry of Finance expense is fully offset against the receipt of revenue by OEFC on consolidation in the Public Accounts of Ontario.

**12. WORKLOAD INDICATORS:**

N/A

**13. PERFORMANCE MEASURES:**

N/A

**14. IMPLEMENTATION PLAN:**

N/A

**15. INFORMATION TECHNOLOGY (to be completed by, or in conjunction with, IT Cluster staff)**

**BACKGROUND**

N/A

$ **BUSINESS IMPACTS**

N/A

$ **PROPOSED SOLUTION**

N/A

$ **I&IT RESOURCES**

N/A

$ **IT INFRASTRUCTURE**

N/A

$ **ENTERPRISE ARCHITECTURE**

N/A

$ **SECURITY/PRIVACY**

N/A

$ **ONGOING COST ESTIMATES**

This is a once annual allocation, made with Treasury Board approval. No ongoing costs expected.

Note the actual amount of Electricity Sector Dedicated Income is subject to volatility

$ **I&IT SCHEDULE**

N/A

$ **I&IT BUSINESS CASE**

N/A

- **I&IT COSTING TEMPLATE**

N/A

## APPENDIX 1

### ~~INTEREST COST PROPOSAL –~~ OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan ~~should be~~is included in the calculation of the proposed amount~~determination~~ of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC). ~~This note outlines why and how this would be calculated and reported.~~

**CONTEXT**

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*
  - In other words,~~:~~

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One. |

- Up until 2016-17, the calculation of the cost of the Province's equity in OPG has only included the original cost of debt assumed by the Province when it acquired the equity as at April 1, 1999.

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and

**Formatted:** Indent: Left: 0.25", No bullets or numbering

- increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- ~~While the increase in net income due to the Fair Hydro Plan will be recorded in OPG's financial statements, additional consideration is required as to how the Province will account for the cost of its increased investment in OPG.~~

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment ~~will need to be~~is included in the cost of investment in OPG (iv from above).

**BACKGROUND**

- As a result of the electricity sector restructuring on April 1, 1999, the Province ~~exchang~~received equity of $5,126 million and $3,759 million in OPG and Hydro One respectively in exchange for assuming the respective company's notes payable (debt) to OEFC in those amounts. This debt ha~~d~~s an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an annual interest cost of approximately $520 million.
  - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

  - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

**PROVINCIAL BORROWING COSTS**

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000.00 |
| **2018-03-22** | 202,400,000.00 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of (new?) capital of 2.23% was used.
  - According to OFA's Risk Control Division staff, though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.

- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 17, 2018**

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | John Kim; Bruno Amara |
| **Cc:** | Gavin He; Atif Ali |
| **Subject:** | RE: Draft ESDI amount |
| **Date:** | Friday, May 18, 2018 11:51:24 AM |

Will do.

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** John Kim
**Sent:** Friday, May 18, 2018 11:51 AM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

Let's share with John Psinas saying that it is preliminary. John is acting for Ken and Ken had asked me to touch base with John on this. Let's let's move.

This is further to why we were chasing for the draft f/s.

---

**From:** Shajee Kathirgamanathan
**Sent:** Friday, May 18, 2018 11:49 AM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

Also, just want to confirm…are we waiting on getting feedback from Ron before sharing the equity injection cost note with John Psinas and the folks upstairs.

I reflected the latest edits from the MB20 note (appendix) into the original note, attached.

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Bruno Amara
**Sent:** Friday, May 18, 2018 11:41 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

Hi John

Yes, we have provide an indication of the amount. I didn't ask that question specifically but they didn't note any issues.

Bruno

---

**From:** John Kim
**Sent:** Friday, May 18, 2018 11:33 AM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

Hi Bruno,

I believe you have been keeping CQSD in the loop on the likely magnitude of the ESDI. Have they given any indication of whether MOF has sufficient room to facilitate the increased expenditure?

Thanks,

John

---

**From:** John Kim
**Sent:** Thursday, May 17, 2018 5:12 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** Draft ESDI amount

Hi Ron,

As discussed, we wanted to run by you the draft note on the ESDI. We used the format of MB 20 to draft the material. So the draft amount is preliminary, pending the IFRS adjustment.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

**From:** Shajee Kathirgamanathan
**To:** Bruno Amara; John Kim
**Cc:** Gavin He; Atif Ali
**Subject:** RE: Draft ESDI amount
**Date:** Friday, May 18, 2018 11:48:40 AM
**Attachments:** BN - OPG Equity Injection Interest Cost Analysis v5.docx

---

Also, just want to confirm…are we waiting on getting feedback from Ron before sharing the equity injection cost note with John Psinas and the folks upstairs.

I reflected the latest edits from the MB20 note (appendix) into the original note, attached.

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Bruno Amara
**Sent:** Friday, May 18, 2018 11:41 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

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**Sent:** Friday, May 18, 2018 11:33 AM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

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John

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**From:** John Kim
**Sent:** Thursday, May 17, 2018 5:12 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** Draft ESDI amount

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Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

# INTEREST COST PROPOSAL – OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan should be included in the determination of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC). This note outlines why and how this would be calculated and reported.

## CONTEXT

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:

  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words:

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One |

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- While the increase in net income due to the Fair Hydro Plan will be recorded in OPG's financial statements, additional consideration is required as to how the Province will account for the cost of its increased investment in OPG.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment will need to be included in the cost of investment in OPG (iv from above).

## BACKGROUND

- As a result of the electricity sector restructuring on April 1, 1999, the Province exchanged equity of $5,126 million and $3,759 million in OPG and Hydro One respectively for notes payable (debt) to OEFC. This debt had an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an interest cost of approximately $520 million.
  - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

  - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

## PROVINCIAL BORROWING COSTS

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000.00 |
| **2018-03-22** | 202,400,000.00 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of capital of 2.23% was used[1].
  - According to OFA's Risk Control Division staff, ~~Though~~ though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.

- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 17, 2018**

[1] ~~Sourced from Accounting.~~

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | John Kim |
| **Cc:** | Atif Ali |
| **Subject:** | RE: Draft ESDI amount |
| **Date:** | Tuesday, May 22, 2018 4:16:04 PM |
| **Attachments:** | MB20_Business_Case - 2018 ESDI Submission2018__17_05_v7.doc |

Hi John,

The edits look fine to us. I checked with Risk on Ron's question about 'new' capital, and they're fine with it.

Atif and I accepted and formatted a v7 attached and found here:
S:\Users\CEF\Hydro 2018\OEFC\ESDI\ESDI 2017-18 Submission

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** John Kim
**Sent:** Tuesday, May 22, 2018 2:02 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** FW: Draft ESDI amount

Sorry, meant to send to you as well.

Thanks,

John

---

**From:** John Kim
**Sent:** Tuesday, May 22, 2018 2:01 PM
**To:** Atif Ali <Atif.Ali@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: Draft ESDI amount

Hi Atif,

Pls. take a look through Ron's comments and let me know, if any concerns.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Tuesday, May 22, 2018 2:00 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** RE: Draft ESDI amount

Hi John,

A few suggestions.

Ron

---

**From:** John Kim
**Sent:** May-17-18 17:12
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>
**Subject:** Draft ESDI amount

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As discussed, we wanted to run by you the draft note on the ESDI. We used the format of MB 20 to draft the material. So the draft amount is preliminary, pending the IFRS adjustment.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

# ELECTRICTY SECTOR DEDICTED NET INCOME TREASURY BOARD ORDER [DRAFT]

**1. PROGRAM/BRANCH:** Corporate and Electricity Finance Division / Electricity Finance Branch

## 2. SUMMARY OF REQUEST:

The Ministry of Finance requests Treasury Board to approve a Treasury Board Order under section 1.0.8 of the Financial Administration Act for $432,261,237 [TBC, following finalization of the International Financial Reporting Standards (IFRS) adjustment] for Ontario Electricity Financial Corporation (OEFC) Dedicated Electricity Earnings Other Transactions (Vote-Item 1203-12) for the fiscal year 2017-18 offset from the Contingency Fund (Vote-Item 3404-02).

The current estimate for Electricity Sector Dedicated Income (ESDI) for 2017-18, based on the current estimate for the IFRS adjustment, stands at $957,079,537. The 2017-18 Printed Estimated amount approved was $524,818,300. As a result, a Treasury Board Order (TBO) approval is requested in the amount of $432,261,237 [TBC] to make up the funding shortfall.

This request is fiscally neutral, on consolidation, as the expense related to Vote Item 1203-12 is fully offset by OEFC's revenue from the Electricity Sector Dedicated Income.

This supports the Province's policy commitment, which has also been renewed to continue going forward, to dedicate to OEFC the cumulative combined net income of OPG and Hydro One in excess of the Province's interest cost of its investment in these companies, in order to help pay down the legacy debt and other liabilities of the former Ontario Hydro.

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

The following two tables provide a summary of the funding request for the Ministry, by standard account and by program area. Detailed financial information is provided in the Appendices.

**$Million (except FTEs)**

| Ministry Summary | | | | | |
|---|---|---|---|---|---|
| PSAB * | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Salaries/Wages | | | | | |
| Employee Benefits | | | | | |
| Transportation & communication | | | | | |
| Services | | | | | |
| Supplies & Equipment | | | | | |
| Other Transactions | | | 432.3 | | |
| **Total** | **X** | **X** | **432.3** | | |
| Offset (enter as negative number) | X | X | | | |
| **Total net of Offset** | **0** | **0** | | | |
| Classified FTEs at March 31 | | | | | |
| Unclassified FTEs at March 31 | | | | | |
| * If cash implications differ from PSAB, please provide cash numbers in a separate table. | | | | | |

$Million

| Financial Implications by Program Area | | | | | |
|---|---|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Division/Branch | X | X | | | |
| Total | | | 432.3 | | |

## 4. BACKGROUND:

The estimated final year-end 2017-18 ESDI of $957.1 million, is based on Ontario Power Generation's (OPG) net income, including the performance of OPG's segregated nuclear funds as at March 31, 2018 and the Province's share of Hydro One net income as at March 31, 2018, as reported in their respective financial statements. The ESDI amount reflects the following adjustments:

- a net adjustment of -$300 million, the estimate provided by OPG via OPCD at the time of Budget 2018, comprised of adjustments to OPG net income to report based on International Financial Reporting Standards. The corporations' stand-alone financials are reported based on U.S. Generally Accepted Accounting Principles, and

- 2017-18 ESDI will also include a prior-year adjustment of $15 million related to Hydro One Brampton 2016-17 net income. This amount was used in reporting Electricity Sector Dedicated Income in the Ontario Electricity Financial Corporation's 2016-17 ESDI amounts but was not included in the 2016-17 Public Accounts as Hydro One Brampton financials had not been finalized. This prior-year adjustment aligns the Province's Public Accounts with OEFC financial reporting.

The 2017-18 Printed Estimates ESDI provision from Budget 2017 was $524.8 million. The increased ESDI compared to the 2017-18 printed estimates is due to higher than expected OPG income, primarily due to higher than expected one-time after-tax gains on sales of OPG real estate properties (OPG head office properties and Lakeview) and higher than expected realised gains in the OPG segregated funds for nuclear liabilities, as well as a lower than projected operating expenses and higher nuclear output.

| | $ Millions | | |
|---|---|---|---|
| | **Printed Estimates ESDI 2017-18** | **Actual ESDI 2017-18 [TBC]** | **Change** |
| OPG Net Income (US GAAP) | 497 | 1,331 | 834 |
| OPG - IFRS Adjustment [TBC][1] | - | (300) | (300) |
| Hydro One Net Income (US GAAP)[2] | 520 | 368 | (152) |
| **Total** | **1,017** | **1,399** | **382** |
| OPG – Public Debt Interest | (300) | (300) | - |
| OPG FHP Equity Injection Interest Cost[3] | - | (3) | (3) |
| Hydro One – Public Debt Interest | (192) | (154) | 38 |
| Prior-year adjustment | | 15 | 15 |
| **ESDI (Actual per OEFC Financial Statement)** | **525** | **957** | **432** |

Note: Numbers may not add up due to rounding.

1 This reflects the estimated impact of a provincial accounting consolidation adjustment from U.S. Generally Accepted Accounting Principles (US GAAP, the companies' reporting basis) to International Financial Reporting Standards (IFRS) in reflecting the financial results of the electricity GBEs in the Province's financial statements.

2 The Province's income from Hydro One for the purposes of the ESDI calculation did not assume an amount or timing for a Hydro One share offering, which ultimately occurred in May 2017 for about 20% of shares.

3 See Appendix 1 for explanatory note.

OEFC is an Agency of the Province and is consolidated into the financial statements of the Province of Ontario on a line-by-line basis.

OEFC is the legal successor to the former Ontario Hydro and is responsible for managing and paying down the former Ontario Hydro's debt and certain other liabilities, including the portion that is "stranded debt".

The transfer of electricity sector dedicated earnings to OEFC is in accordance with policy initially adopted by the Government in 1999-2000, and renewed in 2018.

The Province has committed to dedicate its cumulative combined net income of OPG and Hydro One, in excess of the Province's interest cost of its investment in its electricity subsidiaries, to OEFC.

After Estimates moved from a cash basis to an accrual basis, Treasury Board has supported this policy, approving in the Ministry of Finance's appropriations of the transfer of electricity sector earnings in excess of the interest carrying cost of the investment in the sector to OEFC for the benefit of electricity consumers.

The Province's net income from OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries would be reflected as revenue in the operation of OEFC by way of receiving this ESDI provision from the Ministry of Finance.

## 5. ADMINISTRATIVE IMPACTS:

N/A

## 6. RISKS:

*Past and Future ESDI transfers to OEFC*
This transaction is consistent with government policy to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

If approval not be provided for this transfer it calls into question prior policy commitments to the OEFC as well as future commitments, as part of the responsible management and pay down of electricity sector debt and other liabilities.

## 7. OPERATIONAL REQUIREMENTS:

N/A

**Salaries/Wages, Benefits and Staff Strength:**

N/A

Impact on Ministry's Staff Strength:

N/A

**Other Direct Operating Expenditures (ODOE):**

N/A

**(1) HR-Related Expenses**

N/A

**(2) Legal Expenses**

N/A

**(3) Information Technology**

N/A

**(1) Accommodation**

N/A

**(2) General ODOE:**

N/A

## 8. COMMUNICATION PLAN

**N/A**

## 9. INTERNAL EFFICIENCIES:

N/A

## 10. BUSINESS CASE:

Not considered a Business Case.

Continued implementation of a policy commitment initially implemented by the Government in 1999-2000.

## 11. REVENUE IMPACT:

This request is fiscally neutral to the Province's fiscal plan. The Ministry of Finance expense is fully offset against the receipt of revenue by OEFC on consolidation in the Public Accounts of Ontario.

## 12. WORKLOAD INDICATORS:

N/A

## 13. PERFORMANCE MEASURES:

N/A

## 14. IMPLEMENTATION PLAN:

N/A

## 15. INFORMATION TECHNOLOGY (to be completed by, or in conjunction with, IT Cluster staff)

N/A

**BACKGROUND**

N/A

## $ BUSINESS IMPACTS

N/A

## $ PROPOSED SOLUTION

N/A

$ **I&IT RESOURCES**

N/A

$ **IT INFRASTRUCTURE**

N/A

$ **ENTERPRISE ARCHITECTURE**

N/A

$ **SECURITY/PRIVACY**

N/A

$ **ONGOING COST ESTIMATES**

This is a once annual allocation, made with Treasury Board approval. No ongoing costs expected.

Note the actual amount of Electricity Sector Dedicated Income is subject to volatility

$ **I&IT SCHEDULE**

N/A

$ **I&IT BUSINESS CASE**

N/A

- **I&IT COSTING TEMPLATE**

N/A

## APPENDIX 1

OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan is included in the calculation of the proposed amount of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC).

### CONTEXT

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words,

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One. |

- Up until 2016-17, the calculation of the cost of the Province's equity in OPG has only included the original cost of debt assumed by the Province when it acquired the equity as at April 1, 1999.

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment is included in the cost of investment in OPG (iv from above).

## BACKGROUND

- As a result of the electricity sector restructuring on April 1, 1999, the Province received equity of $5,126 million and $3,759 million in OPG and Hydro One respectively in exchange for assuming the respective company's notes payable (debt) to OEFC in those amounts. This debt has an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an annual interest cost of approximately $520 million.

    - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.

    - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

## PROVINCIAL BORROWING COSTS

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000 |
| **2018-03-22** | 202,400,000 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of (new) capital of 2.23% was used.
    - According to OFA's Risk Control Division staff, though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.

- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 22, 2018**

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | John Kim; Gavin He |
| **Subject:** | RE: ESDI and interest calculation |
| **Date:** | Monday, April 30, 2018 12:01:28 PM |

Will do.

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

**From:** John Kim
**Sent:** Monday, April 30, 2018 12:01 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** ESDI and interest calculation

Hi,

I spoke to Ken K. at the board meeting. Let's get moving on that. First, I'd like to have Risk provide us the interest rates to be applied to the equity injection.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Anthony Reiss (MGS) |
| **Cc:** | John Kim; Atif Ali |
| **Subject:** | RE: ESDI package, review request |
| **Date:** | Tuesday, June 05, 2018 3:05:50 PM |
| **Attachments:** | MB20_Business_Case - 2018 ESDI Submission2018__17_05_v9.doc<br>ESDI Fiscal Consolidation v. June 4 2018.pptx<br>CPFB Briefing Note__ESDI June 5_clean_rev.docx |

Hi Anthony

1) Numbers need to be update per my email of May 18. I've attached our draft note which is still pending receipt of final IFRS numbers.

2) I made some suggestions to you BN for your consideration, including updating numbers. Your note does not mention the IFRS adjustment, I assume for simplicity. But IFRS does factor into the timing as it is the last piece of info we are waiting on.

3) In regard to ESDI slides, we will review and get back to you.

I am out of the office this afternoon, but back tomorrow.

Thanks
Bruno

---

**From:** Reiss, Anthony (MOF) [mailto:Anthony.Reiss@ontario.ca]
**Sent:** Tuesday, June 05, 2018 1:43 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** ESDI package, review request

Hi Bruno,

Attached is a draft package for your review.

Can you please provide your feedback as the audience would likely be the incoming government in regards to the upcoming ESDI transaction.

Once you have had a chance to review we would be sharing this with our CAO.

If you have any questions, please let me know.

Thanks,
Anthony

# ELECTRICTY SECTOR DEDICTED NET INCOME TREASURY BOARD ORDER [DRAFT]

**1. PROGRAM/BRANCH:** Corporate and Electricity Finance Division / Electricity Finance Branch

**2. SUMMARY OF REQUEST:**

The Ministry of Finance requests Treasury Board to approve a Treasury Board Order under section 1.0.8 of the Financial Administration Act for $432,261,237 [TBC, following finalization of the International Financial Reporting Standards (IFRS) adjustment] for Ontario Electricity Financial Corporation (OEFC) Dedicated Electricity Earnings Other Transactions (Vote-Item 1203-12) for the fiscal year 2017-18 offset from the Contingency Fund (Vote-Item 3404-02).

The current estimate for Electricity Sector Dedicated Income (ESDI) for 2017-18, based on the current estimate for the IFRS adjustment, stands at $957,079,537. The 2017-18 Printed Estimated amount approved was $524,818,300. As a result, a Treasury Board Order (TBO) approval is requested in the amount of $432,261,237 [TBC] to make up the funding shortfall.

This request is fiscally neutral, on consolidation, as the expense related to Vote Item 1203-12 is fully offset by OEFC's revenue from the Electricity Sector Dedicated Income.

This supports the Province's policy commitment, which has also been renewed to continue going forward, to dedicate to OEFC the cumulative combined net income of OPG and Hydro One in excess of the Province's interest cost of its investment in these companies, in order to help pay down the legacy debt and other liabilities of the former Ontario Hydro.

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

The following two tables provide a summary of the funding request for the Ministry, by standard account and by program area. Detailed financial information is provided in the Appendices.

**$Million (except FTEs)**

| Ministry Summary | | | | | |
|---|---|---|---|---|---|
| PSAB * | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Salaries/Wages | | | | | |
| Employee Benefits | | | | | |
| Transportation & communication | | | | | |
| Services | | | | | |
| Supplies & Equipment | | | | | |
| Other Transactions | | | 432.3 | | |
| **Total** | **X** | **X** | **432.3** | | |
| Offset (enter as negative number) | X | X | | | |
| **Total net of Offset** | **0** | **0** | | | |
| Classified FTEs at March 31 | | | | | |
| Unclassified FTEs at March 31 | | | | | |
| * If cash implications differ from PSAB, please provide cash numbers in a separate table. | | | | | |

$Million

| Financial Implications by Program Area | | | | | |
|---|---|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **Total** |
| Division/Branch | X | X | | | |
| Total | | | 432.3 | | |

## 4. BACKGROUND:

The estimated final year-end 2017-18 ESDI of $957.1 million, is based on Ontario Power Generation's (OPG) net income, including the performance of OPG's segregated nuclear funds as at March 31, 2018 and the Province's share of Hydro One net income as at March 31, 2018, as reported in their respective financial statements. The ESDI amount reflects the following adjustments:

- a net adjustment decrease of -$300 million, the estimate provided by OPG via OPCD at the time of Budget 2018, comprised of adjustments to OPG net income to report based on International Financial Reporting Standards. The corporations' stand-alone financials are reported based on U.S. Generally Accepted Accounting Principles, and

- 2017-18 ESDI will also include a prior-year adjustment of $15 million related to Hydro One Brampton 2016-17 net income. This amount was used in reporting Electricity Sector Dedicated Income in the Ontario Electricity Financial Corporation's 2016-17 ESDI amounts but was not included in the 2016-17 Public Accounts as Hydro One Brampton financials had not been finalized. This prior-year adjustment aligns the Province's Public Accounts with OEFC financial reporting.

The 2017-18 Printed Estimates ESDI provision from Budget 2017 was $524.8 million. The increased ESDI compared to the 2017-18 printed estimates is due to higher than expected OPG income, primarily due to higher than expected one-time after-tax gains on sales of OPG real estate properties (OPG head office properties and Lakeview) and higher than expected realised gains in the OPG segregated funds for nuclear liabilities, as well as a lower than projected operating expenses and higher nuclear output.

Formatted: Highlight

| | $ Millions | | |
|---|---|---|---|
| | **Printed Estimates ESDI 2017-18** | **Actual ESDI 2017-18 [TBC]** | **Change** |
| OPG Net Income (US GAAP) | 497 | 1,331 | 834 |
| OPG - IFRS Adjustment [TBC][1] | - | (300) | (300) |
| Hydro One Net Income (US GAAP)[2] | 520 | 368 | (152) |
| **Total** | **1,017** | **1,399** | **382** |
| OPG – Public Debt Interest | (300) | (300) | - |
| OPG FHP Equity Injection Interest Cost[3] | - | (3) | (3) |
| Hydro One – Public Debt Interest | (192) | (154) | 38 |
| Prior-year adjustment[4] | | 15 | 15 |
| **ESDI (Actual per Public Accounts~~OEFC Financial Statement~~)** | **525** | **957** | **432** |

Note: Numbers may not add up due to rounding.

1 This reflects the estimated impact of a provincial accounting consolidation adjustment from U.S. Generally Accepted Accounting Principles (US GAAP, the companies' reporting basis) to International Financial Reporting Standards (IFRS) in reflecting the financial results of the electricity GBEs in the Province's financial statements.

2 The Province's income from Hydro One for the purposes of the ESDI calculation did not assume an amount or timing for a Hydro One share offering, which ultimately occurred in May 2017 for about 20% of shares.

3 See Appendix 1 for explanatory note.

~~3~~4 See explanation above (page 3).

**Commented [SK1]:** Although it may not be of the same order of magnitude of OPG, Hydro One also has net income adjustments.

OEFC is an Agency of the Province and is consolidated into the financial statements of the Province of Ontario on a line-by-line basis.

OEFC is the legal successor to the former Ontario Hydro and is responsible for managing and paying down the former Ontario Hydro's debt and certain other liabilities, including the portion that is "stranded debt".

The transfer of electricity sector dedicated earnings to OEFC is in accordance with policy initially adopted by the Government in 1999-2000, and renewed in 2018.

The Province has committed to dedicate its cumulative combined net income of

OPG and Hydro One, in excess of the Province's interest cost of its investment in its electricity subsidiaries, to OEFC.

After Estimates moved from a cash basis to an accrual basis, Treasury Board has supported this policy, approving in the Ministry of Finance's appropriations of the transfer of electricity sector earnings in excess of the interest carrying cost of the investment in the sector to OEFC for the benefit of electricity consumers.

The Province's net income from OPG and Hydro One in excess of the Province's interest cost of its investment in its electricity subsidiaries would be reflected as revenue in the operation of OEFC by way of receiving this ESDI provision from the Ministry of Finance.

## 5. ADMINISTRATIVE IMPACTS:

N/A

## 6. RISKS:

*Past and Future ESDI transfers to OEFC*
This transaction is consistent with government policy to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

If approval not be provided for this transfer it calls into question prior policy commitments to the OEFC as well as future commitments, as part of the responsible management and pay down of electricity sector debt and other liabilities.

## 7. OPERATIONAL REQUIREMENTS:

N/A

**Salaries/Wages, Benefits and Staff Strength:**

N/A

Impact on Ministry's Staff Strength:

N/A

**Other Direct Operating Expenditures (ODOE):**

N/A

**(1) HR-Related Expenses**

N/A

**(2) Legal Expenses**

N/A

**(3) Information Technology**

N/A

**(1) Accommodation**

N/A

**(2) General ODOE:**

N/A

**8. COMMUNICATION PLAN**

**N/A**

**9. INTERNAL EFFICIENCIES**:

N/A

**10. BUSINESS CASE:**

Not considered a Business Case.

Continued implementation of a policy commitment initially implemented by the Government in 1999-2000.

**11. REVENUE IMPACT:**

This request is fiscally neutral to the Province's fiscal plan. The Ministry of Finance expense is fully offset against the receipt of revenue by OEFC on consolidation in the Public Accounts of Ontario.

**12. WORKLOAD INDICATORS:**

N/A

**13. PERFORMANCE MEASURES:**

N/A

**14. IMPLEMENTATION PLAN:**

N/A

**15. INFORMATION TECHNOLOGY (to be completed by, or in conjunction with, IT Cluster staff)**

N/A

**BACKGROUND**

N/A

$ **BUSINESS IMPACTS**

N/A

$ **PROPOSED SOLUTION**

N/A

$ **I&IT RESOURCES**

N/A

$ **IT INFRASTRUCTURE**

N/A

$ **ENTERPRISE ARCHITECTURE**

N/A

$ **SECURITY/PRIVACY**

N/A

$ **ONGOING COST ESTIMATES**

This is a once annual allocation, made with Treasury Board approval. No ongoing costs expected.

Note the actual amount of Electricity Sector Dedicated Income is subject to volatility

$ **I&IT SCHEDULE**

N/A

$ **I&IT BUSINESS CASE**

N/A

- **I&IT COSTING TEMPLATE**

N/A

## APPENDIX 1

OPG EQUITY INJECTION

The cost of funding the Province's increasing investment into OPG as a result of the Fair Hydro Plan is included in the calculation of the proposed amount of Electricity Sector Dedicated Income to the Ontario Electricity Financial Corporation (OEFC).

### CONTEXT

- The Province has long held a policy commitment to dedicate to OEFC the Electricity Sector Dedicated Income (ESDI), defined as:
  *the combined net incomes of Ontario Power Generation (OPG) and Hydro One (in proportion to provincial ownership) in excess of the costs of its investment in its electricity subsidiaries.*

  - In other words,

| (i) | | (ii) | | (iii) | | (iv) |
|---|---|---|---|---|---|---|
| ESDI | = | Net Income of OPG | + | Net Income of Hydro One (proportionate to Provincial ownership) | - | Cost of Investment in OPG and Hydro One. |

- Up until 2016-17, the calculation of the cost of the Province's equity in OPG has only included the original cost of debt assumed by the Province when it acquired the equity as at April 1, 1999.

- As a result of implementation of the Fair Hydro Plan, the Province provides an equity injection to OPG to lend to its wholly-owned subsidiary, the Fair Hydro Trust, which purchases investment assets from the IESO. In return for the equity injection, the Province receives Class A non-voting shares from OPG.

- The Provincial equity injection - as part of the Fair Hydro Plan - affects ESDI by
  - increasing the return or net income (ii from above) OPG provides to the province, and
  - increasing the costs of the (Provincial) investment in OPG (iv from above) due to provincial borrowing to fund the equity injection.

- Over the 2017-18 fiscal year, the Province borrowed $721 million to invest in OPG. In return OPG issued 16.8 million Class A shares.

- To remain consistent with original policy commitment of the ESDI, the Provincial borrowing to fund this equity investment is included in the cost of investment in OPG (iv from above).

## BACKGROUND

- As a result of the electricity sector restructuring on April 1, 1999, the Province received equity of $5,126 million and $3,759 million in OPG and Hydro One respectively in exchange for assuming the respective company's notes payable (debt) to OEFC in those amounts. This debt has an interest rate of 5.85%, charged monthly with a maturity date from 2039-2041. At the outset this resulted in an annual interest cost of approximately $520 million.
    - For example, the 2000 OEFC Annual report lists ESDI as $383 million, where OPG and Hydro One earned an aggregate of $903 million less the provincial interest cost of $520 million.
    - Note: As a result of broadening the ownership of Hydro One, the Provincial ownership in Hydro One was reduced. The Province used part of the proceeds to pay off the original $3,759 million notes payable to OEFC. As a result, the cost of its investment in OPG and Hydro One decreased as well. In the 2017 OEFC Annual Report this cost of investment dropped from $520 million to $514 million.

## PROVINCIAL BORROWING COSTS

- The $721M equity injection occurred over two installments in the 2017-18 fiscal year:

| Transaction Date | OFA's equity injection amount ($) |
|---|---|
| **2017-12-20** | 518,760,000 |
| **2018-03-22** | 202,400,000 |

- To assess the provincial borrowing costs, the fiscal year 2017-18 weighted average cost of (new) capital of 2.23% was used.
    - According to OFA's Risk Control Division staff, though this weighted average cost of capital does not reflect the interest rate at each transaction date, these equity injections came via funding from the provincial liquid reserves, rather than through incremental borrowing on those dates.
- This results in $3M in additional interest costs for the provincial ownership in OPG in 2017-18.

**Electricity Finance Branch, Corporate and Electricity Finance Division**
**May 22, 2018**

# Electricity Sector Dedicated Income (ESDI) Fiscal Consolidation

**1. Province's Income Statement**

**Revenue ($ Millions)**

Government Business Enterprises:

*OPG Net Income* — A

*Hydro One Net Income* — B

**2. OEFC's Income Statement**

**Revenue ($ Millions)**

Electricity Sector Dedicated Income (ESDI) — D

**3. Province's Income Statement**

**Expense ($ Millions)**

OEFC Dedicated Electricity Earnings — D

Offset each other

***2. and 3. results in the ESDI being fiscally neutral when OEFC is consolidated on a line by a line basis on the Province's financial statements***

**ESDI Calculation**

**($ Millions)**

| | | |
|---|---|---|
| *OPG Net Income* | A | |
| *Hydro One Net Income* | B | + |
| *Province's interest payment reflecting investment in these companies* | C | - |
| **Electricity Sector Dedicated Income (ESDI)** | D | |

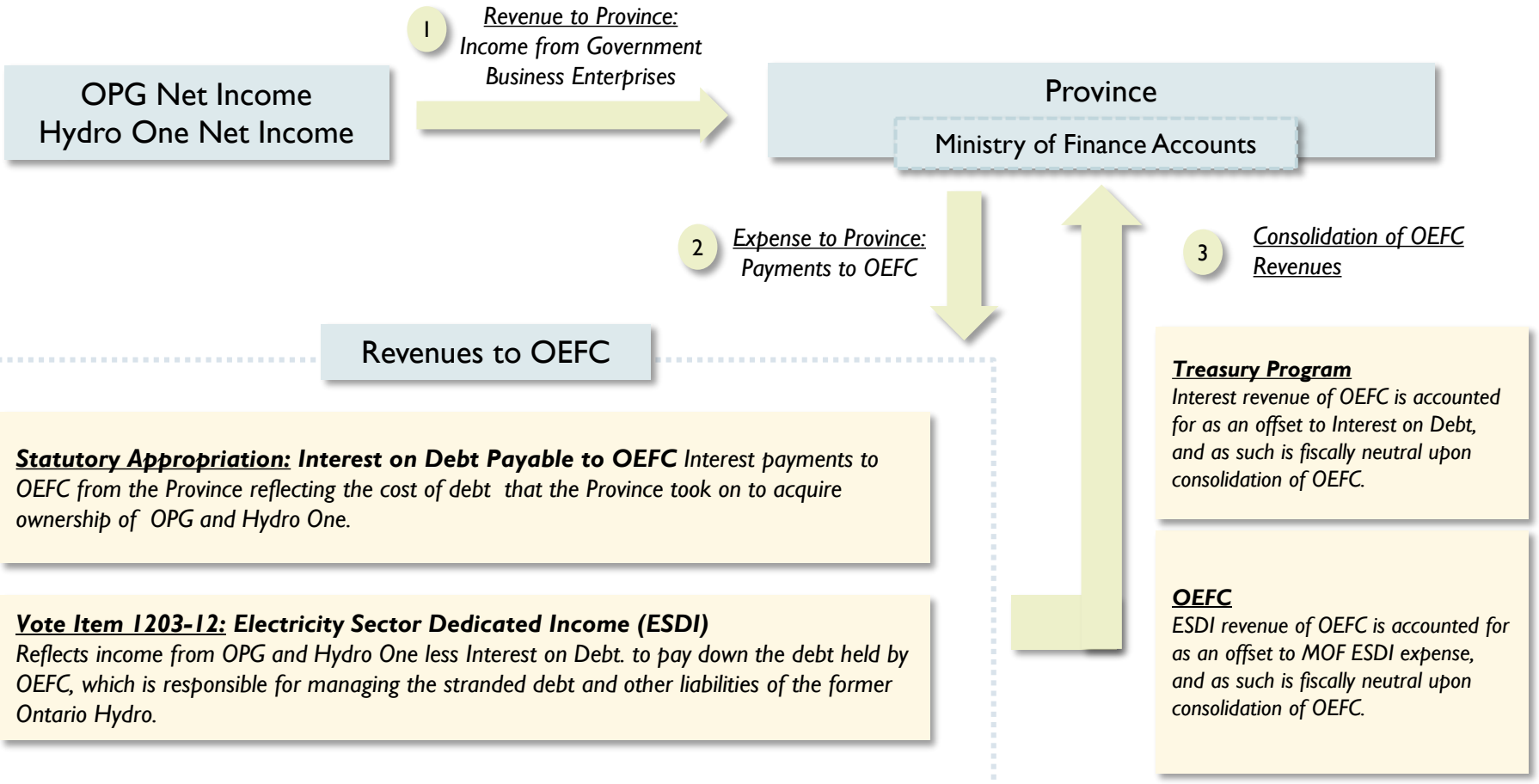
A + B *OPG and Hydro One net income is consolidated as income from investment in government enterprises. They are not separately identified in government publications.*

C *The Province owes OEFC an annual interest payment to reflect its ownership in the assets (OPG, Hydro One).*

D *ESDI is one of a set of dedicated electricity revenues to the OEFC to service and pay down the electricity sector stranded debt . The Ministry of Finance (MOF) has an expense item that mirrors the ESDI payment to OEFC.*

*Source: Ontario Financing Authority, modified by Corporate Planning and Finance Branch, June 2018*

# Illustrative ESDI Flows




Source: Ontario Financing Authority, modified by Corporate Planning and Finance Branch, June 2018

CQSD | Corporate and Quality Service Division

**Briefing Note**
**Medium Sensitivity**

# Electricity Sector Dedicated Income (ESDI) Overview

## Issue

To provide an overview on the timing and reporting process in relation to the Electricity Sector Dedicated Income (ESDI).

## Key Points

- ESDI reflects the Province's commitment to direct the income it earns from Ontario Power Generation (OPG) and from the Province's proportionate share of Hydro One in excess of the interest cost of its investment in those companies to the Ontario Electricity Financial Corporation (OEFC) to manage and retire OEFC's debt and other liabilities.

- OEFC is an Agency of the Province of Ontario and is consolidated into the financial statements of the Province. The ESDI is a fiscally neutral transaction as the Ministry of Finance (MOF) ESDI expense is fully offset by the OEFC – ESDI revenue line upon consolidation of the OEFC into the Province's financial statements. ~~There is no cost or revenue impact to the Province with this~~ transaction~~.~~

- The required financial information to support the calculation of the final value of ESDI includes OPG's and Hydro One's quarterly financial statements for the April 1 to March 31 period, with the January 1 to March 31st quarterly finances generally available by May. Net income adjustments to comply with the International Financial Reporting Standards for the Province is expected to be made available by June.

- As an example for the 2017-18 Printed Estimates, ESDI allocation was $525 million while the Interim Outlook at Q3 was $957~~797~~ million. Actual ESDI often varies from forecast due to volatility in OPG and Hydro One's earnings for the forecast period. A number of factors contribute to the volatility, for example, weather, economic conditions, fuel prices, operational performance, the impact of regulatory decisions and financial market conditions.

- The treatment of the ESDI transaction is consistent over years where the flow of funds for year-end transaction would be through MOF's OEFC Dedicated Electricity Earnings – Other Transactions, fully offset from the Treasury Board Contingency Fund, which is when the Printed Estimates ESDI allocation is lower than the final actual ESDI value.

**Commented [BA1]:** I don't think this is quite right. There are both impacts but they are offsetting.

- The final value for ESDI has to be considered for approval prior to the finalization of the yearly Public Accounts. As the example above, MOF's expenses and OEFC's revenue will both be understated if not approved and result in a material expenditure variance of $432~~272~~M (based on the numbers provided) and then MOF would also require a material budget increase in 2018-19 in order to record this transaction next fiscal year.

Prepared by: Anthony Reiss (phone 905-433-5927)
Approved by: Howyi Nelson (phone 905-429-4769)
Corporate Planning and Finance Branch
Updated: June 5, 2018

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim |
| **Subject:** | RE: Electricity Outlook |
| **Date:** | Friday, March 03, 2017 6:00:30 PM |
| **Attachments:** | Copy of Electricity Sector Outlook- Feb 2017_70%_no IOD_v12_Markup.xlsx |

Hi John,

As discussed, please track down and confirm the coordination question with SIFB on H1 and Brampton/Alectra MEU PILs. On the latter, I wonder if they too will have a large tax shield, so we might not be getting the 5 in out years – and it might be a negative variance for a number of years.

Also, I started a footnote on the GA impact on OPG. Should have added too, for clarity, that all the offset impact is shown in net income, but likely would be split between net income and PILs.

We need to generate GA financing / equity returns risks on to the revenue risks tab.

Thanks,
Ron

---

**From:** John Kim
**Sent:** March-03-17 17:16
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Yes, that is the case….that had been assumed for a long time. We've moved to coordinating on 70% for 2-3 weeks now.

John.

---

**From:** Ronald Kwan
**Sent:** Friday, March 03, 2017 5:13 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Hi John,

But what has changed on the Hydro One side and SIFB`s AO numbers?

I was thinking the two branches had been coordinating on an on-going basis --- so if the EFB numbers were using 84% as the baseline, the AO numbers would be net of more forgone net income. And if the EFB file is at 70%, then the SIFB AO forgone revenue numbers would be net of less forgone revenue.

Is that the case as each branch has been sending up files, this month versus last?

Ron

---

**From:** John Kim
**Sent:** March-03-17 17:07
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Hi Ron,

Yes, we're now working on the 70% baseline. The numbers are generally the same.

NUG numbers changed somewhat.

The Bampton PILs is there.

Unpacked the PILs impact of the office sale.

So, generally the information has not changed significantly. I'd characterize as the 70% baseline and house-keeping.

John.

---

**From:** Ronald Kwan
**Sent:** Friday, March 03, 2017 5:04 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Hi,

Are we now working on a 70% baseline, and coordinated with the AO numbers? What changed since the early February file and numbers coordination?

Ron

---

**From:** John Kim
**Sent:** March-03-17 16:03
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: Electricity Outlook

Pls. see attached.

Thanks,

John.

**From:** John Kim
**Sent:** Friday, March 03, 2017 3:56 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Adam Prokop <Adam.Prokop@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
**Subject:** RE: Electricity Outlook

One more modification….I added the GA interest cost impact in the OPG tab. Also, highlighted in yellow. I'm sure there's a more elegant way of modelling due to my lack of skills at this.

I used FTD's forecast for 2017-18 to 2019-20 and then used our conservative interest income for 2020-21 of 135 (based on 3.5% interest) as a placeholder until FTD does their number.

John.

---

**From:** John Kim
**Sent:** Friday, March 03, 2017 3:31 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Adam Prokop <Adam.Prokop@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Thanks Bruno…..just changed the yellow highlighted part on the Revenue (Risk) tab. Let me know if what I did makes sense pls.

---

**From:** Bruno Amara
**Sent:** Friday, March 03, 2017 2:29 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Adam Prokop <Adam.Prokop@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
**Subject:** RE: Electricity Outlook

I should attach file

---

**From:** Bruno Amara
**Sent:** Friday, March 03, 2017 2:28 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Adam Prokop <Adam.Prokop@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
**Subject:** FW: Electricity Outlook

Hi John

See updated outlook attached. Never mind my earlier comments. As Adam notes the only change is that we have info now to split out the head office sale impact between NI and PILs.

Bruno

---

**From:** Adam Prokop
**Sent:** Friday, March 03, 2017 2:25 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Salman Qadir <Salman.Qadir@ofina.on.ca>
**Subject:** RE: Electricity Outlook

Hello Bruno,

Here is the updated outlook for your review. The only change was in how the head office sale was split between PILS and net income for OPG, so there are no changes in the total change from 2016 budget.

Kind regards,

Adam Prokop

---

**From:** Bruno Amara
**Sent:** Friday, March 03, 2017 11:08 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Adam Prokop <Adam.Prokop@ofina.on.ca>
**Subject:** Electricity Outlook

Hi John

Attached is the updated outlook reflecting Ron's comments on the risk page. Note that there is a new Cover Sheet per request from TBS/OB.

S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\02. February

Bruno

Gavin, we picked up the revised DRC forecast.

# Electricity Sector Outlook

## March 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook*
## Line Items for Consolidation

## Electricity Summary - On Deck

| Type |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## Electricity Summary - Budget16

| Type |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

# Electricity Summary - Change

| Type |
| --- |
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

* Outlook reflects revenues from OPG, Hydro One, OEFC and PILS f

**For Discussion**

| Ministry Pickup | Line | Item |
|---|---|---|
| **MOF (OEFC)** | **38** | Power Supply Contract Costs |
| **MOF (OEFC)** | **40** | Demand Management Support Costs6 |
| **MOF (OEFC)** | **41** | Provision for Electricity Sector |
| **MOF** | **17** | Provision for Electricity Sector4 |
| **MOF (OEFC)** | **42** | Other (Finance) |
| **ENE** | **7** | OPG Income1 |
| **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments2 |
| **ENE** | **10** | HOI Income3 |
| | **11** | Brampton Income |
| **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT |
| **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge5 |
| **MOF (OEFC)** | **30** | Power Supply Contract Recoveries |
| **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts |
| **MOF (OEFC)** | **34** | Miscellaneous |
| | | **Sub-Total** |
| | | **add IOD expense (picked up by OFA)** |
| | | Public Debt Interest - Electricity Sector |
| | | Interest on Debt |
| | | **Impact on Surplus/Deficit** |
| | | ***check*** |

**For Discussion**

| Ministry Pickup | Line | Item |
|---|---|---|
| **MOF (OEFC)** | **38** | Power Supply Contract Costs |
| **MOF (OEFC)** | **40** | Demand Mangement Support Costs6 |
| **MOF (OEFC)** | **41** | Provision for Electricity Sector |
| **MOF** | **17** | Provision for Electricity Sector |
| **MOF (OEFC)** | **42** | Other (Finance) |
| **ENE** | **7** | OPG Income1 |
| **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments2 |
| **ENE** | **10** | HOI Income3 |
| | | |
| **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT |
| **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge5 |
| **MOF (OEFC)** | **30** | Power Supply Contract Recoveries |
| **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts |
| **MOF (OEFC)** | **34** | Miscellaneous |
| | | **Sub-Total** |
| | | **add IOD expense (picked up by OFA)** |
| | **17** | Public Debt Interest - Electricity Sector |

| | | |
|---|---|---|
| | **36** | Interest on Debt |
| | | **Impact on Surplus/Deficit** |
| | | ***check*** |

| Ministry Pickup | Line | Item |
|---|---|---|
| **MOF (OEFC)** | **37** | Power Supply Contract Costs |
| **MOF (OEFC)** | **39** | Demand Management Support Costs |
| **MOF (OEFC)** | **40** | Provision for Electricity Sector |
| **MOF** | **16** | Provision for Electricity Sector |
| **MOF (OEFC)** | **41** | Other (Finance) |
| **ENE** | **7** | OPG Income |
| **ENE** | **8** | ONFA and other Fair Value Adjustments |
| **ENE** | **10** | HOI Income |
| | | |
| **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs) |
| **MOF (OEFC)** | **28** | Electricity Debt Retirement Charge |
| **MOF (OEFC)** | **29** | Power Supply Contract Recoveries |
| **MOF (OEFC)** | **30** | Net Reduction of Power Purchase Contracts |
| **MOF (OEFC)** | **3** | Miscellaneous |
| | | **Sub-Total** |
| | | **add IOD expense (picked up by OFA)** |
| | | Public Debt Interest - Electricity Sector |
| | | Interest on Debt |
| | | **Impact on Surplus/Deficit** |
| | | ***check*** |

from MEUs, and excludes OPA, IESO and OEB.

| Plan ($ Millions) | | | | |
|---|---|---|---|---|
| **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| (739) | (285) | (217) | (293) | (265) |
| (10) | (10) | - | - | - |
| 393 | 525 | - | - | - |
| (393) | (525) | - | - | - |
| (6) | (6) | (6) | (6) | (6) |
| 355 | 497 | 733 | 828 | 1,048 |
| 8 | - | - | - | - |
| 516 | 520 | 562 | 603 | 652 |
| 15 | - | - | - | - |
| 457 | 405 | 476 | 538 | 679 |
| 638 | 629 | - | - | - |
| 739 | 285 | 217 | 293 | 265 |
| 129 | 74 | 41 | 30 | 28 |
| - | - | - | - | - |
| **2,102** | **2,109** | **1,805** | **1,993** | **2,400** |
| | | | | |
| (492) | (492) | (492) | (492) | (492) |
| (532) | (422) | (374) | (342) | (250) |
| **1,078** | **1,195** | **939** | **1,159** | **1,658** |
| **-** | **-** | **-** | **-** | **-** |

| Plan ($ Millions) | | | | |
|---|---|---|---|---|
| **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| (643) | (463) | (396) | (276) | (248) |
| (10) | (10) | 0 | 0 | 0 |
| 138 | 706 | 0 | 0 | 0 |
| (138) | (706) | 0 | 0 | 0 |
| (6) | (6) | (6) | (6) | (6) |
| 471 | 586 | 673 | 705 | 734 |
| 0 | 0 | 0 | 0 | 0 |
| 578 | 612 | 674 | 713 | 737 |
| | | | | |
| 515 | 480 | 532 | 481 | 565 |
| 625 | 623 | 0 | 0 | 0 |
| 643 | 463 | 396 | 276 | 248 |
| 129 | 74 | 41 | 30 | 28 |
| 5 | 5 | 5 | 5 | 5 |
| **2,307** | **2,364** | **1,919** | **1,928** | **2,063** |
| | | | | |
| (492) | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| (635) | (657) | (617) | (633) | (627) |
| **1,180** | **1,215** | **810** | **803** | **944** |
| **-** | **-** | **-** | **-** | **-** |

($ Millions)

| 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| **(96)** | **178** | **179** | **(17)** | **(17)** |
| **-** | **-** | **-** | **-** | **-** |
| **256** | **(182)** | **-** | **-** | **-** |
| **(256)** | **182** | **-** | **-** | **-** |
| **-** | **-** | **-** | **-** | **-** |
| **(116)** | **(89)** | **60** | **124** | **315** |
| **8** | **-** | **-** | **-** | **-** |
| **(48)** | **(93)** | **(112)** | **(109)** | **(86)** |
| | | | | |
| **(57)** | **(75)** | **(56)** | **57** | **114** |
| **13** | **6** | **-** | **-** | **-** |
| **96** | **(178)** | **(179)** | **17** | **17** |
| **-** | **-** | **-** | **-** | **-** |
| **(5)** | **(5)** | **(5)** | **(5)** | **(5)** |
| (205) | (255) | (114) | 66 | 338 |
| | | | | |
| - | - | - | - | - |
| 103 | 235 | 243 | 291 | 377 |
| **(102)** | **(20)** | **129** | **357** | **715** |
| ***0*** | ***0*** | **-** | **-** | **-** |

**Outlook Tracking Log**

| Date | Previous File Name | New File Name |
|---|---|---|
| Nov 2016 v2 | | |
| | | |
| | | |
| | | |
| Dec 2016 v3 | | |
| | | |
| | | |
| Dec 2016 v4 OPG BP-July | | |
| | | |
| Dec 2016 v4 OPG BP-Nov | | |
| | | |
| Dec 2016 v4 OPG BP-Nov v2 | | |
| | | |
| 28-Dec-16 | Electricity Sector Outlook-December 2016_84%_no IOD v4 OPG BP-Nov_v2.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v4 OPG BP-Nov_v3.xlsx |
| 3-Jan-17 | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov v4.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov v5.xlsx |
| 4-Jan-17 | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov v5_Markup.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov v6.xlsx |
| 16-Jan-17 | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v9.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v10.xlsx |
| 17-Jan-17 | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v10.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v11.xlsx |
| 20-Jan-17 | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v12.xlsx | Electricity Sector Outlook-December 2016_84%_no IOD v5 OPG BP-Nov_v13.xlsx |

| | | |
|---|---|---|
| 20-Jan-17 | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov_v13.xlsx | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov_v14.xlsx |
| 26-Jan-17 | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov_v15.xlsx | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov_v16.xlsx |
| 6-Feb-17 | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov v16_OPG_H1TxRisks_Markup2.xlsx | Electricity Sector Outlook- December 2016_84%_no IOD v5 OPG BP-Nov v16_OPG_H1TxRisks_Markup3.xlsx |
| 16-Feb-17 | Electricity Sector Outlook- Feb 2017_84%_no IOD_v1.xlsx | Electricity Sector Outlook- Feb 2017_84%_no IOD_v2.xlsx |
| 16-Feb-17 | Electricity Sector Outlook- Feb 2017_84%_no IOD_v2.xlsx | Electricity Sector Outlook - Feb 2017_70%_no IOD_V2 |
| 17-Feb-17 | Electricity Sector Outlook - Feb 2017_70%_no IOD_V2 | Electricity Sector Outlook - Feb 2017_70%_no IOD_V3 |
| 2-Mar-17 | Electricity Sector Outlook - Feb 2017_70%_no IOD_v6 (002) | Electricity Sector Outlook - Feb 2017_70%_no IOD_v7 (002) |
| 2-Mar-17 | Electricity Sector Outlook - Feb 2017_70%_no IOD_v8 (002) | Electricity Sector Outlook - Feb 2017_70%_no IOD_v9 (002) |
| 3-Mar-17 | Electricity Sector Outlook - Feb 2017_70%_no IOD_v9 (002) | Electricity Sector Outlook - Feb 2017_70%_no IOD_v10 (002) |
| 3-Mar-17 | Electricity Sector Outlook - Feb 2017_70%_no IOD_v10 (002) | Electricity Sector Outlook - Feb 2017_70%_no IOD_v11 (002) |

| Summary of Changes |
| --- |
| 1) Price Mitigation Net Impact Tab - Flat-lined the tax base measures |
| 2) Hydro One Tab - IPO Impacts, changed ownership to 70.1% from 84% |
| 3) OPG Tab: Added 2017BP November 2016 NI and PILs numbers |
| |
| Reverted Nov 2016 v2, #3 changes. Next version will insert H1 numbers from new EFB model and then will be split into 4 versions, 2 of which will incorporate the OPG Tab changes from Nov 2016 #3 changes. |
| |
| |
| New hydro one numbers have been inserted from the CEFD internal model. The 2020-21 number is the same as before. |
| |
| Added in new OPG numbers from OPG BP November into OPG Tab |
| |
| In OPG Tab, updated Income Tax for 2017-18 to reflect sale of HQ |
| |
| Reverse the GRC amounts for OPG Nov 2016 BP to the previous forecast, since the breakdown information for GRC to OEFC information is not available in the new BP. |
| 1) Addressed John's comments on various tabs, explaining the variances, and changed OPG's PIL revenues to $166M for 2017-18.<br>2) Updated the "Revenue (On Deck)" tab row 32 to include CIT impact.<br>3) Updated the variance explanation in the "Electricity Summary - Change" tab. |
| 1) John linked the ONFA numbers on the "OPG" tab from the "ONFA" tab.<br>2) Updated the variance explanation on the "Electricity Summary - Change" tab. |
| 1) Updated the positive and negative risks in the "Revenue (Risks)" tab for OPG and Hydro One, including the explanations.<br>2) ONFA Funds Return Risk on "Revenue (Risks)" tab - changed from -115.665 to -90 in 2016-17<br>3) OPG 2020-2021 numbers updated with business plan net income and income tax fiscalized. |
| 1) Updated OPG Variance details on Electricity Summary - Change Tab<br>2) Added Note #4 on MEU PILs, confirming no change required on Revenue (On Deck) tab. |
| 1) Updated Power Supply Contract Costs and Recoveries in OEFC tab with preliminary SFIB estimates, and explanations in the Electric Summary Change. |

| |
|---|
| 1) Revised ONFA Consolidation number for Dec 2016 update in the ONFA tab.<br>2) 2016-17 NUG lawsuit retroactive payment reflected in Power Supply Contract Costs and Recoveries.<br>3) Update NUG Forecast with 206-17 new forecast including the lawsuit. |
| 1) OPG Net Income updated with latest monthly updated for 2016-2017. |
| 1) Hydro One 2020-21 numbers updated with CEFD projection. |
| Updated the "Demand Mangement Support Costs" formula in the "Electricity Summary - Change" tab. |
| - Hydro One ownership changed to 70%<br>- Hydro One forecasted with 2016 annual report numbers added into CEFD model<br>- Hydro One Brampton PILS and Net Income removed from 2017-18 onwards<br>- MEU Forecast updated with $5M per year HO1 Brampton PILS |
| -$80M PILS added to MEU line for 2016-2017 (less the prior $5M addition) |
| -NUG Forecast updated |
| Cleaned up comments |
| - Updated Risks tab to reflect IFRS consolidation risk impacting 2017 onwards.<br>- DRC updated to refelct new forecast. |
| -OPG updated with answers for the head office sale |

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of Budget 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | 330 | 1,049 | 1,198 | 1,347 | 1,417 | 1,471 |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,232 | 515 | 480 | 532 | 481 | 565 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 | 276 | 248 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 5 | 5 | 5 | 5 | 5 | 5 |
| **Total Electricity Revenue[3]** | 5,391 | 2,966 | 2,843 | 2,321 | 2,209 | 2,317 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG March 2017 Financial Outlook[1] | 21 | (247) | (156) | 12 | 188 | 436 |
| ONFA and other Fair Value Accounting Adjustments[2] | (69) | 8 | 0 | 0 | 0 | 0 |
| Hydro One March 2017 Financial Outlook Update[3] | 430 | (55) | (106) | (126) | (123) | (98) |
| MEUs PILs | 2 | 80 | 5 | 5 | 5 | 5 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | (9) | 13 | 6 | 0 | 0 | 0 |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) |
| Power Supply Contract Recoveries[5] | 91 | 96 | (178) | (179) | 17 | 17 |
| **Total Revenue Items On Deck** | 471 | (110) | (433) | (293) | 83 | 354 |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

**1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.**

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of March 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 893 | 1,017 | 1,295 | 1,431 | 1,700 |
| Taxation Revenue | 3,228 | 457 | 405 | 476 | 538 | 679 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 638 | 629 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 285 | 217 | 293 | 265 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,857 | 2,410 | 2,028 | 2,292 | 2,671 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,862 | 2,856 | 2,410 | 2,028 | 2,292 | 2,671 |
| Expense | 2,006 | 1,779 | 1,215 | 1,089 | 1,133 | 1,013 |
| Net | 3,856 | 1,078 | 1,195 | 939 | 1,159 | 1,658 |
| Electricity Summary - On Deck | 3,856 | 1,078 | 1,195 | 939 | 1,159 | 1,658 |
| | ok | ok | ok | ok | ok | ok |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG March 2017 Financial Outlook | (116) | (131) | (247) |
| ONFA and other Fair Value Accounting Adjustments | 8 | | 8 |
| Hydro One March2017 Financial Outlook | (48) | (6) | (55) |
| MEU PILs | | 80 | 80 |
| | (156) | (57) | (214) |

## Electricity Sector Outlook (PSAB)

| Expenditure Outlook as of Budget 2016 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| Finance - Own Account | 7 | 6 | 6 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,159 | 1,127 | 1,149 | 1,109 |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Power Supply Contract Costs | 1,296 | 950 | 784 | 643 | 463 | 396 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,949 | 1,776 | 1,618 | 1,511 |

| Details on Change in Expenditure Outlook | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Public Accounts** | | | | | | |
| **Finance - Own Account** | - | - | (43) | (103) | (235) | (243) |
| Interest on Debt | - | - | - | - | - | - |
| Power Supply Contract Costs | - | - | 91 | 96 | (178) | (179) |
| **Total Updates:** | - | - | 48 | (7) | (413) | (422) |

| On Deck Expenditure Outlook as of March 2017 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 914 | 866 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 285 | 217 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,205 | 1,089 |

| Expense Items On Deck | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Finance - Own Account*** | - | - | - | - | - | - |
| **Interest on Debt*** | - | - | - | - | - | - |
| Power Supply Contract Costs* | - | - | - | - | - | - |
| **Total Expense Items "On Deck":** | - | - | - | - | - | - |

* Updated based on OEFC audited financial statements.

| On Deck Expenditure Outlook as of March 2017 | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,116 | 1,024 | 914 | 866 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 285 | 217 |
| Demand Management Support Costs | - | 9 | 8 | 10 | 10 | - |
| **Total Electricity Expenditures** | 2,551 | 2,143 | 2,006 | 1,779 | 1,215 | 1,089 |

| Additional Expenditure Risks | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Finance - Own Account** | | | | | | |
| **Interest on Debt** | | | | | | |
| Power Supply Contract Costs | | | | | | |
| Total Additional Risks: | - | - | - | - | - | - |

| Risk Based Expenditure Outlook | | | | | | |
|---|---|---|---|---|---|---|
| ($ millions) | Actual | Plan | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 914 | 866 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 285 | 217 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,205 | 1,089 |

## Electricity Sector Outlook (PSAB)

| ($million) | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|
| **Budget 2016 Outlook as of January 2016** | | | | |
| | | | | |
| **Income from Investment in Government Business Enterprises** | | | | |
| OPG Income[1] | 257 | 471 | 586 | 673 |
| OPG - ONFA and other Fair Value Adjustments[2] | 241 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - |
| HOI Income[3] | (168) | 578 | 612 | 674 |
| **Total OPG and HOI Income** | **330** | **1,049** | **1,198** | **1,347** |
| | | | | |
| **Other Fees and Licences** | **127** | **127** | **125** | **123** |
| | | | | |
| **Electricity Expenses of the Province** | | | | |
| Provision for Electricity Sector[4] | - | (138) | (706) | - |
| Public Debt Interest - Electricity Sector | (508) | (492) | (492) | (492) |
| **Subtotal** | (508) | (630) | (1,198) | (492) |
| Public Debt Interest - Impact of ONFA | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | |
| **Total Electricity Expenses of the Province** | **(508)** | **(630)** | **(1,198)** | **(492)** |
| | | | | |
| **OEFC Income** | | | | |
| **Taxation Revenue** | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,232 | 515 | 480 | 532 |
| | | | | |
| **Other Revenue** | | | | |
| Electricity Debt Retirement Charge[5] | 868 | 625 | 623 | - |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (127) | (127) | (125) | (123) |
| Miscellaneous | 5 | 5 | 5 | 5 |
| | | | | |
| **Expenses** | | | | |
| Interest on Debt | (651) | (635) | (657) | (617) |
| Power Supply Contract Costs | (784) | (643) | (463) | (396) |
| Electricity Consumer Price Protection Fund | - | - | - | - |
| Demand Mangement Support Costs[6] | (9) | (10) | (10) | - |
| Provision for Electricity Sector | - | 138 | 706 | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,485** | **634** | **1,090** | **(168)** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

**Notes: All the Hydro One ownership broadening impacts, other than the initial IPO in 2015, are in the asset optimisation line (Sales and Rental) and not in the current Outlook file.**

**Notes:**

1.Reflects OPG October 2015 report for 2015-16. Out-years reflect OPG's 2015 business plan and long-term outlook to 2018-19 (as fiscalized by OPG, received February 11, 2015). 2019-20 and 2020-21 estimates are preliminary and based on OPG's long-term model provided in 2015 and fiscalized by CEFD staff, to be updated.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2015.

3. Hydro One 2015-16 to 2020-21 projections are based on its 2015 Business plan, adjusted for latest information, including its 2015-17 distribution rate decIsion, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial consolidation adjustments, minus the interest costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Management Support Costs | 9 | 10 | 10 | - |
| Provision for Electricity Sector | - | (138) | (706) | - |
| Other (Finance) | 6 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **-** | **138** | **706** | **-** |

## 2) DETAIL LINES

| REVENUE | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **330** | **1,049** | **1,198** | **1,347** |
| *Public Debt Interest - Electricity Sector exp* | *508* | *492* | *492* | *492* |
| *equals ampount above $520M (not incl ONFA)* | *0* | *138* | *706* | *0* |
| *of which: ONFA Adjustments*** | *241* | *0* | *0* | *0* |
| *check total* | *749* | *630* | *1,198* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | |
| Other Fees and Licences | | | | |
| Provision for Electricity Sector | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 3,232 | 515 | 480 | 532 |
| Electricity Debt Retirement Charge | 868 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 784 | 643 | 463 | 396 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | |
| Miscellaneous | 5 | 5 | 5 | 5 |
| **SUBTOTAL** | **5,391** | **2,966** | **2,843** | **2,321** |
| | | | | |
| **EXPENSE** | | | | |
| | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | |
| Provision for Electricity Sector | | | | |
| Power Supply Contract Costs | 784 | 643 | 463 | 396 |
| Demand Mangement Support Costs | 9 | 10 | 10 | 0 |
| **less provision** | 0 | (138) | (706) | 0 |
| Other OEFC Expenses | 6 | 6 | 6 | 6 |
| **SUBTOTAL** | **799** | **521** | **(228)** | **402** |
| | | | | |
| **FINANCE** | | | | |
| Provision for Electricity Sector | 0 | 138 | 706 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 508 | 492 | 492 | 492 |
| **SUBTOTAL** | **508** | **630** | **1,198** | **492** |
| | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | |
| OEFC Debt interest | 1,344 | 1,326 | 1,337 | 1,282 |
| interest payments to OEFC from Other than Province | (185) | (199) | (188) | (173) |
| interest to OEFC from Province | (508) | (492) | (492) | (492) |
| **SUBTOTAL** | **651** | **635** | **657** | **617** |
| | | | | |
| **Impact on Surplus/(Deficit)** | **3,433** | **1,180** | **1,215** | **810** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 355 | 497 | 733 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **893** | **1,017** | **1,295** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (393) | (525) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (885) | (1,017) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(885)** | **(1,017)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 457 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 638 | 629 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 285 | 217 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (285) | (217) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 393 | 525 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **948** | **1,093** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **1,078** | **1,195** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 285 | 217 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (393) | (525) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **361** | **(224)** | **223** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **1,038** | **3** | **393** | **525** | **-** |

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **893** | **1,017** | **1,295** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONFA)* | *1,038* | *3* | *393* | *525* | *0* |
| *of which: ONFA Adjustments*** | *239* | *172* | *8* | *0* | *0* |
| *check total* | *1,797* | *695* | *893* | *1,017* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 457 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 638 | 629 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 285 | 217 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,857** | **2,410** | **2,028** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 285 | 217 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (393) | (525) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **361** | **(224)** | **223** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 393 | 525 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **885** | **1,017** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **1,078** | **1,195** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2016 as of March 2017** | | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | 34 | (116) | (89) | 60 | 124 | 315 | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | (69) | 8 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 424 | (48) | (93) | (112) | (109) | (86) | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections pro CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger v Inc. |
| **Total OPG and HOI Income** | **-** | **389** | (156) | (182) | (52) | 14 | 229 | |
| **Other Fees and Licences** | **-** | **-** | (5) | (23) | (32) | (34) | (41) | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | (3) | (256) | 182 | - | - | - | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in 2 came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-17 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for th after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | (12) | - | - | - | - | - | |
| **Subtotal** | - | (15) | (256) | 182 | - | - | - | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **(15)** | (256) | 182 | - | - | - | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (4) | (57) | (75) | (56) | 57 | 114 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | (9) | 13 | 6 | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | 91 | 96 | (178) | (179) | 17 | 17 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generation Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DC<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | 5 | 23 | 32 | 34 | 41 | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | 4 | (5) | (5) | (5) | (5) | (5) | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | 55 | 103 | 235 | 243 | 291 | 377 | |
| Power Supply Contract Costs | - | (91) | (96) | 178 | 179 | (17) | (17) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1 | - | - | - | - | - | |
| Provision for Electricity Sector | - | 3 | 256 | (182) | - | - | - | |
| Other (Finance) | - | (1) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **49** | 314 | 3 | 214 | 377 | 527 | |
| **Impact on Surplus/(Deficit)** | **-** | **423** | (102) | (20) | 129 | 357 | 715 | |
| **Total revenue Impact** | **-** | **471** | **(109)** | **(433)** | **(293)** | | **355** | |
| Total revenue Impact - less power supply contract recoveries | - | 380 | (205) | (255) | (114) | | 338 | |
| **Total Expenditure impact** | **-** | **48** | **(7)** | **(413)** | **(422)** | | **(360)** | |

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **389** | **389** | **(156)** | **(182)** | **(52)** | **14** |
| *Public Debt Interest - Electricity Sector exp* | *12* | *12* | *0* | *0* | *0* | *0* |
| *equals amount above $520M (not incl ONFA)* | *3* | *3* | *256* | *(182)* | *0* | *0* |
| *of which: ONFA Adjustments* | *(69)* | *(69)* | *8* | *0* | *0* | *0* |
| *check total* | *(54)* | *(54)* | *264* | *(182)* | *0* | *0* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (4) | (4) | (57) | (75) | (56) | 57 |
| Electricity Debt Retirement Charge | (9) | (9) | 13 | 6 | 0 | 0 |
| Power Supply Contract Recoveries | 91 | 91 | 96 | (178) | (179) | 17 |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 4 | 4 | (5) | (5) | (5) | (5) |
| **SUBTOTAL** | **471** | **471** | **(109)** | **(433)** | **(293)** | **83** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 91 | 91 | 96 | (178) | (179) | 17 |
| Demand Management Support Costs | 13 | (1) | - | - | - | - |
| **less provision** | (3) | (3) | (256) | 182 | 0 | 0 |
| Other OEFC Expenses | 1 | 1 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **102** | **88** | **(160)** | **4** | **(179)** | **17** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | 3 | 3 | 256 | (182) | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Public Debt Interest - Electricity Sector (Treasury Program) | 12 | 12 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **15** | **15** | **256** | **(182)** | **0** | **0** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | (25) | (110) | (247) | (255) | (303) |
| interest payments to OEFC from Other than Province | (8) | (18) | 7 | 12 | 12 | 12 |
| interest to OEFC from Province | | (12) | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **(16)** | **(55)** | **(103)** | **(235)** | **(243)** | **(291)** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **370** | **423** | **(102)** | **(20)** | **129** | **357** |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**Budget 2016 Outlook as of January 2016**

| | Actual 2014-15 | Interim 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 868 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 281 | 437 | 382 | 414 |
| Legacy Hydro One (Including Brampton) | 95 | 2,913 | 7 | 7 | 7 |
| Hydro One CIT dedicated to OEFC | | 13 | 26 | 28 | 30 |
| MEUs | 32 | 25 | 44 | 63 | 81 |
| Total PILs & CIT dedicated to OEFC | 180 | 3,232 | 515 | 480 | 532 |
| Interest : | | | | | |
| OPG | 191 | 177 | 191 | 180 | 165 |
| H1 | | | | | |
| IESO | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 508 | 492 | 492 | 492 |
| Other | 13 | 5 | 5 | 5 | 5 |
| Total Interest | 727 | 693 | 691 | 680 | 665 |
| Power Supply Contract Recoveries | 950 | 784 | 643 | 463 | 396 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | - | 138 | 706 | - |
| Gain to OEFC under s. 50.3 | - | 150 | - | - | - |
| Miscellaneous | 9 | 5 | 5 | 5 | 5 |
| | 4,077 | 5,904 | 2,746 | 3,031 | 1,639 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,344 | 1,326 | 1,337 | 1,282 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 9 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 784 | 643 | 463 | 396 |
| Debt Guarantee fee | 131 | 127 | 127 | 125 | 123 |
| Operating | 6 | 6 | 6 | 6 | 6 |
| | 2,481 | 2,270 | 2,112 | 1,941 | 1,807 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,634** | **634** | **1,090** | **(168)** |
| **Stranded Debt - Year End** | **8,185** | **4,551** | **3,917** | **2,827** | **2,995** |
| | 658 | 651 | 635 | 657 | 617 |

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of March 2017**

| | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue Pool Residual | | | | | |
| Debt Retirement Charge | 956 | 859 | 638 | 629 | - |
| Payments-in-lieu of tax: | | | | | |
| OPG | 53 | 268 | 306 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | 3 | 20 | 20 | 22 |
| MEUs | 32 | 27 | 124 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 457 | 405 | 476 |
| Interest : | | | | | |
| OPG | 191 | 173 | 179 | 168 | 153 |
| H1 | | | | | |
| IESO | 3 | 2 | 3 | 3 | 3 |
| Province | 520 | 520 | 492 | 492 | 492 |
| Other | 13 | 28 | 10 | 5 | 5 |
| Total Interest | 727 | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 285 | 217 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 1,038 | 3 | 393 | 525 | - |
| Gain to OEFC under s. 50.3 | - | 172 | - | - | - |
| Miscellaneous | 9 | 9 | - | - | - |
| | 4,077 | 6,041 | 3,041 | 2,586 | 1,387 |
| **Expense** | | | | | |
| Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | | |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | |
| Power Supply Contract Costs | 950 | 875 | 739 | 285 | 217 |
| Debt Guarantee fee | 131 | 127 | 122 | 102 | 91 |
| Operating | 6 | 7 | 6 | 6 | 6 |
| | 2,481 | 2,336 | 2,093 | 1,493 | 1,341 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **948** | **1,093** | **46** |
| Prior period adjustment | | 87 | | | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,445** | **2,352** | **2,306** |
| | 658 | 596 | 532 | 422 | 374 |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2016 as of March 2017

| | Plan | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | (9) | 13 | 6 | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | (13) | (131) | (67) | (48) | 65 | 121 | |
| Legacy Hydro One (Including Brampton) | 16 | - | (5) | (5) | (5) | (5) | |
| Hydro One CIT dedicated to OEFC | (10) | (6) | (8) | (8) | (8) | (7) | |
| MEUs | 2 | 80 | 5 | 5 | 5 | 5 | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (4) | (57) | (75) | (56) | 57 | 114 | |
| Interest : | | | | | | | |
| OPG | (4) | (12) | (12) | (12) | (12) | (12) | |
| H1 | - | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | - | |
| Province | 12 | - | - | - | - | - | |
| Other | 23 | 5 | - | - | - | - | |
| Total Interest | 30 | (7) | (12) | (12) | (12) | (12) | |
| Power Supply Contract Recoveries | 91 | 96 | (178) | (179) | 17 | 17 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | 3 | 256 | (182) | - | - | - | |
| Gain to OEFC under s. 50.3 | 22 | - | - | - | - | - | |
| Miscellaneous | 4 | (5) | (5) | (5) | (5) | (5) | |
| | 137 | 295 | (445) | (252) | 57 | 114 | |
| **Expense** | | | | | | | |
| Debt interest | (25) | (110) | (247) | (255) | (303) | (389) | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | (1) | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | 91 | 96 | (178) | (179) | 17 | 17 | |
| Debt Guarantee fee | - | (5) | (23) | (32) | (34) | (41) | |
| Operating | 1 | - | - | - | - | - | |
| | 66 | (19) | (448) | (466) | (320) | (413) | |
| **Excess (Deficiency) of Revenue over Expense** | **71** | **314** | **3** | **214** | | | |
| **Stranded Debt - Year End** | **(158)** | **(472)** | **(475)** | **(689)** | **(1,065)** | **(1,592)** | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Plan** | | | | | |
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **OPG Global Adjustment Trust** | | | **TBD** | **TBD** | **TBD** | **TBD** |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (13) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (475) | | | |
| OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6] | - | (75) | (425) | (525) | (675) | TBD |
| OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6] | | (1,000) | (375) | (400) | (400) | TBD |
| Additional regulatory risk - Timing, Darlington Refurb Project & Others[7] | - | | (660) | | | |
| **Total - Scenario 1** | - | (360) | (1,661) | (568) | (581) | (547) |
| **Total - Scenario 2** | - | (1,285) | (1,611) | (443) | (306) | (547) |

**Notes: The cumulative downside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Under the Ontario Nuclear Funds Agreement (ONFA), OPG has established two segregated funds, the Decommissioning Segregated Fund (DSF) and for the Used Fuel Segregated Fund (UFSF). The risk shown is based on 1% decline on a realized basis in the DSF and UFSF, less the portion in the DSF assumed to be attributable to OPG's Bruce assets that is recoverable from consumers through the Bruce Variance Account.

3. Risk range for OPG reflects potential risk of lower ROE by 0.5% vs assumed ROEs in OPG's 2016 business plan and corresponding rate application. Also reflects how the proposed deemed equity of 49% might actually revert to the prior approved 45% weighting.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities.

6. The Ontario Auditor General recommended in the 2016 AG Report that the Province of Ontario include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards potentially as soon as the 2016-17 fiscal year. Estimated impacts to the Province by OPG being consolidated on an IFRS basis with respect to its nuclear liabilities under two methodologies are summarized in Scenarios 1 and 2. (Following work on the next Reference Plan, the potential impact to the 2021-22 fiscal year and going forward would be known.) **NOTE: The scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan.**

7. Additional regulatory risks related to the-rate application in spring 2016, including risks related to effective date timing, and a portion of refurb. costs-to-date of about $700-800M.

8. On January 25, 2017, the Ontario Energy Board (OEB) staff released their review of the Hydro One Transmission rate application (EB-2016-0160), and proposed a number of changes for the Board to rule on including a reduction in allowed capital expenditure, which would reduce the rate base and related return on capital, and OM&A related primarily to the compensation levels beyond the benchmark.

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Plan** | | | | | |
| | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

**Notes: The cumulative upside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Reflects OPG's Motion to Review application with the OEB for the Niagara Tunnel cost disallowance and the 2013 tax loss.

3. A 1% change in the forecast represents a change of approximately 206MW for Tx in peak demand based on 2015/2016revenue requirement.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE by 1% vs assumed ROEs in the Hydro One CEFD Forecast. Rounded to the nearest $5M.

5. Risk range for OPG reflects potential risk of higher ROE by 1% (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Rounded to the nearest $5M.

6. NOTE: The Scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan. This is the impact if Scenario 2 is realized.

## Ontario Electricity Financial Corporation

### On Deck Revenue & Expense Outlook
**($ millions)**

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | 4,077 | 6,041 | 3,041 | 2,586 | 1,387 | 1,496 | 1,607 |
| less: interest income (to IOD) | 1 | 727 | 723 | 684 | 668 | 653 | 635 | 635 |
| less: Electricity Sector Dedicated Income from Prov | 2 | 1,038 | 3 | 393 | 525 | - | - | - |
| ***Adjustment to CRF revenue*** | | 2,312 | 5,315 | 1,963 | 1,394 | 734 | 861 | 972 |
| **Expense** | | 2,481 | 2,336 | 2,093 | 1,493 | 1,341 | 1,364 | 1,237 |
| less: Interest expense - With Province (to IOD) | | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| less: Debt Guarantee Fee paid to Province | 3 | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| ***Adjustment to CRF expense*** | | 965 | 890 | 755 | 301 | 223 | 299 | 271 |
| **Surplus/(Deficit) Impact - without IOD Adj.** | | 689 | 3,829 | 677 | 671 | 137 | 220 | 451 |
| **Surplus/(Deficit) Impact** | | 1,347 | 4,425 | 1,208 | 1,093 | 511 | 562 | 701 |
| **In 2008-09 RBP - Surplus/(Deficit)** | | - | - | - | - | - | - | - |
| **Adjustment required** | | 1,347 | 4,425 | 1,208 | 1,093 | 511 | 562 | 701 |
| ***Operating expense split*** | | 965 | 890 | 755 | 301 | 223 | 299 | 271 |
| ***Capital expense split*** | | - | - | - | - | - | - | - |
| ***Total*** | | 965 | 890 | 755 | 301 | 223 | 299 | 271 |
| ***IOD*** | | 658 | 596 | 532 | 422 | 374 | 342 | 250 |

**Notes:**

1. OEFC interest income includes $520 million, or less (after H1 ownership broadening), annual interest payment from Province related to the Province's investment in OPG and Hydro One.

2. OEFC receives Electricity Sector Dedicated Income from the Province for the combined net income of OPG and Hydro One in excess of the Province's annual interest cost for its investment in these companies.

3. OEFC pays a Debt Guarantee Fee to the Province that is eliminated upon consolidation.

## Ontario Power Generation

### OPG Income - Budget 2016
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax | 199 | 689 | 257 | 471 | 586 | 673 | 705 | 734 |
| ONFA and other Fair Value Adjustments | 475 | 122 | 241 | | | | | |
| *ONFA Adjustments* | *367* | *122* | *241* | | | | | |
| *Other Fair Value Adjustments* | *108* | | | | | | | |

### OPG PIL - Budget 2016
**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 231 | 539 | 546 | 324 | 695 | 745 | 855 |
| Net Income After Tax | 244 | 334 | 689 | 257 | 471 | 586 | 673 |
| Income Taxes | (12) | 205 | (143) | 67 | 224 | 159 | 182 |
| GRC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 15 | 16 | 17 | 18 | 20 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **70** | **281** | **437** | **382** | **414** |

### OPG Income - 2017-19 BP March 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 355 | 497 | 733 | 828 | 1,048 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *355* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | *-* | *243* | *-* | *-* | *-* | *-* | *-* | *-* |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 8 | | | | |
| *ONFA Adjustments* | *367* | *180* | *247* | *8* | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 450 | 572 | 868 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 355 | 497 | 733 |
| Income Taxes | (12) | 205 | (158) | 92 | 95 | 92 | 135 |
| GRC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 13 | 16 | 15 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **306** | **315** | **366** |

| | | 21.11% | 16.08% | 15.55% |
|---|---|---|---|---|
| ***OPG 2016-17 Net Income Calculation (USGAAP) ($M)*** | | | | |
| | | **Q1 2016[1]** | **2016** | **Q1 2017[1]** |
| **Net Income Attributable to Shareholder** | | 123 | 438 | 34 |

## Hydro One

**Hydro One Income - Budget 2016**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 703 | 772 | 831 | 908 | 952 | 995 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

**Hydro One PIL - Budget 2016**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 754 | 703 | 772 | 831 | 908 |
| Income Taxes | 101 | 101 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 2 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **103** | **134** | **162** | **183** | **207** |

**Hydro One Income - March 2017**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

**Hydro One (Before IPO Scenario - 100% Ownership)**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

## Provision for Electricity Sector

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 355 | 497 | 733 | 828 | 1,048 |
| Hydro One Income | 786 | 741 | 232 | 530 | 520 | 562 | 603 | 652 |
| **Total Income** | 1,120 | 1,558 | 523 | 885 | 1,017 | 1,295 | 1,431 | 1,700 |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (492) | (492) | (492) | (492) | (492) |
| **Impact of OPG and Hydro One** | 600 | 1,038 | 3 | 393 | 525 | 802 | 939 | 1,208 |
| **Other Adjustments*** | | | | | | | | |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| **Provision for Electricity Sector (without adjusting for unrealized losses)** | **599** | **1,038** | **3** | **393** | **525** | **802** | **939** | **1,208** |

**Notes:**

1. Provision for the fiscal year 2018-19 is assumed 0 based on the expectation that stranded debt would be eliminated by then.

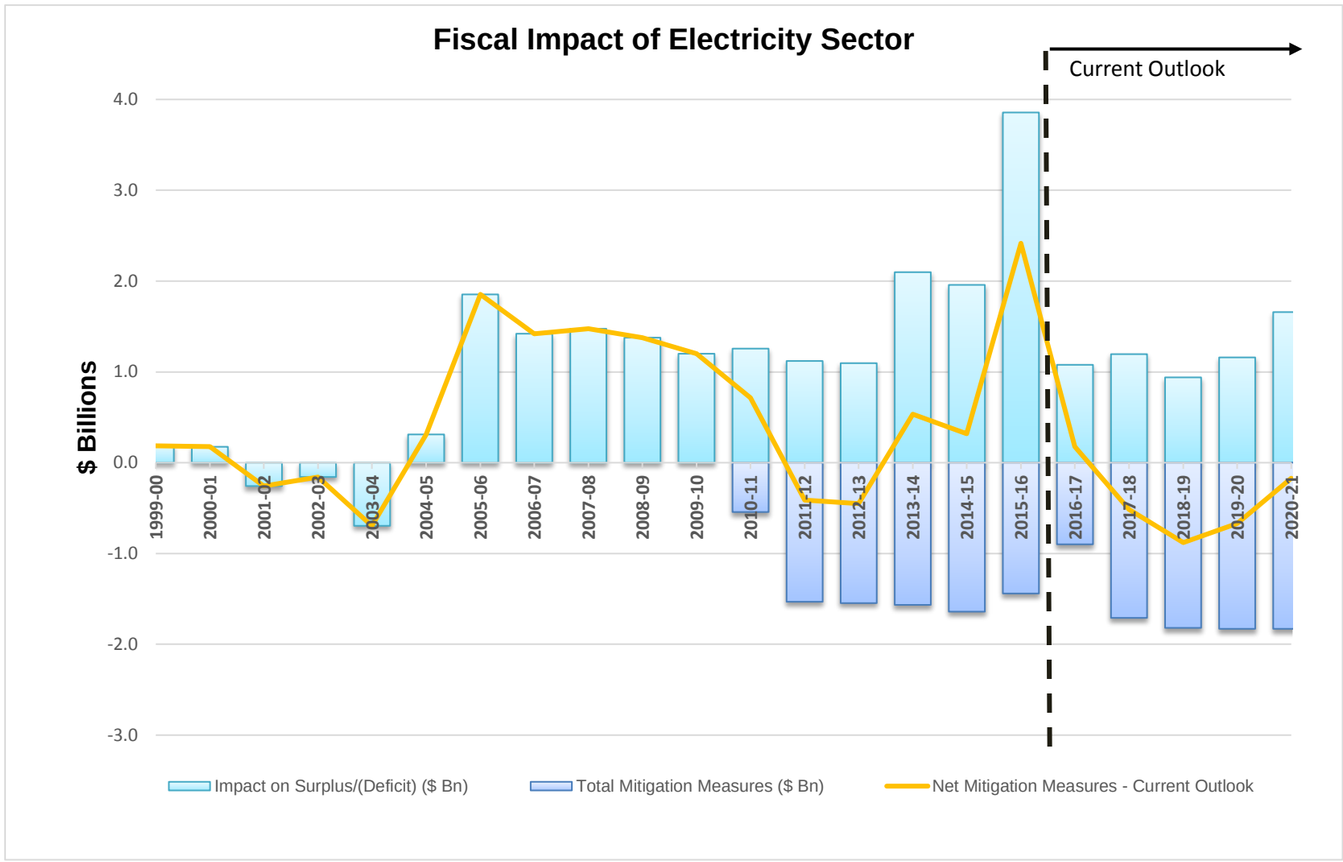
**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at December 31, 2016 | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at December 31, 2016 | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at December 31, 2016 | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at December 31, 2016 | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Fiscal Impact of Electricity Sector

*Blue represents changed numbers from 2013*
*Maroon represents new information*
*Orange represents projections*

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Impact on Surplus/(Deficit)** | 1,256 | 1,120 | 1,096 | 2,098 | 1,958 | 3,856 | 1,078 | 1,195 | 939 | 1,159 | 1,658 | |
| *Impact on Surplus/(Deficit) ($ Bn)* | *1.256* | *1.120* | *1.096* | *2.098* | *1.958* | *3.856* | *1.078* | *1.195* | *0.939* | *1.159* | *1.658* | |
| | | | | | | | | | | | | |
| **Electricity Price Mitigation Measures (Tax Base)** | | | | | | | | | | | | |
| Energy portion of the Ontario Energy and Property Tax Credit (OEPTC)** | 113 | 354 | 406 | 418 | 429 | 444 | 450 | 460 | 470 | 480.5 | 480.5 | OEP, Revenue Fore |
| Northern Ontario Energy Credit | 24 | 23 | 24 | 25 | 24 | 26 | 27 | 27 | 27 | 27 | 27 | Source for actuals |
| Ontario Emergency Energy Fund | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| Northern Industrial Electricity Rate Program | 105 | 120 | 120 | 115 | 108 | 108 | 120 | 120 | 120 | 120 | 120 | Source for actuals |
| Ontario Clean Energy Benefit (OCEB) | 300 | 1,033 | 994 | 1,006 | 1,078 | 860 | - | - | - | - | - | |
| Ontario Rebate for Electricity Consumers | | | | | | | 300 | 1100 | 1200 | 1200 | 1200 | |
| **Total Mitigation Measures ($ M)** | **543** | **1,531** | **1,546** | **1,566** | **1,640** | **1,440** | **899** | **1,709** | **1,819** | **1,830** | **1,830** | |
| *Total Mitigation Measures ($ Bn)* | *(0.543)* | *(1.531)* | *(1.546)* | *(1.566)* | *(1.640)* | *(1.440)* | *(0.899)* | *(1.709)* | *(1.819)* | *(1.830)* | *(1.830)* | |
| | | | | | | | | | | | | |
| Total Mitigation Measures excl. OCEB ($ M) | 243 | 499 | 552 | 560 | 562 | 580 | 899 | 1,709 | 1,819 | 1,830 | 1,830 | |
| *Total Mitigation Measures excl. OCEB ($ Bn)* | *0.243* | *0.499* | *0.552* | *0.560* | *0.562* | *0.580* | *0.899* | *1.709* | *1.819* | *1.830* | *1.830* | |
| | | | | | | | | | | | | |
| Net Mitigation Measures - Current Outlook | 0.71 | (0.41) | (0.45) | 0.53 | 0.32 | 2.42 | 0.18 | (0.51) | (0.88) | (0.67) | (0.17) | |



ecasting

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Subject:** | RE: Electricity Sector Outlook (2018 02 15)_v5.xlsm |
| **Date:** | Thursday, February 15, 2018 6:13:15 PM |
| **Attachments:** | Electricity Sector Outlook (2018 02 15)_v4_Markup.xlsm |

Pls. take a look….and could dates be fixed easily here?

**From:** John Kim
**Sent:** Thursday, February 15, 2018 6:12 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook (2018 02 15)_v5.xlsm

Hold as I have edits…

**From:** Bruno Amara
**Sent:** Thursday, February 15, 2018 6:09 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Electricity Sector Outlook (2018 02 15)_v5.xlsm

Dates fixed in this version

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

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# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 530 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,754** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (472) | (468) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(926)** | **(872)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,631** | **302** | **592** | **540** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 125 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **743** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (50) | (94) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(12)** | **(6)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **841** | **(637)** | **(364)** | **(1,136)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,631 | 302 | 592 |
| | | -15 | 841 | -637 | -364 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 5.5 | 12.0 | (5.0) |
| | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 540 |
| -1,136 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)
(4.4)

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

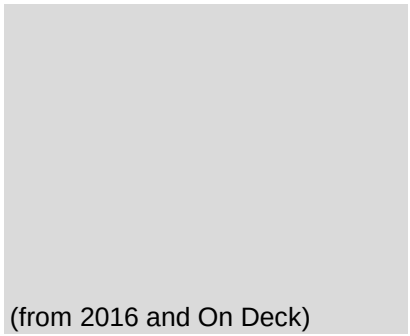
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 530 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (472) | (468) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,335** | **203** | **494** | **449** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,631** | **302** | **592** | **540** |
| *variance to OEFC check* | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower expenses than assumed at the time of Budget 2017.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (50) | (94) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **647** | **157** | **362** | **79** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **841** | **-637** | **-364** | **-1,136** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 743 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (98) | (135) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (340) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by teh end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 530 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 160 | 182 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 637 | 609 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,275 | 1,568 | 1,781 | 1,600 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,866** | **203** | **494** | **449** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,336** | **1,134** | **639** | **190** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 125 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (8) | 29 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (31) | (44) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 688 | 73 | 277 | (15) | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **779** | **157** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,336** | **1,134** | **639** | **190** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** Bruno Amara
**To:** John Kim
**Subject:** RE: Electricity Sector Outlook (2018 02 15)_v5.xlsm
**Date:** Thursday, February 15, 2018 6:24:06 PM
**Attachments:** Electricity Sector Outlook (2018 02 15)_v5.xlsm

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I added a temporary change from previous distribution table. That might be helpful for Ron. It's mainly the OPG story. But can delete if you wish.

I tool your edits. The only thing I can't confirm is that we are getting any IFRS updates anytime soon. I've been asking regularly for a few weeks including today. That is still in red highlight, but I have no problem taking the edit.

---

**From:** John Kim
**Sent:** Thursday, February 15, 2018 6:13 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook (2018 02 15)_v5.xlsm

Pls. take a look….and could dates be fixed easily here?

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**From:** John Kim
**Sent:** Thursday, February 15, 2018 6:12 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook (2018 02 15)_v5.xlsm

Hold as I have edits…

---

**From:** Bruno Amara
**Sent:** Thursday, February 15, 2018 6:09 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Electricity Sector Outlook (2018 02 15)_v5.xlsm

Dates fixed in this version

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 697 | 349 | 511 | 386 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (697) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 805 | 400 | 503 | 352 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 530 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,754** | **1,363** | **1,610** | **1,456** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (472) | (468) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(926)** | **(872)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,631** | **302** | **592** | **540** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 572 | 349 | 511 | 386 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (572) | (349) | (511) | (386) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 708 | (332) | (122) | (714) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 125 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **743** | **(772)** | **(487)** | **(1,241)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (50) | (94) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(12)** | **(6)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **841** | **(637)** | **(364)** | **(1,136)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

| | | |
|---|---|---|
| 1/16/2018 | | Other Data |
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other ONFA consolidation adjustment for Dec 2017

OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,631 | 302 | 592 |
| | | -15 | 841 | -637 | -364 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | Expense | (2.5) | 8.0 | (7.0) |
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| | | | | |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 5.5 | 12.0 | (5.0) |
| | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 540 |
| -1,136 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |

0.4
0.0

(39.3)
33.7
(33.7)
(127.3)
(10.0)
(6.0)
0.0
0.0
0.0
0.0
180.7
180.7
(180.7)
3.0
3.0
(3.0)

(2.0)
96.5
96.5
(96.5)
0.0
0.0
0.0
19.2
19.2
(19.2)
0.0
0.0
0.0
50.4
(50.4)
(4.4)

***0***

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

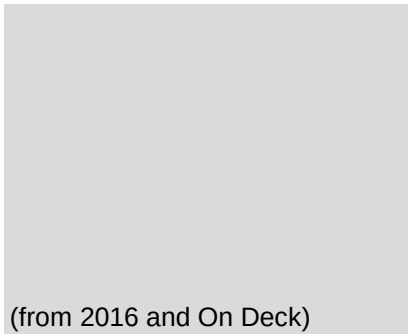
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 805 | 400 | 503 | 352 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **1,345** | **753** | **915** | **790** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (697) | (349) | (511) | (386) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (520) | (803) | (1,151) | (753) | (915) | (790) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(1,151)** | **(753)** | **(915)** | **(790)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 530 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (472) | (468) | (473) | (402) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 697 | 349 | 511 | 386 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **1,335** | **203** | **494** | **449** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **1,631** | **302** | **592** | **540** |
| *variance to OEFC check* | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 708 | (332) | (122) | (714) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower expenses than assumed at the time of Budget 2017.<br><br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **728.5** | **(541)** | **(314)** | **(928)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (572) | (349) | (511) | (386) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(535)** | **(261)** | **(423)** | **(298)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (50) | (94) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 572 | 349 | 511 | 386 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **647** | **157** | **362** | **79** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **841** | **-637** | **-364** | **-1,136** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 743 | (772) | (487) | (1,241) | |
| Total Expenditure impact | 101 | (98) | (135) | (123) | (105) | |

| Electricity Sector Change Since Previous Distribution | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | - | 656 | 263 | 510 | 196 | 2017-18 mainly Lakeview +200 and OPG Provision and other improvements. |
| ONFA and other Fair Value Adjustments | - | 22 | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | - | 17 | 26 | 24 | 19 | |
| Brampton Income | - | - | - | - | - | |
| **Total OPG and HOI Income** | **-** | **695.5** | **290** | **534** | **215** | |
| | - | - | - | - | - | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| | - | - | - | - | - | |
| **Electricity Expenses of the Province** | - | - | - | - | - | |
| Provision for Electricity Sector | - | (673) | (340) | (511) | (338) | |
| Public Debt Interest - Electricity Sector | - | - | 50 | 50 | 50 | Update |
| **Total Electricity Expenses of the Province** | **-** | **(673)** | **(290)** | **(461)** | **(288)** | |

| **Electricity Sector Change Since Previous Distribution** | **$ Millions** | | | | | |
|---|---|---|---|---|---|---|
| ($million) | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **Explanation of Change** |
| | - | - | - | - | - | |
| **OEFC Income** | - | - | - | - | - | |
| **Taxation Revenue** | - | - | - | - | - | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | 153 | (65) | 28 | (100) | |
| | | | | | | 2017-18 mainly Lakeview +200 and OPG Provision and other improvements. |
| | - | - | - | - | - | |
| **Other Revenue** | - | - | - | - | - | |
| Electricity Debt Retirement Charge | - | - | - | - | - | |
| Power Supply Contract Recoveries | - | - | - | - | - | |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | |
| | - | - | - | - | - | |
| **Expenses** | - | - | - | - | - | |
| Interest on Debt | - | 3 | (30) | (62) | (54) | |
| Power Supply Contract Costs | - | - | - | - | - | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | |
| Provision for Electricity Sector | - | 673 | 340 | 511 | 338 | |
| Other (Finance) | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **829** | **245** | **477** | **184** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)[1]** | **0** | **851** | **245** | **550** | **111** | |
| | - | - | - | - | - | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | - | 848 | 225 | 562 | 115 | |
| | | | | | | |
| Total Expenditure impact | - | (3) | (20) | 12 | 4 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (340) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 530 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 160 | 182 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 637 | 609 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 697 | 349 | 511 | 386 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,275 | 1,568 | 1,781 | 1,600 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,866** | **203** | **494** | **449** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,336** | **1,134** | **639** | **190** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 125 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (8) | 29 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (31) | (44) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 172 | 349 | 511 | 386 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 688 | 73 | 277 | (15) | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **779** | **157** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,336** | **1,134** | **639** | **190** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 805 | 400 | 503 | 352 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,151** | **753** | **915** | **790** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **697** | **349** | **511** | **386** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **697** | **349** | **511** | **386** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **697** | **349** | **511** | **386** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (400) | (475) | (700) | (750) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **805** | **400** | **503** | **352** | **545** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **999** | **400** | **503** | **352** | **545** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,026 | 454 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 805 | 400 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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sh.pdf

RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** Bruno Amara
**To:** John Kim
**Cc:** Atif Ali
**Subject:** RE: Electricity Sector Outlook 2018 Budget-FINALBA.xlsm
**Date:** Thursday, May 03, 2018 5:14:02 PM
**Attachments:** Chart in 2013 05 15 Electricity Sector Outlook - Checkv6.xls
Electricity Sector Outlook 2018 Budget-v04.xlsm
Fiscal Impact Chart 2018 05 02v4.ppt

---

John

See revised draft attached. Broke the details that Ron requested into two slides. Added affordability fund to Electricity Programs and added some of the notes on Hydro One.
I can drop by to discuss when you are ready.

Bruno

---

**From:** John Kim
**Sent:** Thursday, May 03, 2018 1:54 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook 2018 Budget-FINALBA.xlsm

Z:\Users\CEF\Hydro 2018\OEFC\Board\April

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**From:** Bruno Amara
**Sent:** Thursday, May 03, 2018 1:45 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook 2018 Budget-FINALBA.xlsm

Sorry, had someone in my office. I'll catch up with you.

---

**From:** John Kim
**Sent:** Thursday, May 03, 2018 1:38 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Electricity Sector Outlook 2018 Budget-FINALBA.xlsm

Ok, I'm ready….when you're

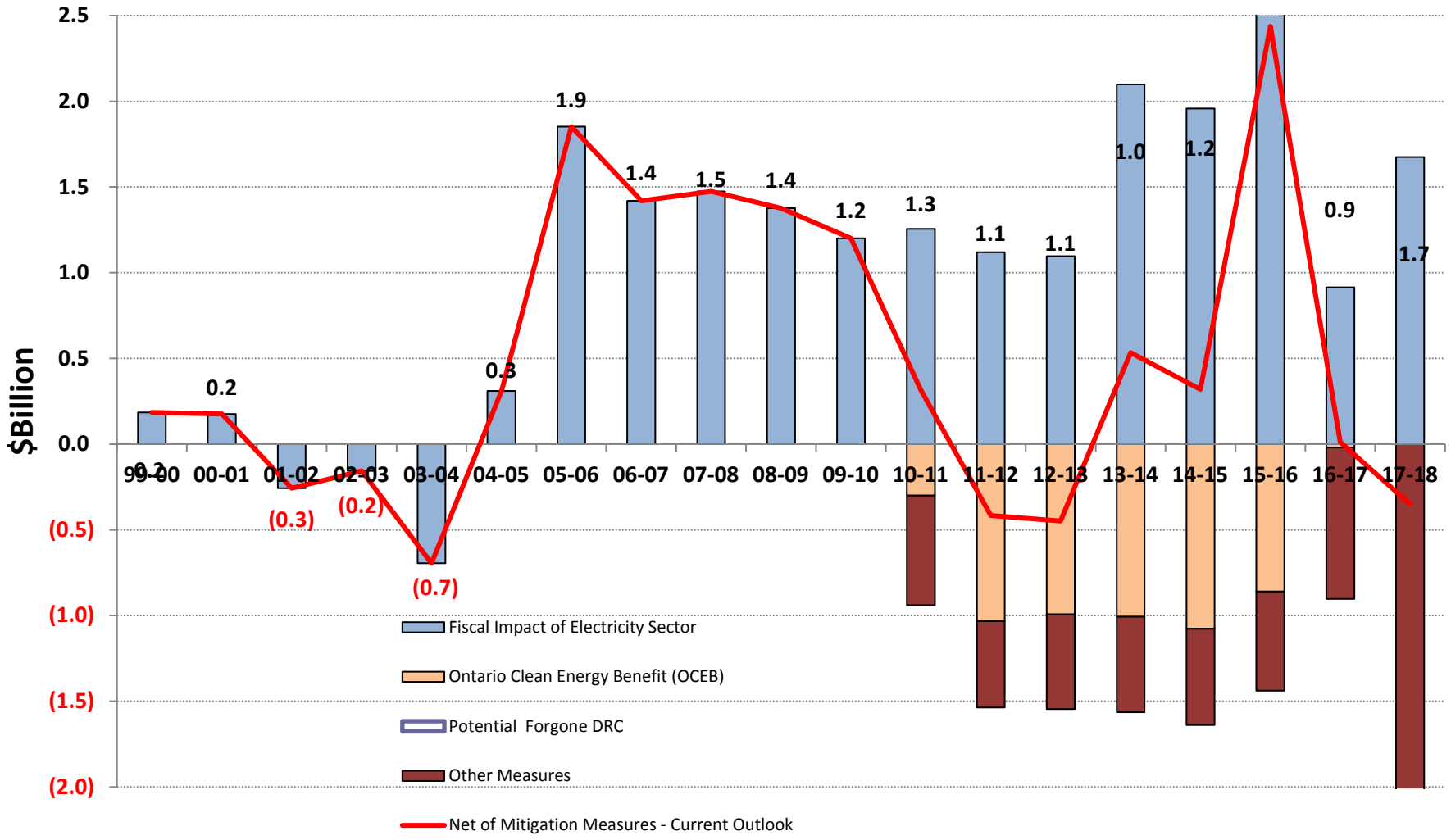
---

**From:** Bruno Amara
**Sent:** Thursday, May 03, 2018 1:26 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Electricity Sector Outlook 2018 Budget-FINALBA.xlsm

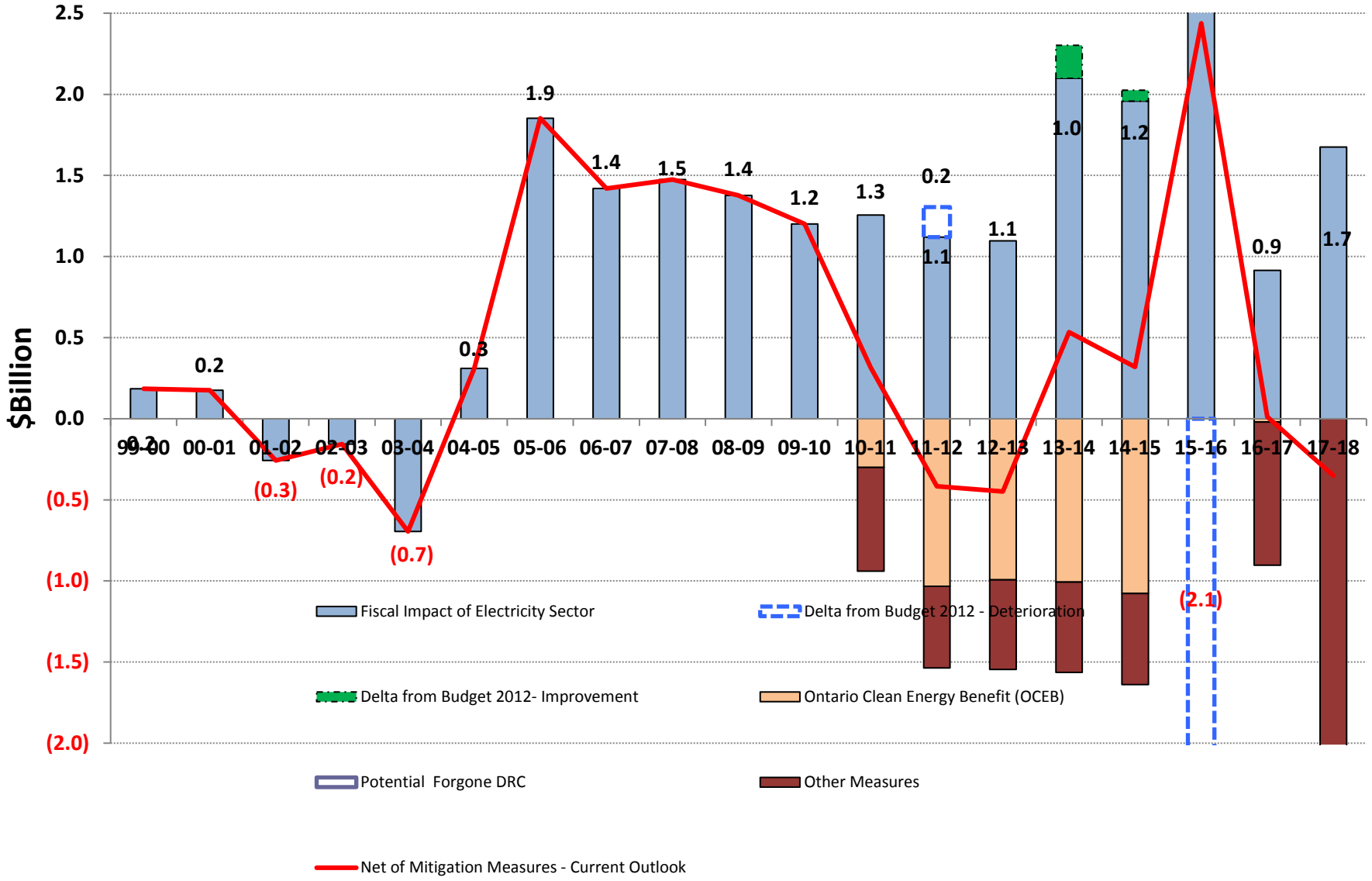
Hi John

Let me know when you have a couple of minutes to discuss.

# Fiscal Impact Of Electricity Sector



# Fiscal Impact Of Electricity Sector



## Current Outlook - March 26, 2013

| Input Variables\Years | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|---|---|---|---|---|
| Impact on Surplus (Deficit) from Outlook | 185 | 175 | (257) | (157) |
| | | | | (695) |

**Electricity Price Mitigation measures**

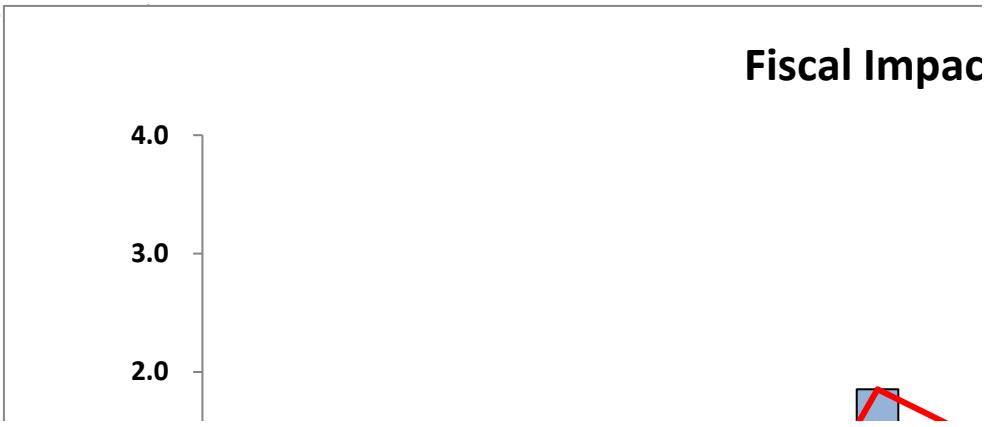
Energy portion of the Ontario Energy and Property Tax Credit (OEPTC)**
Northern Ontario Energy Credit
Northern Industrial Electricity Rate Program
Ontario Clean Energy Benefit (OCEB)
Ontario Rebate for Electricity Consumers (OREC)
Ontario Electricity Support Program
Rural and Remote Rate Protection
Affordability Fund
Total Mitigation Measures ($ M)
Total Mitigation Measures ($ Bn)
Total Mitigation Measures excl. OCEB ($ M)
Total Mitigation Measures excl. OCEB ($ Bn)

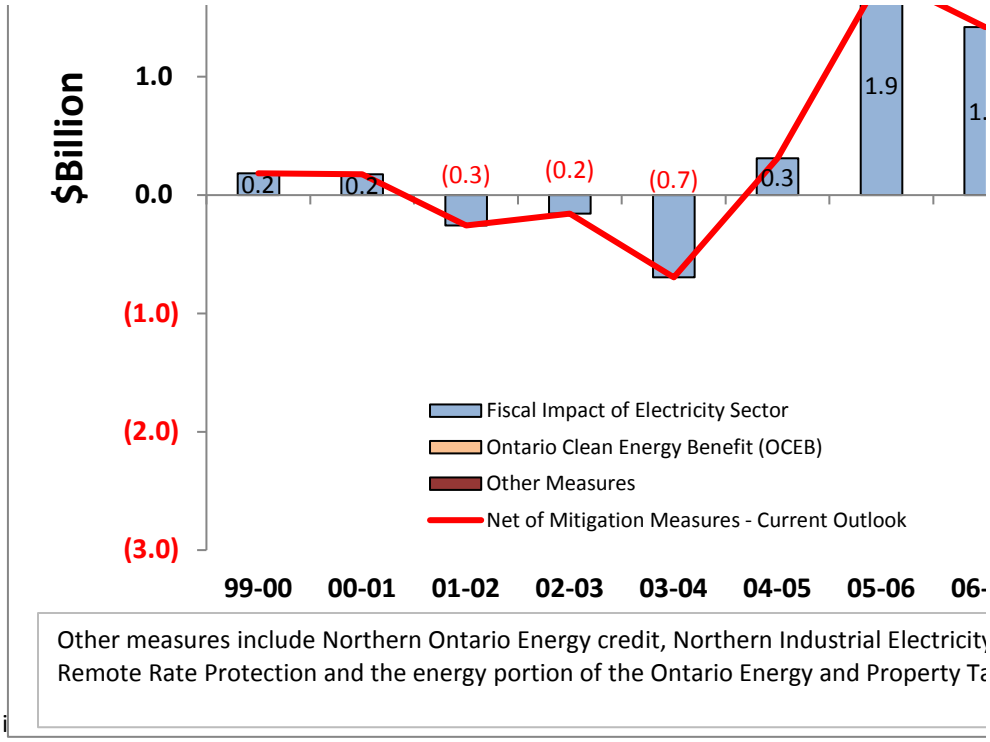
(All Figures Below in $Bn)

| Fiscal Year | 99-00 | 00-01 | 01-02 | 02-03 |
|---|---|---|---|---|
| Fiscal Impact of Electricity Sector | 0.2 | 0.2 | (0.3) | (0.2) |
| Potential Forgone DRC | | | | |
| Other Measures | | | | |
| Ontario Clean Energy Benefit (OCEB) | | | | |
| Total Mitigation Measures | | | | |
| Net of Mitigation Measures - Current Outlook | 0.2 | 0.2 | -0.3 | -0.2 |
| Budget 2012 - Outlook Net of Mitigation Measures | -0.2 | 0.2 | -0.3 | -0.2 |
| Deltas Current vs. Budget 2012 Net of Mitigations Measures | 0.4 | 0.0 | 0.0 | 0.0 |

* 2017-18 Mitigation Measure amounts are based on 17-18 estimates.

** OEPTC is the ene






** Other measures i

## Budget 2012 Outlook [Do not Change]

| **Input Variables\Years** | **1999-00** | **2000-01** | **2001-02** | **2002-03** |
|---|---|---|---|---|
| Impact on Surplus (Deficit) from Outlook | (198) | 175 | (257) | (157) |
| Forgone DRC ($M) | | | | |

**Electricity Price Mitigation measures**

Energy portion of the Ontario Energy and Property Tax Credit (OEPTC)**
Northern Ontario Energy Credit
Ontario Emergency Energy Fund
Northern Industrial Electricity Rate Program
Ontario Clean Energy Benefit (OCEB)***
Total Mitigation Measures ($ M)
Total Mitigation Measures ($ Bn)
Total Mitigation Measures excl. OCEB ($ M)
Total Mitigation Measures excl. OCEB ($ Bn)

(All Figures Below in $Bn)

| Fiscal Year | 99-00 | 00-01 | 01-02 | 02-03 |
|---|---|---|---|---|
| Fiscal Impact of Electricity Sector | (0.2) | 0.2 | (0.3) | (0.2) |
| Est. Forgone DRC | | | | |

Other Measures
OCEB
Total Mitigation Measures

| | | | | |
|---|---|---|---|---|
| Net of Mitigation Measures | -0.2 | 0.2 | -0.3 | -0.2 |

| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (695) | 311 | 1,853 | 1,420 | 1,475 | 1,377 | 1,200 | 1,256 | 1,120 | 1,096 | 2,098 | 1,958 |

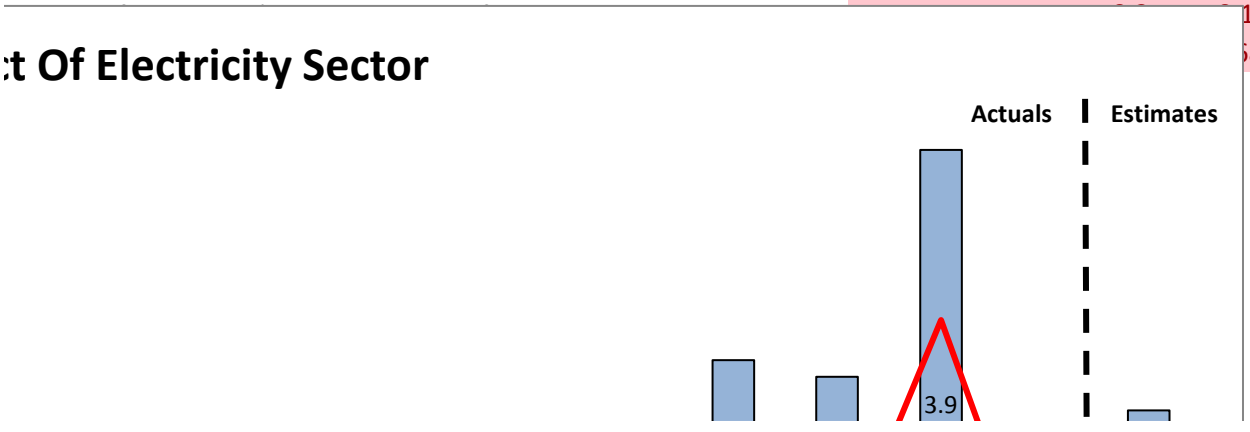
3,876

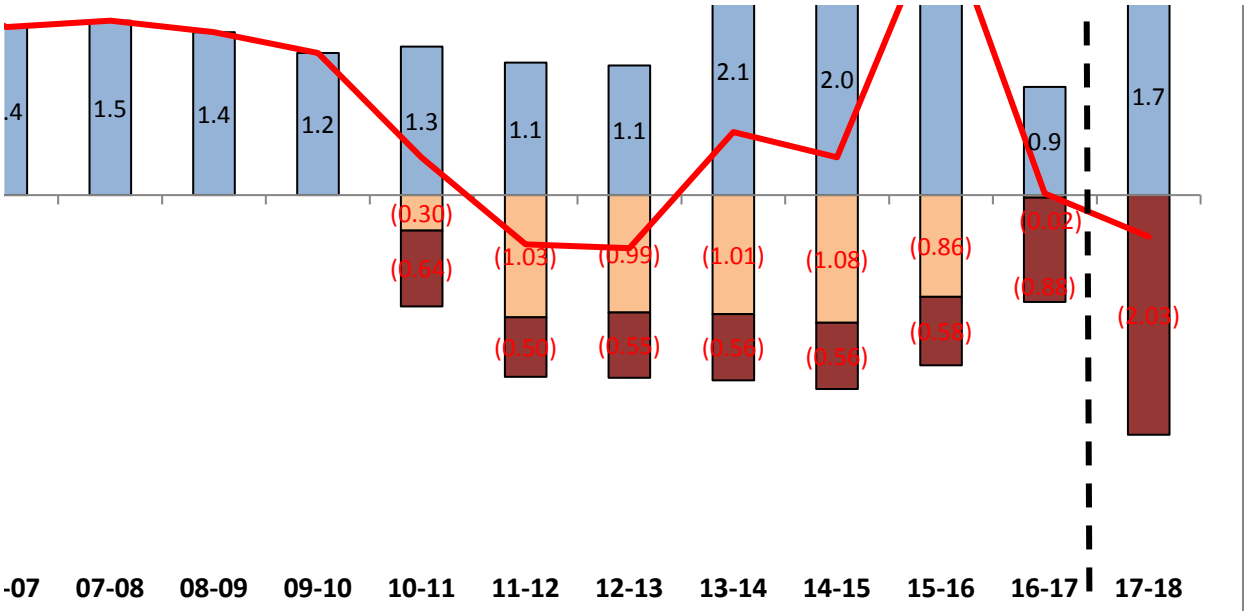
| | | | | |
|---|---|---|---|---|
| 511 | 354 | 407 | 418 | 429 |
| 25 | 30 | 24 | 25 | 24 |
| 105 | 120 | 120 | 115 | 108 |
| 300 | 1,033 | 994 | 1,006 | 1,078 |
| 940 | 1,537 | 1,545 | 1,564 | 1,639 |
| (0.94) | (1.54) | (1.54) | (1.56) | (1.64) |
| 641 | 504 | 551 | 558 | 561 |
| 0.64 | 0.50 | 0.55 | 0.56 | 0.56 |

| | Actuals | | | | | | | | | | For |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 |
| (0.7) | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 1.3 | 1.1 | 1.1 | 2.1 | 2.0 |
| | | | | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | (0.64) | (0.50) | (0.55) | (0.56) | (0.56) |
| | | | | | | | (0.30) | (1.03) | (0.99) | (1.01) | (1.08) |
| | | | | | | | (0.94) | (1.54) | (1.54) | (1.56) | (1.64) |
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.3 | -0.417 | -0.449 | 0.534 | 0.319 |
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.4 | -0.441 | -0.706 | -0.782 | -0.535 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.024 | 0.257 | 1.316 | 0.854 |

0.2

## t Of Electricity Sector






y Rate program, Ontario Electricity Support Program, Ontario Rebate for Electricity consumers, Rural and
ax Credit. The latter is a provincial tax expenditure netted from Ontario's Sales Tax revenue for reporting

| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (695) | 311 | 1,853 | 1,420 | 1,475 | 1,377 | 1,200 | 1,256 | 1,304 | 1,027 | 790 | 1,172 |

| | | | | | |
|---|---|---|---|---|---|
| 440 | 455 | 475 | 490 | 520 |
| 25 | 30 | 40 | 40 | 45 |
| 2 | 2 | 2 | 2 | 2 |
| 105 | 123 | 146 | 0 | 0 |
| 300 | 1,135 | 1,070 | 1,040 | 1,140 |
| 872 | 1,745 | 1,733 | 1,572 | 1,707 |
| (0.87) | (1.75) | (1.73) | (1.57) | (1.71) |
| 572 | 610 | 663 | 532 | 567 |
| 0.57 | 0.61 | 0.66 | 0.53 | 0.57 |

| | Actuals | | | | | | | | | | Forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 |
| (0.7) | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 1.3 | 1.3 | 1.0 | 0.8 | 1.2 |
| | | | | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | | | |
| | | | | | | | (0.57) | (0.61) | (0.66) | (0.53) | (0.57) |
| | | | | | | | (0.30) | (1.14) | (1.07) | (1.04) | (1.14) |
| | | | | | | | (0.87) | (1.75) | (1.73) | (1.57) | (1.71) |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.4 | -0.441 | -0.706 | -0.782 | -0.535 |

| 2015-16 | 2016-17 | 2017-18* | | | |
|---|---|---|---|---|---|
| 3,876 | 915 | 1,675 | | *Links to Current Outlook Table (purple table)* | |
| | | | **6-Yr Total** | | |
| 444 | 443 | 457 | $3,463 | MOF | Bruno |
| 26 | 26 | 26 | $206 | MOF | |
| 108 | 113 | 119 | $908 | NMDM | |
| 860 | 21 | 0 | $5,291 | ENE | |
| | 300 | 939 | $1,239 | ENE | |
| | | 140 | $140 | ENE | |
| | | 344 | $344 | ENE | |
| | 100 | | | | |
| 1,438 | 1,002 | 2,025 | $9,869 | | |
| (1.44) | (0.90) | (2.03) | $9.9 | | |
| 578 | 882 | 2,025 | $6,301 | | |
| 0.58 | 0.88 | 2.03 | $6.3 | | |

ecasts

| 15-16 | 16-17 | 17-18 | |
|---|---|---|---|
| 3.9 | 0.9 | 1.7 | |
| 0.00 | 0.00 | 0.00 | |
| | | | |
| (0.58) | (0.88) | (2.03) | ($6.301) |
| (0.86) | (0.02) | 0.00 | ($5.291) |
| (1.44) | (0.90) | (2.03) | ($11.592) |
| | | | |
| 2.438 | 0.013 | -0.350 | |
| | | | |
| 0.268 | 1.259 | 0.720 | |
| 2.170 | -1.246 | -1.071 | |

(2.1) <-------- Deltas from Budget 2012

| 2015-16 | 2016-17 | 2017-18 | |
|---|---|---|---|
| 1,755 | 1,891 | 1,874 | |
| | | 984 | |
| | | | 6-Yr Total |
| 550 | 580 | 610 | $4,120 |
| 45 | 50 | 50 | $325 |
| 2 | 2 | 2 | $16 |
| 0 | 0 | 0 | $374 |
| 890 | 0 | 0 | $5,575 |
| 1,487 | 632 | 662 | $10,410 |
| (1.49) | (0.63) | (0.66) | $10.4 |
| 597 | 632 | 662 | $4,835 |
| 0.60 | 0.63 | 0.66 | $16.4 |

:s

| 15-16 | 16-17 | 17-18 | |
|---|---|---|---|
| 1.8 | 1.9 | 1.4 | |
| 0.00 | 0.00 | 0.49 | |
| | | | |
| (0.60) | (0.63) | (0.66) | ($4.835) |
| (0.89) | 0.00 | 0.00 | ($5.575) |
| (1.49) | (0.63) | (0.66) | ($10.410) |

| | | |
|---|---|---|
| 0.268 | 1.259 | 0.720 |

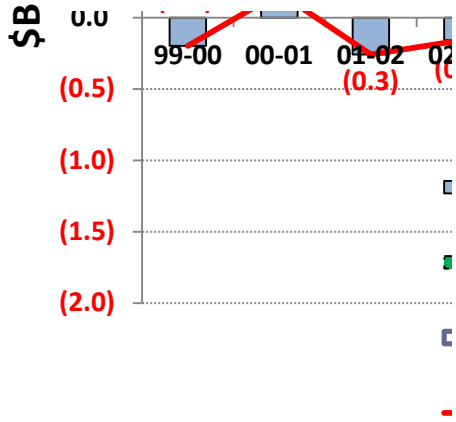
## Current Outlook - July 2012

| Input Variables\Years | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|---|---|---|---|---|
| Impact on Surplus (Deficit) from Outlook | (198) | 175 | (257) | (157) |
| Forgone DRC ($M) | | | | |

**Electricity Price Mitigation measures**

Energy portion of the Ontario Energy and Property Tax Credit (OEPTC)**
Northern Ontario Energy Credit
Ontario Emergency Energy Fund
Northern Industrial Electricity Rate Program
Ontario Clean Energy Benefit (OCEB)***
Total Mitigation Measures ($ M)
Total Mitigation Measures ($ Bn)
Total Mitigation Measures excl. OCEB ($ M)
Total Mitigation Measures excl. OCEB ($ Bn)

| (All Figures Below in $Bn) | | | | |
|---|---|---|---|---|
| Fiscal Year | 99-00 | 00-01 | 01-02 | 02-03 |
| Fiscal Impact of Electricity Sector | (0.2) | 0.2 | (0.3) | (0.2) |
| Potential Forgone DRC | | | | |
| | | | | |
| Other Measures | | | | |
| OCEB | | | | |
| Total Mitigation Measures | | | | |
| | | | | |
| Net of Mitigation Measures - Current Outlook | -0.2 | 0.2 | -0.3 | -0.2 |
| | | | | |
| Budget 2012 - Outlook Net of Mitigation Measures | -0.2 | 0.2 | -0.3 | -0.2 |
| Deltas Current vs. Budget 2012 Net of Mitigations Measures | 0.0 | 0.0 | 0.0 | 0.0 |



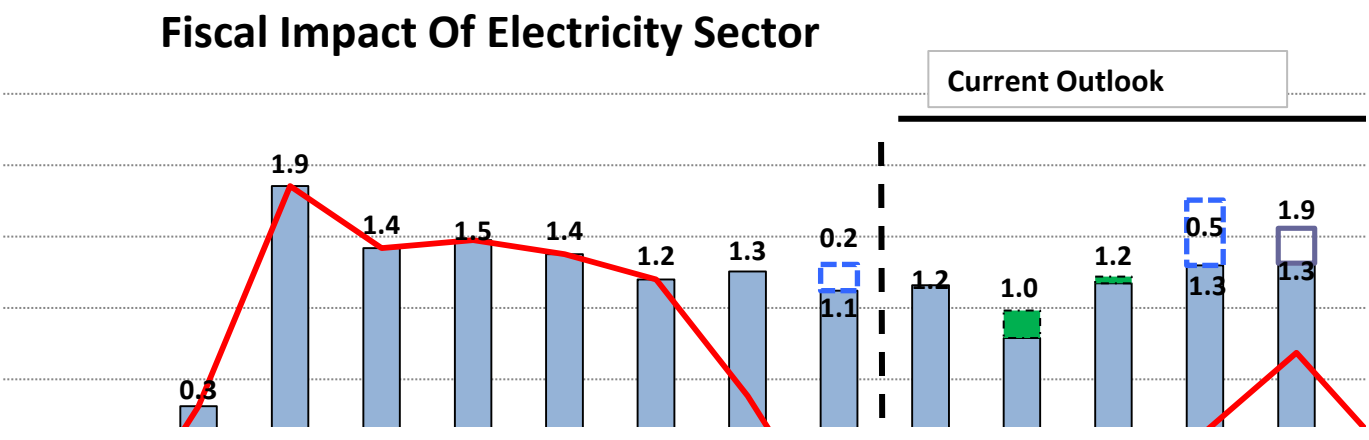

## Budget 2012 Outlook [Do not Change]

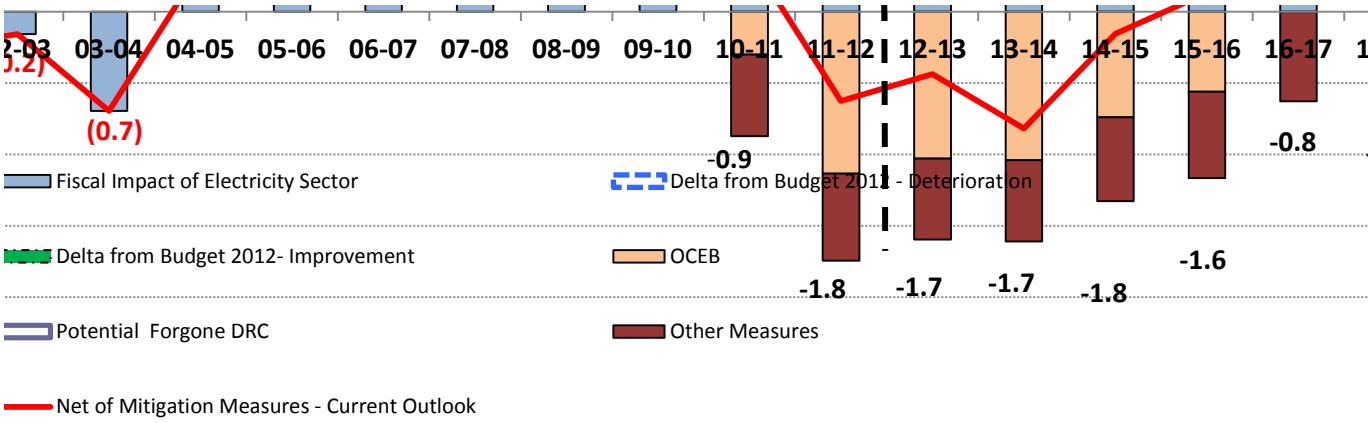
| **Input Variables\Years** | **1999-00** | **2000-01** | **2001-02** | **2002-03** |
|---|---|---|---|---|
| Impact on Surplus (Deficit) from Outlook | (198) | 175 | (257) | (157) |
| Forgone DRC ($M) | | | | |
| | | | | |
| **Electricity Price Mitigation measures** | | | | |
| Energy portion of the Ontario Energy and Property Tax Credit (OEPTC)** | | | | |
| Northern Ontario Energy Credit | | | | |
| Ontario Emergency Energy Fund | | | | |
| Northern Industrial Electricity Rate Program | | | | |
| Ontario Clean Energy Benefit (OCEB)*** | | | | |
| Total Mitigation Measures ($ M) | | | | |
| Total Mitigation Measures ($ Bn) | | | | |
| Total Mitigation Measures excl. OCEB ($ M) | | | | |
| Total Mitigation Measures excl. OCEB ($ Bn) | | | | |
| | | | | |
| (All Figures Below in $Bn) | | | | |
| Fiscal Year | 99-00 | 00-01 | 01-02 | 02-03 |
| Fiscal Impact of Electricity Sector | (0.2) | 0.2 | (0.3) | (0.2) |
| Est. Forgone DRC | | | | |
| | | | | |
| Other Measures | | | | |
| OCEB | | | | |
| Total Mitigation Measures | | | | |
| | | | | |
| Net of Mitigation Measures | -0.2 | 0.2 | -0.3 | -0.2 |

| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (695) | 311 | 1,853 | 1,420 | 1,475 | 1,377 | 1,200 | 1,256 | 1,120 | 1,158 | 982 | 1,219 | 1,298 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 440 | 455 | 393 | 422 | 439 | 458 |
| 25 | 30 | 25 | 25 | 26 | 26 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 105 | 123 | 146 | 120 | 120 | 120 |
| 300 | 1,135 | 1,029 | 1,040 | 740 | 560 |
| 872 | 1,745 | 1,595 | 1,609 | 1,327 | 1,166 |
| (0.87) | (1.75) | (1.60) | (1.61) | (1.33) | (1.17) |
| 572 | 610 | 566 | 569 | 587 | 606 |
| 0.57 | 0.61 | 0.57 | 0.57 | 0.59 | 0.61 |

| Actuals | | | | | | | | Forecasts | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 |
| (0.7) | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 1.3 | 1.1 | 1.2 | 0.8 | 1.2 | 1.3 |
| | | | | | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | (0.57) | (0.61) | (0.57) | (0.57) | (0.59) | (0.61) |
| | | | | | | | | (0.30) | (1.14) | (1.03) | (1.04) | (0.74) | (0.56) |
| | | | | | | | | (0.87) | (1.75) | (1.60) | (1.61) | (1.33) | (1.17) |
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.4 | -0.625 | -0.437 | -0.819 | -0.155 | 0.132 |
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.4 | -0.441 | -0.706 | -0.782 | -0.535 | 0.268 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.184 | 0.269 | -0.037 | 0.380 | -0.136 |
| | | | | | | | | 0.2 | | | | 0.5 |
| | | | | | | | | | | 0.2 | 0.0 | |
| | | | | | | | | | | -0.203 | -0.068 | |





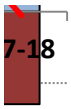

| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (695) | 311 | 1,853 | 1,420 | 1,475 | 1,377 | 1,200 | 1,256 | 1,304 | 1,027 | 790 | 1,172 | 1,755 |
| | | | | | | | 440 | 455 | 475 | 490 | 520 | 550 |
| | | | | | | | 25 | 30 | 40 | 40 | 45 | 45 |
| | | | | | | | 2 | 2 | 2 | 2 | 2 | 2 |
| | | | | | | | 105 | 123 | 146 | 0 | 0 | 0 |
| | | | | | | | 300 | 1,135 | 1,070 | 1,040 | 1,140 | 890 |
| | | | | | | | 872 | 1,745 | 1,733 | 1,572 | 1,707 | 1,487 |
| | | | | | | | (0.87) | (1.75) | (1.73) | (1.57) | (1.71) | (1.49) |
| | | | | | | | 572 | 610 | 663 | 532 | 567 | 597 |
| | | | | | | | 0.57 | 0.61 | 0.66 | 0.53 | 0.57 | 0.60 |

| Actuals | | | | | | | | Forecasts | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 |
| (0.7) | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 1.3 | 1.3 | 1.0 | 0.8 | 1.2 | 1.8 |
| | | | | | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | (0.57) | (0.61) | (0.66) | (0.53) | (0.57) | (0.60) |
| | | | | | | | | (0.30) | (1.14) | (1.07) | (1.04) | (1.14) | (0.89) |
| | | | | | | | | (0.87) | (1.75) | (1.73) | (1.57) | (1.71) | (1.49) |
| -0.7 | 0.3 | 1.9 | 1.4 | 1.5 | 1.4 | 1.2 | 0.4 | -0.441 | -0.706 | -0.782 | -0.535 | 0.268 |

| 2016-17 | 2017-18 | | |
|---|---|---|---|
| 1,557 | 1,608 | | *Links to Current Outlook Table (purple table)* |
| 977 | 984 | | |
| | | **6-Yr Total** | |
| 478 | 499 | $3,584 | |
| 27 | 27 | $211 | |
| 2 | 2 | $16 | |
| 120 | 120 | $974 | |
| 0 | 0 | $4,804 | |
| 627 | 648 | $9,589 | |
| (0.63) | (0.65) | $9.6 | |
| 627 | 648 | $4,785 | |
| 0.63 | 0.65 | $15.4 | |

| 16-17 | 17-18 | |
|---|---|---|
| 1.3 | 0.6 | |
| 0.24 | 0.98 | |
| | | |
| (0.63) | (0.65) | ($4.785) |
| 0.00 | 0.00 | ($4.804) |
| (0.63) | (0.65) | ($9.589) |
| | | |
| 0.686 | -0.024 | |
| | | |
| 1.259 | 0.720 | |
| -0.573 | -0.745 | |

<-------- Deltas from Budget 2012




| 2016-17 | 2017-18 | |
|---|---|---|
| 1,891 | 1,874 | |
| | 984 | |
| | | 6-Yr Total |
| 580 | 610 | $4,120 |
| 50 | 50 | $325 |
| 2 | 2 | $16 |
| 0 | 0 | $374 |
| 0 | 0 | $5,575 |
| 632 | 662 | $10,410 |
| (0.63) | (0.66) | $10.4 |
| 632 | 662 | $4,835 |
| 0.63 | 0.66 | $16.4 |

| 16-17 | 17-18 | |
|---|---|---|
| 1.9 | 1.4 | |
| 0.00 | 0.49 | |
| | | |
| (0.63) | (0.66) | ($4.835) |
| 0.00 | 0.00 | ($5.575) |
| (0.63) | (0.66) | ($10.410) |
| | | |
| 1.259 | 0.720 | |

## Budget 2013 Outlook

| $ millions | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|---|---|---|---|---|
| **Revenues** | | | | |
| OPG Net Income | 512 | 397 | -167 | 340 |
| Hydro One Net Income | 391 | 386 | 346 | 377 |
| Payments-in-Lieu of Taxes | 1,089 | 907 | 387 | 711 |
| Revenue Pool Residual | 172 | 748 | 1296 | 24 |
| DRC | | | | 889 |
| NUG Amortisation | | | | 161 |
| Interest Revenue | 598 | 550 | 508 | 444 |
| Other | 27 | 27 | 18 | 10 |
| **Expenses** | | | | |
| OEFC Interest Expense | 2,785 | 2,671 | 2,489 | 2,176 |
| Above Market NUG Costs | | | | 151 |
| Other OEFC Expenses | 202 | 169 | 156 | 786 |
| **Fiscal Impact of the Electricity Sector** | **-198** | **175** | **-257** | **-157** |

| **Mitigation Measures ($ millions)** |
|---|
| Energy part of Ontario Energy and Property Tax Credit (OEPTC) |
| Northern Ontario Energy Credit |
| Ontario Emergency Energy Fund |
| Northern Industrial Electricity Rate Program |
| Ontario Clean Energy Benefit (OCEB) |
| **Total Mitigation** |

| | | | | |
|---|---|---|---|---|
| **NET FISCAL IMPACT** | **-198** | **175** | **-257** | **-157** |

| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| -399 | -60 | 603 | 495 | 807 | 183 | 391 | 414 | ***256*** |
| 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | ***616*** |
| 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | ***367*** |
| | | | | | | | | |
| 1000 | 997 | 1021 | 991 | 982 | 970 | 907 | 944 | **952** |
| 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | **317** |
| 251 | 221 | 217 | 205 | 256 | 269 | 226 | 222 | 222 |
| 85 | 72 | 124 | 32 | 5 | 8 | 7 | 8 | ***9*** |
| | | | | | | | | |
| 2,032 | 1,878 | 1,871 | 1,833 | 1,862 | 1,733 | 1,624 | 1,594 | 1,592 |
| 287 | 230 | 26 | | | | | | |
| 426 | 62 | 64 | 91 | 64 | 53 | 34 | 32 | 27 |
| **-695** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,120** |

| | 10-11 | 11-12 |
|---|---|---|
| | 440 | 455 |
| | 25 | 30 |
| | 2 | 2 |
| | 105 | 123 |
| | 300 | 1,135 |
| | **872** | **1745** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **-695** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **384** | **-625** |

| 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | |
|---|---|---|---|---|---|---|
| | | | | | | |
| 197 | 2 | 103 | 142 | 294 | 414 | |
| 771 | 710 | 736 | 781 | 840 | 887 | |
| 362 | 366 | 473 | 480 | 587 | 533 | |
| | | | | | | |
| 957 | 957 | 944 | 938 | 922 | 457.5 | Estimated RSD Retirement Timing |
| | | | | | 457.5 | + Fiscal Plan Timing |
| 263 | 243 | 217 | 172 | 129 | 74 | |
| 191 | 202 | 216 | 241 | 241 | 241 | |
| 5 | 5 | 5 | 5 | 5 | 5 | |
| | | | | | | |
| 1,577 | 1,497 | 1,469 | 1,455 | 1,455 | 1,455 | |
| | | | | | | |
| 11 | 6 | 6 | 6 | 6 | 6 | |
| | | | | **1,557** | **1,151** | w/ RSD Retirement |
| **1,158** | **982** | **1,219** | **1,298** | **1,557** | **1,608** | DRC to end 17-18 |

| 12-13* | 13-14* | 14-15* | 15-16* | 16-17 | 17-18 | |
|---|---|---|---|---|---|---|
| 393 | 422 | 439 | 458 | 478 | 499 | To be revised by OTAP |
| 25 | 25 | 26 | 26 | 27 | 27 | |
| 2 | 2 | 2 | 2 | 2 | 2 | |
| 146 | 120 | 120 | 120 | 120 | 120 | |
| 1,029 | 1,040 | 740 | 560 | 0 | 0 | |
| **1595** | **1609** | **1327** | **1166** | **627** | **648** | |
| | | | | | | |
| **-437** | **-627** | **-108** | **132** | **930** | **503** | w/ RSD Retirement |

| 475 | 490 | 520 | 550 | 580 | 610 |
|---|---|---|---|---|---|
| 393 | 422 | 439 | 458 | 478 | 499 |
| 82 | 68 | 81 | 92 | 102 | 111 |

| $ millions |
| --- |
| **Electricity Sector Fiscal Risks** |
| Unregulated Hydro |
| CSA - Early Coal Closure, Incremental Depreciation, if not covered by the CSA |
| Rate Application Constraints (OPG) |
| Rate Application Constraints (Hydro One) |
| Total |

**Risks Profiled in Fiscal Prep**

L&N CSA, Assuming No Amendment to Cover Early Closure

3 Month Delay in OPG and H1 Rates

OPG Pension and OPEB Variance Account

Darlington Refurb Financing

Extension of NIER

| Comments | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|
| | (100.8) | (82.3) | (124.5) | (283.5) |
| | | (81.9) | | |
| | 0.0 | 0.0 | (14.1) | (42.3) |
| | 0.0 | (6.0) | (53.9) | (129.1) |
| | (100.8) | (170.1) | (192.5) | (455.0) |
| | | | | |
| e Cost | | (40.0) | (80.0) | |
| | (84.0) | | | |
| | (56.0) | (225.0) | (169.0) | |
| | (81.0) | (325.0) | (244.0) | |
| | (397.5) | (587.5) | (650.0) | (510.0) |
| | | | | |
| | | (146.0) | (146.0) | (146.0) |

| 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|---|---|---|
| (266.7) | (141.9) | (111.5) | (82.6) | (69.5) | (34.8) | 7.2 | 49.4 | 101.3 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.4) | (1.1) | 0.0 | 0.0 |
| (51.6) | 26.4 | (35.1) | (42.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (318.4) | (115.5) | (146.6) | (124.7) | (69.5) | (35.2) | 6.1 | 49.4 | 101.3 |
| 0.0 | | | | | | | | |
| (146.0) | (146.0) | (146.0) | | | | | | |

| 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
|---|---|---|---|---|
| 116.2 | 138.8 | 130.1 | 85.8 | 120.7 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 116.2 | 138.8 | 130.1 | 85.8 | 120.7 |

| Unregulated Hydro Price Forecasts in OPG Long-term Model: | 2012 | 2013 |
|---|---|---|
| Budget 2011 | 33.87 | 35.35 |
| Budget 2012 | 30.38 | 31.77 |
| June 2012 Model | 23.12 | 25.80 |
| | | |
| Unreg Hydro (TWh) | 14.6 | 14.2 |
| | | |
| Fiscal Impact - Budget 2012 to June 2012 ($M) | (106.1) | (85.0) |

| | 2012-13 | 2013-14 |
|---|---|---|
| Fiscal Impact - Budget 2012 to June 2012 ($M) | (100.8) | (82.3) |

| Budget 2012 | 2012 | 2013 |
|---|---|---|
| Hydroelectric Revenue | 649.201 | 743.9475 |
| Nuclear Revenue | 2770.237 | 3224.989 |
| | | |
| June 2012 Model | 2012 | 2013 |
| Hydroelectric Revenue | 649.201 | 718.9807 |
| Nuclear Revenue | 2770.237 | 2881.846 |
| | | |
| **OPG - Year over Year Deltas** | 2012 | 2013 |
| **Hydroelectric Revenue** | | |
| **Nuclear Revenue** | | |
| | | |
| **Provision Embedded in OPG's Business Planning** | 2012 | 2013 |
| **5% Revenue Requirement Disallowance - Nuclear** | | (160.3) |
| **5% Revenue Requirement Disallowance - Hydro** | | (40.8) |
| **Total Provision** | | (201.1) |
| | | |
| **OPG Rate Application Risk** | 0.0 | 0.0 |

| | 2012-13 | 2013-14 |
|---|---|---|
| **OPG Rate Application Risk - Fiscalized** | 0.0 | 0.0 |

| Hydro One Budget 2012 Data | 2012 | 2013 |
|---|---|---|
| Tx Revenue Requirement | 1428.242 | 1520.175 |
| Total Dx Revenue | 3559.046 | 3611.169 |
| Cost of Power | 2421.175 | 2405.905 |
| Dx Revenue Requirement | 1137.871 | 1205.264 |
| | | |
| Hydro One June 2012 Data | 2012 | 2013 |
| Tx Revenue Requirement | 1428.648 | 1468.609 |
| Total Dx Revenue | 3600.103 | 3653.631 |

| | | |
|---|---|---|
| Cost of Power | 2421.175 | 2405.905 |
| Dx Revenue Requirement | 1178.928 | 1247.726 |
| | | |
| June 2012 Model - Year over Year Deltas | | |
| Tx Revenue | | |
| Dx Revenue | | |
| Total Delta | | 0.0 |

| **Hydro One - Year over Year Deltas** | 2012-13 | 2013-14 |
|---|---|---|
| **Total Hydro One Rate Constraint Delta** | 0.0 | (6.0) |

| | | |
|---|---|---|
| | -650 | |
| | 2012 | 2013 |
| | | (325.0) |

| Pension and OPEB Cost | 2012-13 | 2013-14 |
|---|---|---|
| $450M to $650 | (81.3) | (325.0) |

| | | |
|---|---|---|
| | -250 | |
| | 2012 | 2013 |
| | | (125.0) |

| Pension and OPEB Cost | 2012-13 | 2013-14 |
|---|---|---|
| $450M to $650 | (31.3) | (125.0) |
| | | |
| NI | (23) | (92) |
| Income Tax PILs | (8) | (33) |

| | 2012 | 2013 |
|---|---|---|
| | (340.0) | (570.0) |

| Nuclear Refurb | 2012-13 | 2013-14 |
|---|---|---|
| $2.2Bn | (397.5) | (587.5) |

| | 2012-13 | 2013-14 |
|---|---|---|
| Market and Generation Risk | (100) | (100) |
| | | |
| NI | (74) | (74) |
| Income Tax PILs | (27) | (27) |

| | 2009-10 | 2010-11 |
|---|---|---|
| ONFA Consolidation Adjustment | -420 | -203 |
| | 830 | 665 |
| | -0.506024 | -0.305263 |
| Percentage of ONFA Adjustment from Positive Earnings Years | | -0.323785 |

| | 2009 | 2010 |
|---|---|---|
| Earnings on Nuclear Funds | 683 | 668 |

| | Q12009 | Q1 2010 |
|---|---|---|
| Earnings on Nuclear Funds - Q1's | -6 | 141 |

| | | |
|---|---|---|
| DSF | 5544 | |
| UFSF | 6656 | 12828.3 |
| | 628.3 | 660.6575 |
| | -203.4343 | -213.9112 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| 35.64 | 38.28 | 43.41 | 47.45 | 49.95 | 50.89 | 52.14 | 52.64 | 54.34 |
| 31.12 | 45.17 | 47.14 | 44.63 | 43.78 | 44.24 | 44.09 | 46.66 | 46.88 |
| 25.78 | 25.25 | 25.24 | 34.41 | 35.70 | 38.57 | 38.93 | 43.58 | 46.79 |
| 13.9 | 13.9 | 14.0 | 14.6 | 14.9 | 14.9 | 15.0 | 15.0 | 14.9 |
| (74.0) | (276.0) | (306.0) | (149.0) | (120.5) | (84.3) | (77.4) | (46.0) | (1.4) |

| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| (124.5) | (283.5) | (266.7) | (141.9) | (111.5) | (82.6) | (69.5) | (34.8) | 7.2 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| 769.7892 | 862.3388 | 878.7171 | 893.6867 | 924.4019 | 936.6178 | 891.4929 | 975.1678 | 924.3355 |
| 3348.258 | 3551.583 | 3611.038 | 3139.762 | 2970.305 | 2689.871 | 2583.469 | 2127.433 | 2469.945 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| 808.9285 | 851.8982 | 853.5952 | 897.6252 | 927.8671 | 938.0885 | 891.4929 | 975.1678 | 924.3355 |
| 2991.999 | 3496.079 | 3714.388 | 3140.875 | 2971.81 | 2685.716 | 2585.214 | 2129.892 | 2470.871 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| | (26.7) | (8.2) | (7.5) | (15.4) | (6.1) | 22.6 | (41.8) | 25.4 |
| | (279.8) | (29.7) | 235.6 | 84.7 | 140.2 | 53.2 | 228.0 | (171.3) |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| (160.3) | (176.7) | (182.2) | (157.0) | (148.6) | (134.3) | (129.3) | (106.5) | (123.5) |
| (40.8) | (46.7) | (48.4) | (46.5) | (47.0) | (47.3) | (44.8) | (48.8) | (46.3) |
| (201.1) | (223.4) | (230.6) | (203.6) | (195.6) | (181.6) | (174.1) | (155.3) | (169.8) |
| 0.0 | (56.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (1.5) |

| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| (14.1) | (42.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.4) | (1.1) |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| 1634.882 | 1757.103 | 1852.366 | 1774.718 | 1783.591 | 1792.509 | 1869.118 | 1878.464 | 1887.856 |
| 3685.041 | 3791.955 | 3860.85 | 3892.318 | 4003.523 | 4111.653 | 4221.051 | 4331.835 | 4438.464 |
| 2389.611 | 2402.189 | 2397.348 | 2445.295 | 2494.2 | 2544.085 | 2594.966 | 2646.866 | 2699.803 |
| 1295.43 | 1389.767 | 1463.502 | 1447.024 | 1509.322 | 1567.569 | 1626.085 | 1684.969 | 1738.661 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| 1563.403 | 1691.047 | 1802.443 | 1708.076 | 1716.616 | 1725.2 | 1798.998 | 1807.993 | 1817.033 |
| 3692.35 | 3740.092 | 3819.97 | 3950.193 | 4099.114 | 4202.929 | 4308.314 | 4416.692 | 4519.96 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2389.611 | 2402.189 | 2397.348 | 2445.295 | 2494.2 | 2544.085 | 2594.966 | 2646.866 | 2699.803 |
| 1302.739 | 1337.903 | 1422.622 | 1504.898 | 1604.913 | 1658.845 | 1713.348 | 1769.826 | 1820.157 |
| | | | | | | | | |
| | (96.8) | (47.6) | 38.8 | (4.4) | (4.5) | (38.3) | (4.7) | (4.7) |
| (23.9) | (47.2) | (36.9) | 8.2 | (31.1) | (29.1) | (29.3) | (29.4) | (26.8) |
| (23.9) | (144.0) | (84.5) | 47.1 | (35.6) | (33.6) | (67.6) | (34.1) | (31.5) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020 | 2021 | 2022 |
| (53.9) | (129.1) | (51.6) | 26.4 | (35.1) | (42.1) | | | |

| | | | | |
|---|---|---|---|---|
| 2014 | 2015 | | | |
| (325.0) | | | | |
| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| (243.8) | | | | |

| | | | | |
|---|---|---|---|---|
| 2014 | 2015 | | | |
| (125.0) | | | | |
| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| (93.8) | | | | |
| | | | | |
| (69) | | | | |
| (25) | | | | |

| | | | | |
|---|---|---|---|---|
| 2014 | 2015 | | | |
| (640.0) | (680.0) | | | |
| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| (650.0) | (510.0) | 0.0 | 0.0 | 0.0 |

| |
|---|
| 2014-15 |
| (100) |
| |
| (74) |
| (27) |

| |
|---|
| 2011-12 |
| -93 |
| 581 |
| -0.160069 |

| 2011 |
| --- |
| 509 |

| Q12011 | Q12012 |
| --- | --- |
| 138 | 210 |

| |
| --- |
| 13488.96 |
| 694.6813 |
| -224.9276 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 55.32 | 54.26 | 53.15 | 51.98 | 53.66 | 55.47 | 57.41 | 59.04 | |
| 47.28 | 45.37 | 46.83 | 47.90 | 48.34 | 49.11 | 48.94 | 50.01 | 50.71 |
| 49.50 | 51.76 | 54.00 | 56.70 | 58.02 | 53.86 | 56.99 | 57.23 | 60.78 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 14.9 | 15.4 | 15.3 | 15.4 | 15.4 | 15.4 | 15.4 | 15.3 | 15.3 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 33.0 | 98.5 | 109.8 | 135.4 | 149.1 | 73.1 | 124.0 | 110.6 | 154.5 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 49.4 | 101.3 | 116.2 | 138.8 | 130.1 | 85.8 | 120.7 | 121.6 | 115.9 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 963.4599 | 1020.996 | 1033.328 | 1047.358 | 1060.726 | 1068.15 | 1081.014 | 1093.203 | 1108.534 |
| 2070.441 | 2155.294 | 2295.054 | 2399.696 | 2470.59 | 2362.266 | 2418.539 | 2391.555 | 2417.392 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 964.1698 | 1020.996 | 1033.328 | 1047.358 | 1060.726 | 1068.15 | 1081.014 | 1093.203 | 1108.534 |
| 2072.18 | 2157.041 | 2296.577 | 2401.286 | 2472.272 | 2364.025 | 2420.383 | 2393.482 | 2419.438 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| (19.6) | (28.8) | (6.2) | (7.0) | (6.7) | (3.7) | (6.4) | (6.1) | (7.7) |
| 199.8 | (42.4) | (69.9) | (52.3) | (35.4) | 54.2 | (28.1) | 13.5 | (12.9) |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| (103.6) | (107.9) | (114.8) | (120.1) | (123.6) | (118.2) | (121.0) | (119.7) | (121.0) |
| (48.5) | (51.4) | (51.9) | (52.6) | (53.2) | (53.6) | (54.1) | (54.8) | (55.6) |
| (152.1) | (159.2) | (166.7) | (172.7) | (176.8) | (171.8) | (175.2) | (174.5) | (176.5) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 1897.295 | 1906.782 | 1934.167 | 1943.837 | 1953.557 | 1963.324 | 1973.141 | 2005.547 | |
| 4537.411 | 4627.325 | 4707.085 | 4786.74 | 4868.657 | 4954.402 | 5042.082 | 5133.769 | |
| 2753.799 | 2808.875 | 2865.052 | 2922.353 | 2980.8 | 3040.416 | 3101.225 | 3163.249 | |
| 1783.612 | 1818.45 | 1842.033 | 1864.387 | 1887.856 | 1913.986 | 1940.857 | 1970.519 | |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| 1826.119 | 1835.249 | 1865.49 | 1874.818 | 1884.192 | 1893.613 | 1903.081 | 1934.882 | |
| 4615.357 | 4701.492 | 4778.086 | 4853.843 | 4930.938 | 5011.123 | 5094.705 | 5181.927 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2753.799 | 2808.875 | 2865.052 | 2922.353 | 2980.8 | 3040.416 | 3101.225 | 3163.249 | |
| 1861.558 | 1892.618 | 1913.033 | 1931.49 | 1950.138 | 1970.707 | 1993.48 | 2018.678 | |
| | | | | | | | | |
| (4.7) | (4.7) | (13.7) | (4.8) | (4.9) | (4.9) | (4.9) | (16.2) | |
| (22.5) | (17.4) | (11.8) | (11.2) | (11.7) | (13.1) | (13.4) | (14.8) | |
| (27.2) | (22.2) | (25.5) | (16.0) | (16.6) | (17.9) | (18.3) | (31.0) | |
| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
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Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

Note. This is same as Budget version but wit

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 797 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (797) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 369 | 512 | 526 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,804** | **1,445** | **1,816** | **1,772** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **368** | **798** | **856** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 672 | 449 | 736 | 711 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (672) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 808 | (232) | 103 | (389) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 93 | (107) | (26) | (152) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **793** | **(690)** | **(281)** | **(925)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **886** | **(571)** | **(158)** | **(820)** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

## Electricity Sector Outlook

| | 1999-00 | 2000-01 | 2001-02 |
|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | |
| OPG Income | 512 | 397 | (167) |
| OPG - ONFA and other Fair Value Adjustments[2] | | | |
| Hydro One - Unrealized Gains Adjustment | | | |
| HOI Income[3] | 391 | 386 | 346 |
| Brampton Income | | | |
| **Total OPG and HOI Income** | **903** | **783** | **179** |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** | **153** |
| **OEFC Income** | | | |
| **Taxation Revenue** | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 | 387 |
| **Other Revenue** | | | |
| Electricity Debt Retirement Charge[5] | - | - | - |
| Power Supply Contract Recoveries | 741 | 695 | 815 |
| Interest : | | | |
| OPG | | | |
| H1 | | | |
| IESO | | | |
| Province | | | |
| Other | | | |
| Net Reduction of Power Purchase Contracts | - | - | - |
| Other Fees and Licences | (156) | (157) | (153) |
| Revenue Pool Residual | 172 | 748 | 1,296 |
| Miscellaneous | 27 | 27 | 18 |
| **Electricity Expenses of the Province** | | | |
| Provision for Electricity Sector[4] | Commerci | (263) | - |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) |
| **Subtotal** | (520) | (783) | (520) |
| Public Debt Interest - Impact of ONFA | **-** | **-** | **-** |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** | **-** |
| **Total Electricity Expenses of the Province** | **(520)** | **(783)** | **(520)** |
| **OEFC Expenses** | | | |
| Interest on Debt | (1,530) | (1,457) | (1,308) |
| Power Supply Contract Costs | (741) | (695) | (815) |
| net Power Supply Costs | - | - | - |
| Electricity Consumer Price Protection Fund | - | - | - |
| Demand Management Support Costs[6] | | | |
| Provision for Electricity Sector | 383 | 263 | - |
| Other (Finance) | (339) | (313) | (309) |
| **Total OEFC Income** | **(354)** | **18** | **(69)** |
| **Impact on Surplus/(Deficit)** | **(370)** | **(573)** | **(1,553)** |

| | | | |
|---|---|---|---|
| | -172 | -748 | -1296 |
| *variance to OEFC check* | - | - | - |

| | | | | Actual | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| | | | | | | | | | |
| 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 | 376 |
| | | | | | 288 | 266 | (384) | (243) | (120) |
| | | | | | | | | | (23) |
| 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639 |
| **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** | **872** |
| **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** | **136** |
| | | | | | | | | | |
| 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 |
| | | | | | | | | | |
| 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 |
| 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 | 1,372 |
| | | | | | | | | | |
| 191 | 191 | 191 | 217 | 196 | 194 | 213 | 210 | 200 | 196 |
| 214 | 5 | - | - | - | - | - | - | - | - |
| 6 | 6 | 6 | 6 | 6 | 6 | 6 | 1 | 1 | 2 |
| 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 |
| 33 | 49 | 24 | (6) | 4 | 56 | 50 | 15 | 22 | 24 |
| | | | | | | | | | |
| 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 |
| (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) | (136) |
| 24 | - | - | - | - | - | - | - | - | - |
| 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 | 9 |
| | | | | | | | | | |
| (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) |
| (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) |
| (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) | (1,015) |
| | 15 | - | - | - | - | - | - | - | - |
| (206) | 60 | 62 | 58 | 26 | - | - | - | - | - |
| **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** | **(1,015)** |
| | | | | | | | | | |
| (2,014) | (1,890) | (1,785) | (1,802) | (1,808) | (1,862) | (1,733) | (1,624) | (1,594) | (1,592) |
| (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) | (1,375) |
| (151) | (287) | (230) | (26) | - | - | - | - | - | (3) |
| (665) | (253) | 20 | - | - | - | - | - | - | - |
| | | | | | | | | | |
| 197 | - | - | - | 67 | 422 | - | 644 | 771 | 495 |
| (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) | (24) |
| **(98)** | **(367)** | **(1,479)** | **(400)** | **(815)** | **(1,762)** | **(517)** | **(2,120)** | **(2,511)** | **(1,921)** |
| | | | | | | | | | |
| **(181)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,123** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| -24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| (151) | (287) | (230) | (26) | | | | | | |

$ Millions

| 2012-13 | 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|---|---|
| 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 | 670 |
| (107) | 475 | 239 | 172 | 43 | 194 | - | - | - | - |
| - | 10 | (8) | - | - | - | - | - | - | - |
| 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 | 465 |
| | | | 20 | 18 | - | - | - | - | - |
| **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** | **1,135** |
| **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** | **91** |
| 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 | 560 |
| 939 | 954 | 956 | 859 | 621 | 604 | - | - | - | - |
| 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 | 98 |
| 186 | 187 | 191 | 173 | 167 | 155 | 166 | 158 | 131 | 119 |
| - | - | - | - | - | - | - | - | - | - |
| 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 | 404 |
| 10 | 10 | 13 | 28 | 20 | 20 | 20 | 10 | 10 | 10 |
| 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 | 28 |
| (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) | (91) |
| - | - | - | - | - | - | - | - | - | - |
| 11 | 8 | 9 | 9 | 14 | - | - | - | - | - |
| (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) | (731) |
| (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) | (404) |
| (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) | (1,135) |
| - | - | | | | | | | | |
| - | - | | | | | | | | |
| **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** | **(1,135)** |
| (1,565) | (1,447) | (1,385) | (1,319) | (1,216) | (1,109) | (1,077) | (1,048) | (950) | (818) |
| (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) | (98) |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| | | (9) | (8) | (8) | (10) | - | - | - | - |
| 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 | 731 |
| (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) | (7) |
| **(2,043)** | **(1,881)** | **(2,592)** | **1,989** | **(1,673)** | **(2,375)** | **(2,290)** | **(2,720)** | **(2,579)** | **(2,466)** |
| **1,093** | **2,098** | **1,715** | **3,876** | **915** | 1,675 | **368** | **798** | **856** | **1,030** |

1 0 0 - 0 - 0 0 0 0

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/16/2018 | | Other Data |

| | | |
|---|---|---|
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |
| 2/22/2018 | 20180222-1 | OPG |
| | | OPG |
| | | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other

ONFA consolidation adjustment for Dec 2017
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)
Update based on January 31, 2018 BSC material for OEFC YTD and Siva email
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Rounding adjustment
Push recovery out one-year

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,675 | 368 | 798 |
| | | -15 | 886 | -571 | -158 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |
| Interest on Debt | Expense | | (2.5) | 8.0 | (7.0) |

| | | | | |
|---|---|---|---|---|
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (35.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 100.0 | 100.0 | 225.0 |
| Provision for Electricity Sector (MOF) | Expense | (100.0) | (100.0) | (225.0) |
| OPG Income | Revenue | 100.0 | 100.0 | 225.0 |
| | | (0.0) | (0.0) | (0.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | (19.0) |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 856 |
| -820 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |
| 0.4 | |

| |
|---|
| 0.0 |
| (39.3) |
| 33.7 |
| (33.7) |
| (127.3) |
| (10.0) |
| (6.0) |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 180.7 |
| 180.7 |
| (180.7) |
| 3.0 |
| 3.0 |
| (3.0) |
| |
| |
| |
| (2.0) |
| 96.5 |
| 96.5 |
| (96.5) |
| 0.0 |
| 0.0 |
| 0.0 |
| 19.2 |
| 19.2 |
| (19.2) |
| 0.0 |
| 0.0 |
| 0.0 |
| 50.4 |
| (50.4) |
| (4.4) |
| 0.0 |
| 0.0 |
| 0.0 |
| 325.0 |
| (325.0) |
| 325.0 |
| (0.0) |
| (9.0) |
| |
| |
| ***0*** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

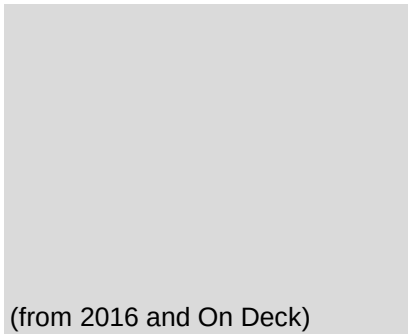
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | Actual 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | | | | | | | | | | | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | | | | | | | | | | | | | | | | |
| OPG Income[1] | 512 | 397 | (167) | 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 | 376 | 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | | | | | | | | | 288 | 266 | (384) | (243) | (120) | (107) | 475 | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | | | | | | | | | | | | | (23) | - | 10 | (8) | - | - | - | - | - | - |
| HOI Income[3] | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639 | 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | | | | | | | | | | | | | | | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **903** | **783** | **179** | **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** | **872** | **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** | **153** | **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** | **136** | **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | | | | | | | | | | | | | | | | |
| Provision for Electricity Sector[4] | (383) | (263) | - | (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (903) | (783) | (520) | (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) | (1,015) | (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | **-** | **-** | **-** | 15 | - | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** | **-** | (206) | 60 | 62 | 58 | 26 | - | - | - | - | - | - | - | | | | | | | |
| **Total Electricity Expenses of the Province** | **(903)** | **(783)** | **(520)** | **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** | **(1,015)** | **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | | | | | | | | | | | | | | | | |
| **Taxation Revenue** | | | | | | | | | | | | | | | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 | 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| **Other Revenue** | | | | | | | | | | | | | | | | | | | | | | |
| Electricity Debt Retirement Charge[5] | - | - | - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 741 | 695 | 815 | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 | 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | - | - | - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (156) | (157) | (153) | (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) | (136) | (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 27 | 27 | 18 | 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 | 9 | 11 | 8 | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | | | | | | | | | | | | | | | | |
| Interest on Debt | (1,530) | (1,457) | (1,308) | (1,050) | (1,119) | (1,044) | (1,065) | (1,083) | (1,086) | (944) | (878) | (852) | (850) | (848) | (728) | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (741) | (695) | (815) | (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) | (1,375) | (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | (665) | (253) | 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | | | | | | | | | | | | | | | | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 383 | 263 | - | 197 | - | - | - | 67 | 422 | - | 644 | 771 | 495 | 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 |
| Other (Finance) | (339) | (313) | (309) | (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) | (24) | (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **(354)** | **18** | **(69)** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362** | **1,127** | **1,064** | **1,476** | **1,353** | **3,549** | **737** | **1,379** | **269** | **700** | **765** |
| **Impact on Surplus/(Deficit)** | **(198)** | **175** | **(257)** | **(157)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,120** | **1,092** | **2,098** | **1,715** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |
| *variance to OEFC check* | | | | | | | | | | | | | | | | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

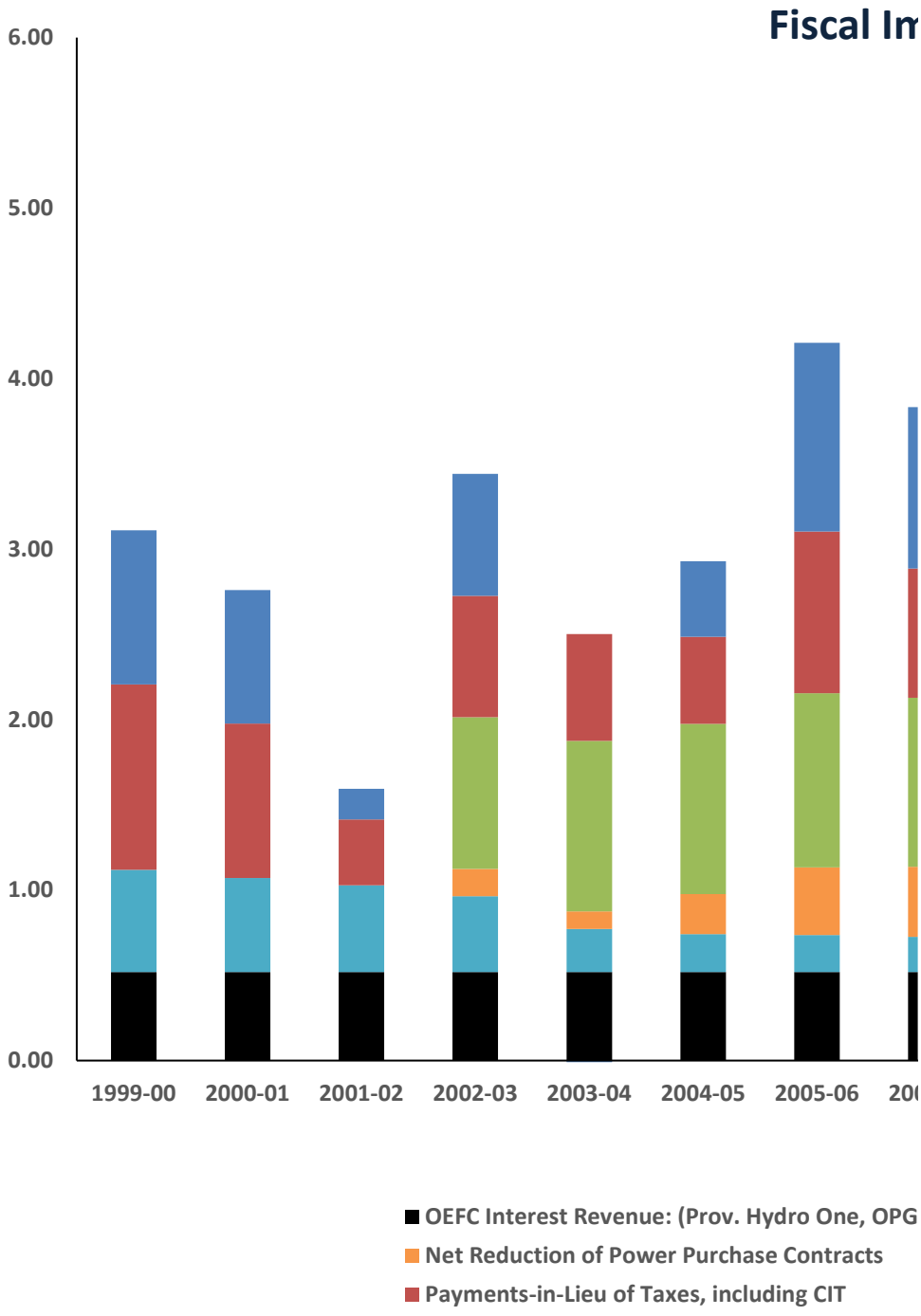
| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Pool Residual | **172** | **748** | **1296** | **24** | | | | | | | | | | | | | | | | | | |
| OPG Income | 512 | 397 | (167) | 340 | (399) | (60) | 603 | 495 | 807 | 183 | 391 | 414 | 256 | 137 | 809 | 813 | 463 | 342 | 1,099 | 500 | 728 | 677 |
| Hydro One Net Income | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 616 | 792 | 796 | 733 | 256 | 518 | 346 | 353 | 412 | 438 |
| Payments-in-Lieu of Taxes, including CIT | 1,089 | 907 | 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 | 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| Electricity Debt Retirement Charge | - | - | - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| OEFC Interest Revenue: Province | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 |
| OEFC Interest Revenue: Other | 598 | 550 | 508 | 444 | 251 | 221 | 217 | 205 | 256 | 269 | 226 | 222 | 222 | 198 | 199 | 207 | 203 | 189 | 178 | 189 | 171 | 144 |
| Net Reduction of Power Purchase Contracts | - | - | - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Dedicated Electricty Earnings | (383) | (263) | - | (197) | - | - | - | (67) | (422) | - | (644) | (771) | (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| PDI Expense (Hydro One, OPG) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| Interest on Debt | (2,648) | (2,527) | (2,336) | (2,014) | (1,890) | (1,785) | (1,802) | (1,808) | (1,862) | (1,733) | (1,624) | (1,594) | (1,592) | (1,565) | (1,447) | (1,385) | (1,319) | (1,216) | (1,109) | (1,077) | (1,048) | (950) |
| Net Power Supply Costs | - | - | - | (151) | (287) | (230) | (26) | - | - | - | - | - | (3) | - | - | - | - | - | - | - | - | - |
| Other | (312) | (286) | (291) | (938) | (483) | (83) | (9) | (84) | (59) | (45) | (27) | (24) | (15) | 5 | 1 | (6) | (6) | (1) | (16) | (7) | (7) | (7) |
| **Impact on Surplus/(Deficit)** | **(198)** | **175** | **(257)** | **(157)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** | **1,120** | **1,093** | **2,098** | **1,715** | **3,876** | **915** | 1,675 | **368** | **798** | **856** |
| ***check against Current Outlook Bottom Line*** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Revenue Pool Residual | 172 | 748 | 1,296 | 24 | | | | | | | | | | | | | | | | | | |

## Electricity Sector Outlook

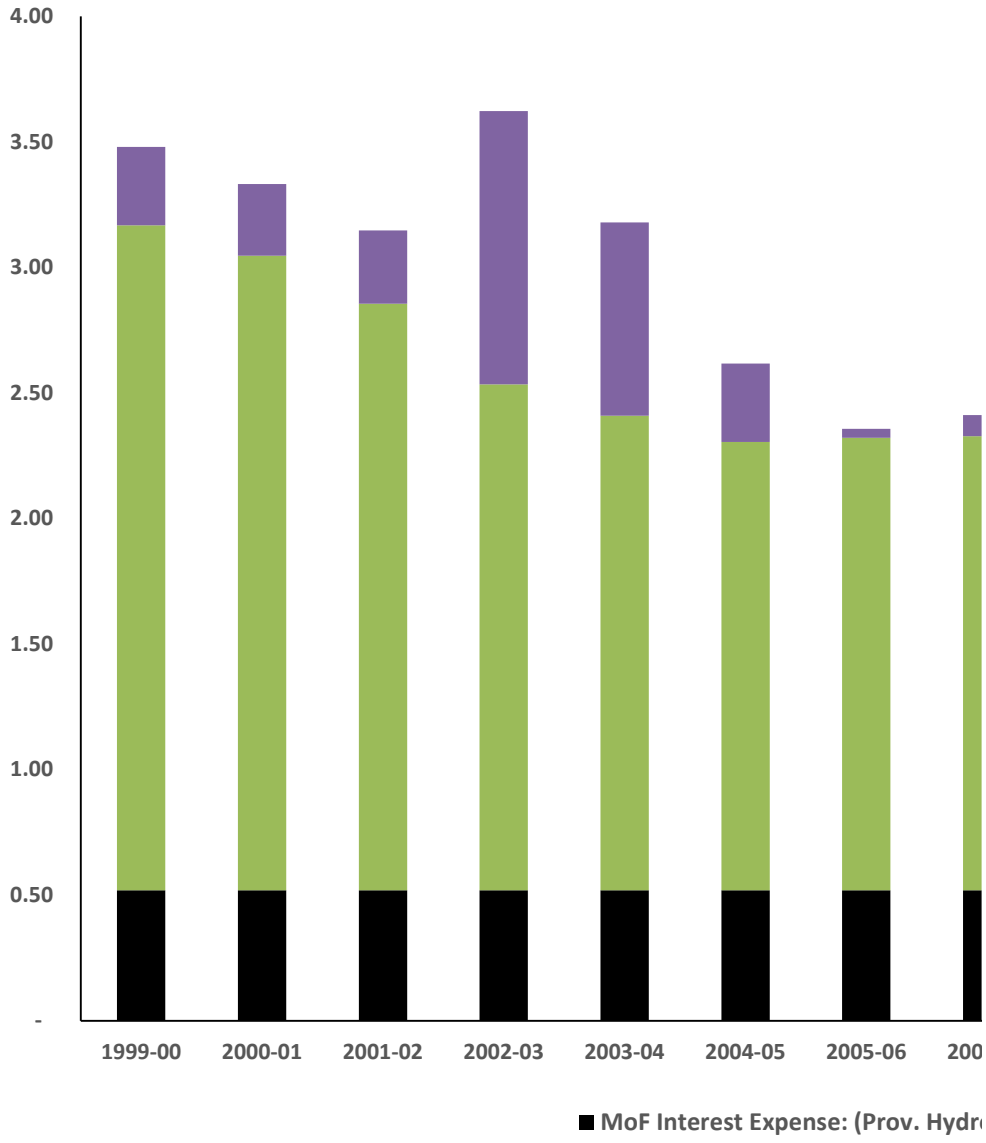
| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Pool Residual | 0.17 | 0.75 | 1.30 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| OPG and Hydro One Net Income | 0.90 | 0.78 | 0.18 | 0.72 | -0.02 | 0.44 | 1.11 | 0.95 | 1.21 | 0.71 | 0.85 | 1.05 | 0.87 | 0.93 | 1.61 | 1.55 | 0.72 | 0.86 | 1.45 | 853 | 1,140 | 1,115 |
| Payments-in-Lieu of Taxes, including CIT | 1.09 | 0.91 | 0.39 | 0.71 | 0.63 | 0.51 | 0.95 | 0.76 | 0.55 | 0.83 | 0.52 | 0.32 | 0.37 | 0.32 | 0.54 | 0.18 | 3.25 | 0.33 | 0.50 | 369 | 512 | 526 |
| Electricity Debt Retirement Charge | 0.00 | 0.00 | 0.00 | 0.89 | 1.00 | 1.00 | 1.02 | 0.99 | 0.98 | 0.97 | 0.91 | 0.94 | 0.95 | 0.94 | 0.95 | 0.96 | 0.86 | 0.62 | 0.60 | - | - | - |
| OEFC Interest Revenue: (Prov. Hydro One, OPG debt) | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.51 | 0.45 | 404 | 404 | 404 |
| OEFC Interest Revenue: Other | 0.60 | 0.55 | 0.51 | 0.44 | 0.25 | 0.22 | 0.22 | 0.21 | 0.26 | 0.27 | 0.23 | 0.22 | 0.22 | 0.20 | 0.20 | 0.21 | 0.20 | 0.19 | 0.18 | 189 | 171 | 144 |
| Net Reduction of Power Purchase Contracts | 0.00 | 0.00 | 0.00 | 0.16 | 0.10 | 0.24 | 0.40 | 0.41 | 0.40 | 0.37 | 0.35 | 0.34 | 0.32 | 0.26 | 0.24 | 0.22 | 0.17 | 0.13 | 0.07 | 41 | 30 | 28 |
| MoF Interest Expense: (Prov. Hydro One, OPG debt) | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.52 | -0.51 | -0.45 | (404) | (404) | (404) |
| OEFC Interest on Debt | -2.65 | -2.53 | -2.34 | -2.01 | -1.89 | -1.79 | -1.80 | -1.81 | -1.86 | -1.73 | -1.62 | -1.59 | -1.59 | -1.57 | -1.45 | -1.39 | -1.32 | -1.22 | -1.11 | (1,077) | (1,048) | (950) |
| Other Net Expenses | -0.31 | -0.29 | -0.29 | -1.09 | -0.77 | -0.31 | -0.04 | -0.08 | -0.06 | -0.05 | -0.03 | -0.02 | -0.02 | 0.01 | 0.00 | -0.01 | -0.01 | 0.00 | -0.02 | (7) | (7) | (7) |
| **Impact on Surplus/(Deficit)** | **(0)** | **0** | **(0)** | **(0)** | **(1)** | **0** | **2** | **1** | **1** | **1** | **1** | **1** | **1** | **1** | **2** | **2** | **4** | **1** | 2 | **368** | **798** | **856** |
| ***check*** | 197.802 | -174.83 | 256.74 | 156.84 | 694.31 | -310.69 | -1851.15 | -1419 | -1473.525 | -1375.5 | -1198.8 | -1254.9 | -1118.9 | -1090.9 | -2095.902 | -1713.285 | (3,872) | -914.50417 | (1,673) | 0 | 0 | 0 |

| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|---|---|---|---|---|---|---|
| MoF Interest Expense: (Prov. Hydr | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 |
| OEFC Interest on Debt | 2.65 | 2.53 | 2.34 | 2.01 | 1.89 | 1.79 |
| Other Net Expenses | 0.31 | 0.29 | 0.29 | 1.09 | 0.77 | 0.31 |

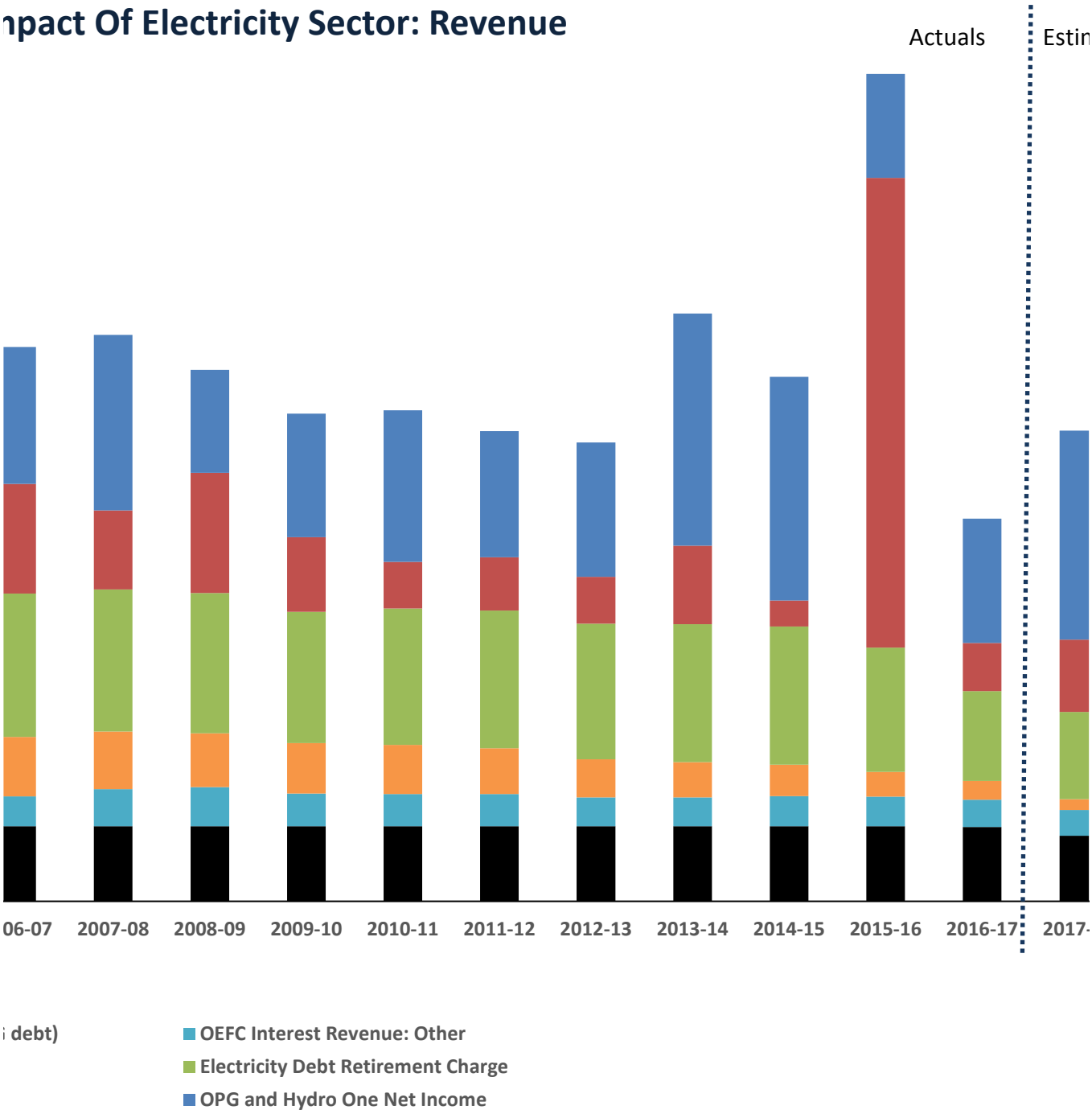
scale to $B
label Actual/Ezstimates



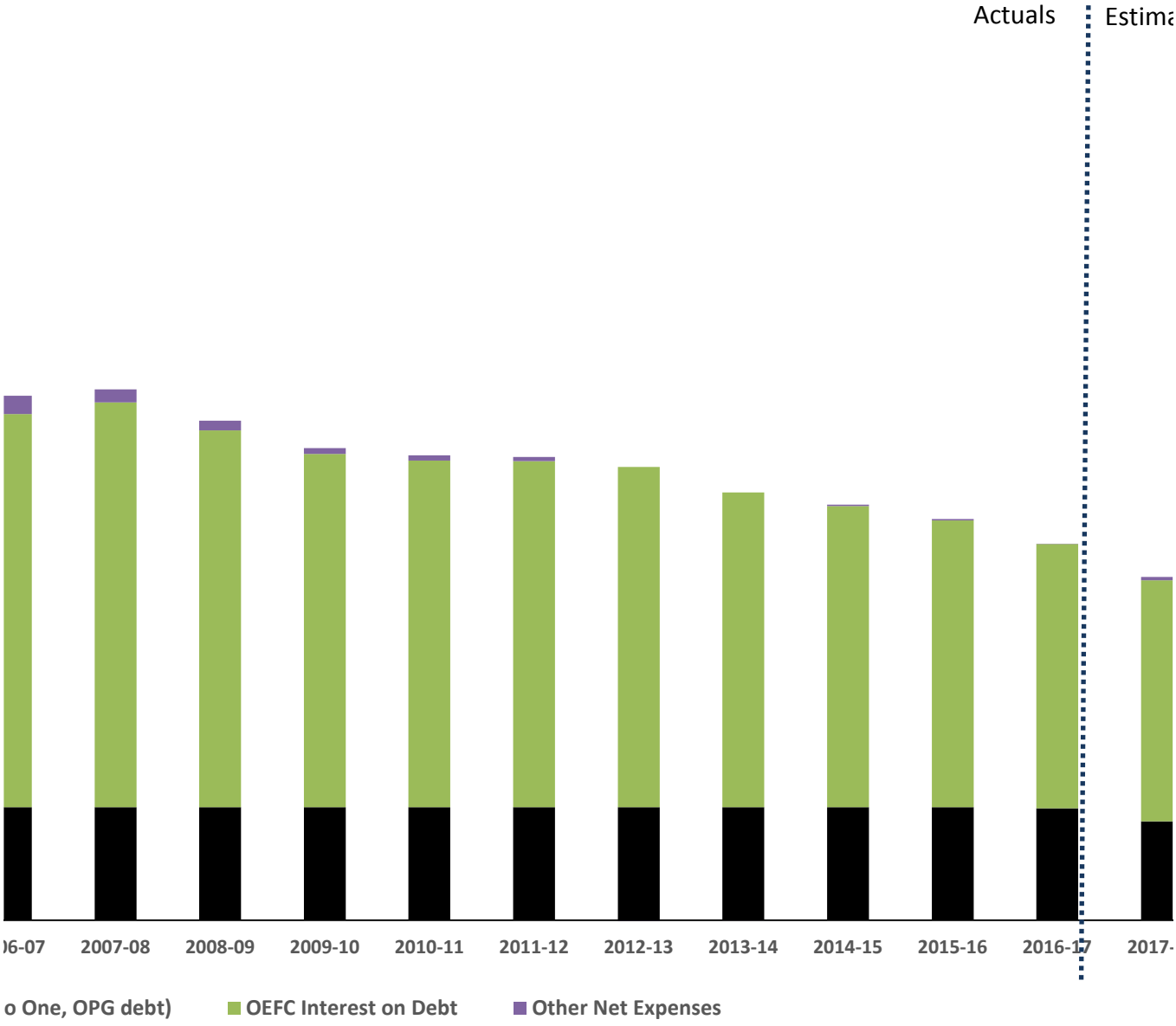
# Fiscal Impa


4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
-
1999-00
2000-01
2001-02
2002-03
2003-04
2004-05
2005-06
200
MoF Interest Expense: (Prov. Hydr

| 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|---|---|---|
| 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 |
| 1.80 | 1.81 | 1.86 | 1.73 | 1.62 | 1.59 | 1.59 | 1.57 | 1.45 | 1.39 |
| 0.04 | 0.08 | 0.06 | 0.05 | 0.03 | 0.02 | 0.02 | (0.01) | (0.00) | 0.01 |



## ıct Of Electricity Sector: Expense



| 2015-16 | 2016-17 | 2017-18 |
|---|---|---|
| 0.52 | 0.51 | 0.45 |
| 1.32 | 1.22 | 1.11 |
| 0.01 | 0.00 | 0.02 |

nates

-18

ates

-18

## Electricity Sector Outlook

| | 1999-00 | 2000-01 |
|---|---|---|
| **On Deck Outlook as of February 2018** | | |
| | | |
| **Income from Investment in Government Business Enterprises** | | |
| OPG Income[1] | 512 | 397 |
| OPG - ONFA and other Fair Value Adjustments[2] | | |
| Hydro One - Unrealized Gains Adjustment | | |
| HOI Income[3] | 391 | 386 |
| Brampton Income | | |
| **Total OPG and HOI Income** | **903** | **783** |
| | | |
| **Other Fees and Licences (Debt Guarantee fee)** | **156** | **157** |
| | | |
| **Electricity Expenses of the Province** | | |
| Provision for Electricity Sector[4] | Commercially Sensitive a | (263) |
| Public Debt Interest - Electricity Sector | (520) | (520) |
| **Subtotal** | (520) | (783) |
| Public Debt Interest - Impact of ONFA | **-** | **-** |
| Amortization of Deferred Revenue re profit on sale of H1 notes | **-** | **-** |
| **Total Electricity Expenses of the Province** | **(520)** | **(783)** |
| | | |
| **OEFC Income** | | |
| **Taxation Revenue** | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 1,089 | 907 |
| | | |
| **Other Revenue** | | |
| Electricity Debt Retirement Charge[5] | - | - |
| Power Supply Contract Recoveries | 741 | 695 |
| Net Reduction of Power Purchase Contracts | - | - |
| Other Fees and Licences | (156) | (157) |
| Revenue Pool Residual | 172 | 748 |
| Miscellaneous | 27 | 27 |
| | | |
| **Expenses** | | |
| Interest on Debt | (1,530) | (1,457) |
| Power Supply Contract Costs | (741) | (695) |
| Electricity Consumer Price Protection Fund | - | - |
| Demand Management Support Costs[6] | | |
| Provision for Electricity Sector | 383 | 263 |
| Other (Finance) | (339) | (313) |
| **Total OEFC Income** | **(354)** | **18** |
| | | |
| **Impact on Surplus/(Deficit)** | **185** | **175** |

| Actual | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2001-02** | **2002-03** | **2003-04** | **2004-05** | **2005-06** | **2006-07** | **2007-08** | **2008-09** | **2009-10** | **2010-11** |
| (167) | 340 | (399) | (60) | 603 | 495 | 519 | (83) | 775 | 657 |
| | | | | | | 288 | 266 | (384) | (243) |
| 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 |
| **179** | **717** | **(17)** | **444** | **1,107** | **947** | **1,214** | **713** | **854** | **1,048** |
| **153** | **147** | **134** | **138** | **138** | **140** | **139** | **141** | **138** | **137** |
| - | (197) | - | - | - | (67) | (422) | - | (644) | (771) |
| (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) |
| (520) | (717) | (520) | (520) | (520) | (587) | (942) | (520) | (1,164) | (1,291) |
| **-** | | 15 | - | - | - | - | - | - | - |
| **-** | (206) | 60 | 62 | 58 | 26 | - | - | - | - |
| **(520)** | **(923)** | **(445)** | **(458)** | **(462)** | **(561)** | **(942)** | **(520)** | **(1,164)** | **(1,291)** |
| 387 | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321 |
| - | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944 |
| 815 | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,288 |
| - | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339 |
| (153) | (147) | (134) | (138) | (138) | (140) | (139) | (141) | (138) | (137) |
| 1,296 | 24 | - | - | - | - | - | - | - | - |
| 18 | 216 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8 |
| (1,308) | (1,050) | (1,119) | (1,044) | (1,065) | (1,083) | (1,086) | (944) | (878) | (852) |
| (815) | (786) | (797) | (840) | (811) | (863) | (929) | (953) | (1,409) | (1,288) |
| - | (665) | (253) | 20 | - | - | - | - | - | - |
| - | 197 | - | - | - | 67 | 422 | - | 644 | 771 |
| (309) | (283) | (315) | (175) | (133) | (116) | (64) | (53) | (34) | (32) |
| **(69)** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362** |
| **(257)** | **(157)** | **(695)** | **311** | **1,853** | **1,420** | **1,475** | **1,377** | **1,200** | **1,256** |

$ Millions

| 2011-12 | 2012-13 | 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|
| 376 | 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| (120) | (107) | 475 | 239 | 172 | 43 | 194 | - | - | - |
| (23) | - | 10 | (8) | - | - | - | - | - | - |
| 639 | 792 | 786 | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| | | | | 20 | 18 | - | - | - | - |
| **872** | **929** | **1,605** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **136** | **135** | **136** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| (495) | (516) | (599) | (795) | - | (290) | (797) | (449) | (736) | (711) |
| (520) | (520) | (520) | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| (1,015) | (1,036) | (1,119) | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| - | - | - | | | | | | | |
| - | - | - | | | | | | | |
| **(1,015)** | **(1,036)** | **(1,119)** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| 367 | 324 | 543 | 180 | 3,247 | 334 | 499 | 369 | 512 | 526 |
| 952 | 939 | 954 | 956 | 859 | 621 | 604 | - | - | - |
| 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| (136) | (135) | (136) | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| - | - | - | - | - | - | - | - | - | - |
| 9 | 11 | 8 | 9 | 9 | 14 | - | - | - | - |
| (850) | (848) | (728) | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| (1,375) | (1,323) | (1,296) | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| - | - | - | - | - | - | - | - | - | - |
| | | | (9) | (8) | (8) | (10) | - | - | - |
| 495 | 516 | 599 | 795 | - | 290 | 797 | 449 | 736 | 711 |
| (24) | (6) | (7) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **1,127** | **1,064** | **1,476** | **1,353** | **3,549** | **737** | **1,379** | **269** | **700** | **765** |
| **1,120** | **1,092** | **2,098** | **1,715** | **3,876** | **915** | **1,675** | **368** | **798** | **856** |

| 2021-22 |
| --- |
| |
| |
| 670 |
| - |
| - |
| 465 |
| - |
| **1,135** |
| |
| **91** |
| |
| |
| (731) |
| (404) |
| (1,135) |
| |
| **(1,135)** |
| |
| |
| 560 |
| |
| |
| - |
| 98 |
| 28 |
| (91) |
| - |
| - |
| |
| |
| (282) |
| (98) |
| - |
| - |
| 731 |
| (7) |
| **939** |
| |
| **1,030** |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 808 | (232) | 103 | (389) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the completed sale of OPG head office properties and prospective sale of Lakeview lands. This accounts for $483M of the increase. Note that while the re-categorization itself is fiscally-neutral, net income impacts of the proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower projected IFRS adjustment (by $100M) for 2017-18 and lower OPG expenses than estimated at the time of Budget 2017.<br><br>2018-19 to 2020-21 chnages reflect the negative impact of higher projeceted IFRS adjustment impacts over that period partially offset by higher OPG net income in 2018-19 and 2020-21 and more than offset by higher OPG net income in 2019-20. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely due to revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **828.5** | **(441)** | **(89)** | **(603)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (672) | (449) | (736) | (711) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(635)** | **(361)** | **(648)** | **(623)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 93 | (107) | (26) | (152) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax components are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 672 | 449 | 736 | 711 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **692** | **223** | **568** | **395** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **886** | **-571** | **-158** | **-820** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 793 | (690) | (281) | (925) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | (40) |
| Operations Maintainance & Administration (labour costs etc.) | | 0 - (100) | 0 - (100) | 0 - (100) | 0 - (100) |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to retirement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy o**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**r updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of March 2017** **$ Millions**

| | Actual 2014-15 | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| Revenue Pool Residual | | | | | | | |
| Debt Retirement Charge | 956 | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | 53 | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 32 | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | | |
| OPG | 191 | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | | |
| IESO | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 13 | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 727 | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 1,038 | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | - | 172 | - | - | - | - | - |
| Miscellaneous | 9 | 9 | - | - | - | - | - |
| | 4,077 | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | | |
| Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | | |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | - | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 6 | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,481 | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | | 87 | | | | | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |
| | 658 | | | | | | |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**

**On Deck Outlook as of February 2018**

**$ Millions**

| | Actual | | | | | | | | | | Actual | Actual | Actual | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Revenue** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | | | | | | | | | | | | |
| Revenue Pool Residual | 24 | | | | | | | | | | | | | | | | | | |
| Debt Retirement Charge | 889 | 1,000 | 997 | 1,021 | 991 | 982 | 970 | 907 | 944.00 | 952 | 939 | 954 | 956 | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | | | | | | | | | | | | | | |
| OPG | 389 | 268 | 114 | 554 | 302 | 108 | 542 | 353 | 114.00 | 149 | 193 | 407 | 53 | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 266 | 221 | 214 | 193 | 230 | 221 | 113 | 60 | 92.00 | 145 | 100 | 98 | 95 | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | | | | | | | | | | | | | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 56 | 138 | 183 | 202 | 226 | 217 | 175 | 103 | 115.00 | 73 | 31 | 38 | 32 | 27 | 112 | 33 | 68 | 86 | 105 |
| Total PILs & CIT dedicated to OEFC[1] | 711 | 627 | 511 | 949 | 757 | 546 | 830 | 516 | 321.00 | 367 | 324 | 543 | 180 | 3,228 | 364 | 499 | 369 | 512 | 526 |
| Interest : | | | | | | | | | | | | | | | | | | | |
| OPG | 191 | 191 | 191 | 217 | 196 | 194 | 213 | 210 | 200.00 | 196 | 186 | 187 | 191 | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | 214 | 5 | - | - | - | | | | | | | | | | | | | | |
| IESO | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 1 | 0.70 | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520.00 | 520 | 520 | 520 | 520 | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 33 | 49 | 24 | (6) | 4 | 56 | 50 | 15 | 21.50 | 24 | 10 | 10 | 13 | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 964 | 771 | 741 | 737 | 725 | 776 | 789 | 746 | 742.20 | 742 | 717 | 719 | 727 | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 635 | 510 | 610 | 785 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,372 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 161 | 104 | 236 | 396 | 412 | 398 | 373 | 348 | 339.00 | 317 | 263 | 243 | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 197 | - | - | - | 67 | 422 | - | 644 | 771.00 | 495 | 516 | 599 | 1,038 | 3 | 302 | 797 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | | | | | | | | | | | | | 0 | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 10 | 10 | 10 | 66 | 6 | 5 | 8 | 7 | 8.00 | 9 | 11 | 8 | 9 | 9 | 14 | 0 | 0 | 0 | 0 |
| | 3,797 | 3,022 | 3,105 | 3,954 | 3,821 | 4,058 | 3,923 | 4,577 | 4,413.17 | 4,254 | 4,093 | 4,362 | 4,077 | 6,041 | 3,382 | 3,319 | 1,634 | 1,987 | 1,916 |
| **Expense** | | | | | | | | | | | | | | | | | | | |
| Debt interest | 2,014 | 1,890 | 1,785 | 1,802 | 1,808 | 1,862 | 1,733 | 1,624 | 1,594.00 | 1,592 | 1,565 | 1,447 | 1,385 | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | 162 | 142 | 93 | 69 | 25 | | | | | | | | | | | | | | |
| Demand Management Support Costs | | | | | | | | | | | | | 9 | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 105 | 91 | 69 | 60 | 59 | 57 | 47 | 28 | 26.00 | 18 | - | 0 | 0 | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 786 | 807 | 840 | 811 | 863 | 929 | 953 | 1,409 | 1,287.97 | 1,375 | 1,323 | 1,296 | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 147 | 134 | 138 | 138 | 140 | 139 | 141 | 138 | 137.00 | 136 | 135 | 136 | 131 | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 16 | 2 | 13 | 4 | 32 | 7 | 6 | 6 | 6.00 | 6 | 6 | 7 | 6 | 7 | 7 | 6 | 7 | 7 | 7 |
| | 3,895 | 3,389 | 2,918 | 2,884 | 2,927 | 2,994 | 2,880 | 3,205 | 3,050.97 | 3,127 | 3,029 | 2,886 | 2,481 | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | **(98)** | **(367)** | **187** | **1,070** | **894** | **1,064** | **1,043** | **1,372** | **1,362.20** | **1,127** | **1,064** | **1,476** | **1,596** | 3,705 | **1,191** | **1,911** | **269** | **700** | **765** |
| Prior period adjustment | | | | | | | | | | | | | | 87 | | | | | |
| **Stranded Debt - Year End** | **20,183** | **20,550** | **20,363** | **19,293** | **18,289** | **17,225** | **16,182** | **14,810** | **13,448.16** | **12,321** | **11,257** | **9,781** | **8,185** | 4,393 | **3,202** | **1,292** | **1,023** | **323** | **(442)** |

**1**

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2 2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | (35) | (18) | (19) | (9) | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. Reduction in 17-18 based on YTD actual MEU PILs. |
| Total PILs | (9) | 93 | (107) | (26) | (152) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and May 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 272 | 449 | 736 | 711 | Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income including the re-categorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>The increase in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 732 | 139 | 483 | 301 | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **823** | **223** | **568** | **395** | |
| **Stranded Debt - Year End** | **(391)** | **(1,214)** | **(1,437)** | **(2,005)** | **(2,400)** | |

**Provision for Electricity Sector** (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual | | | | | | | | | | | | | Actual | Actual | Actual | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07** | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | | | | | | | | | | | | | | | |
| OPG Income | 512 | 397 | (167) | 340 | (399) | (60) | 603 | 462 | 519 | (83) | 775 | 657 | 376 | 244 | 334 | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| Hydro One Income[1] | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 462 | 634 | 639 | 792 | 786 | 741 | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | | | | | | | | | | | | | | | | | 15 | | | | |
| **Total Income** | 903 | 783 | 179 | 717 | (17) | 444 | 1,107 | 914 | 926 | 447 | 1,237 | 1,291 | 1,015.00 | 1,036 | **1,120** | **1,315** | **523** | **815** | **1,251** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | | | | | | | | | | | | | | | | | |
| OPG | | | | | | | | | | | | | | | | | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | | | | | | | | | | | | | | | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | (520) | -520 | -520 | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | 383.00 | 263.00 | (341.00) | 197.00 | (537.00) | (76.00) | 587.00 | 394.00 | 406.00 | (73.00) | 717.00 | 771.00 | 495.00 | 516.00 | 600 | 795 | **3** | **302** | **797** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | | | | | | | | | | | | | | | | | |
| **Prior-year Adjustment[2]** | | | | | 40 | | | | 16 | | | | | | | | | 3 | | | | |
| **Exclude Brampton[3]** | | | | | | | | | | | | | | | | | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | | | | | | | | | | | | | | | | | **0** | **290** | **797** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only | | | | | | | | | | | | | | | | | | | | | |
| Opening Balance | - | - | - | (341) | (341) | (838) | (914) | (327) | - | - | (73) | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | - | - | (341) | - | (497) | (76) | 587 | 327 | - | (73) | 73 | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | - | - | (341) | (341) | (838) | (914) | (327) | - | - | (73) | - | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **383** | **263** | **-** | **197** | **-** | **-** | **-** | **67** | **422** | **-** | **644** | **771** | **495** | **516** | **599** | **795** | **0** | **290** | **797** | **449** | **736** | **711** |
| OEFC adjustment | | | | | | | | | | | | | | | | | | | | | | |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0** | **-** | **-** | **-** | **-** | **-** | **0** | **-243** | **3** | **302** | **797** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

ce-of-Ontario
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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 49.88% Provincial share allocation as of the Final offering in May 2017 and a 47.74% Provincial share allocation as of First nations share sale in December 2017 . Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

**2020-21**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| (116) | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| **104** | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| **404** | | | | | | | |

**2020-21**

| | | | | | | |
|---|---|---|---|---|---|---|
| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| 0 n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | |
|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 98 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |
| | 2021-22 | $ 98,255,464 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5

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ı_Mar15_if apply Jan1_Apr21.xls

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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

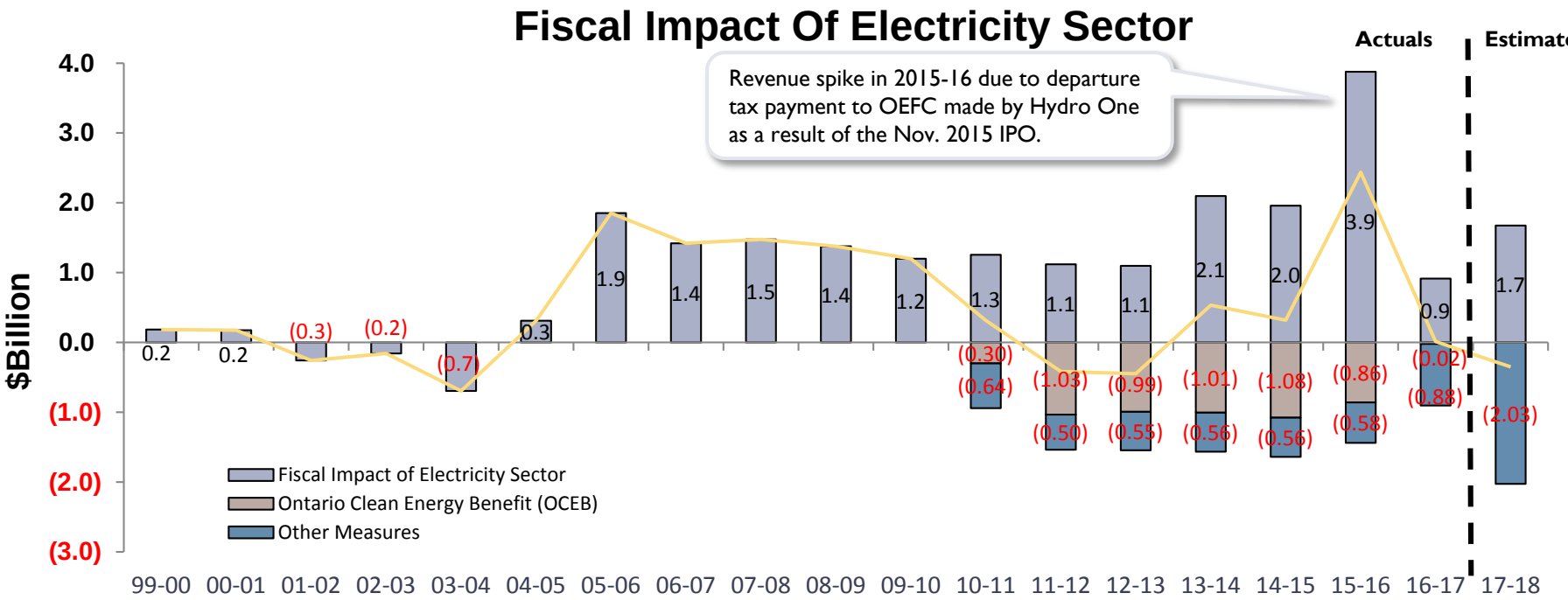
orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

DRAFT

# Fiscal Impact of the Electricity Sector and Electricity Sector Program Expenses



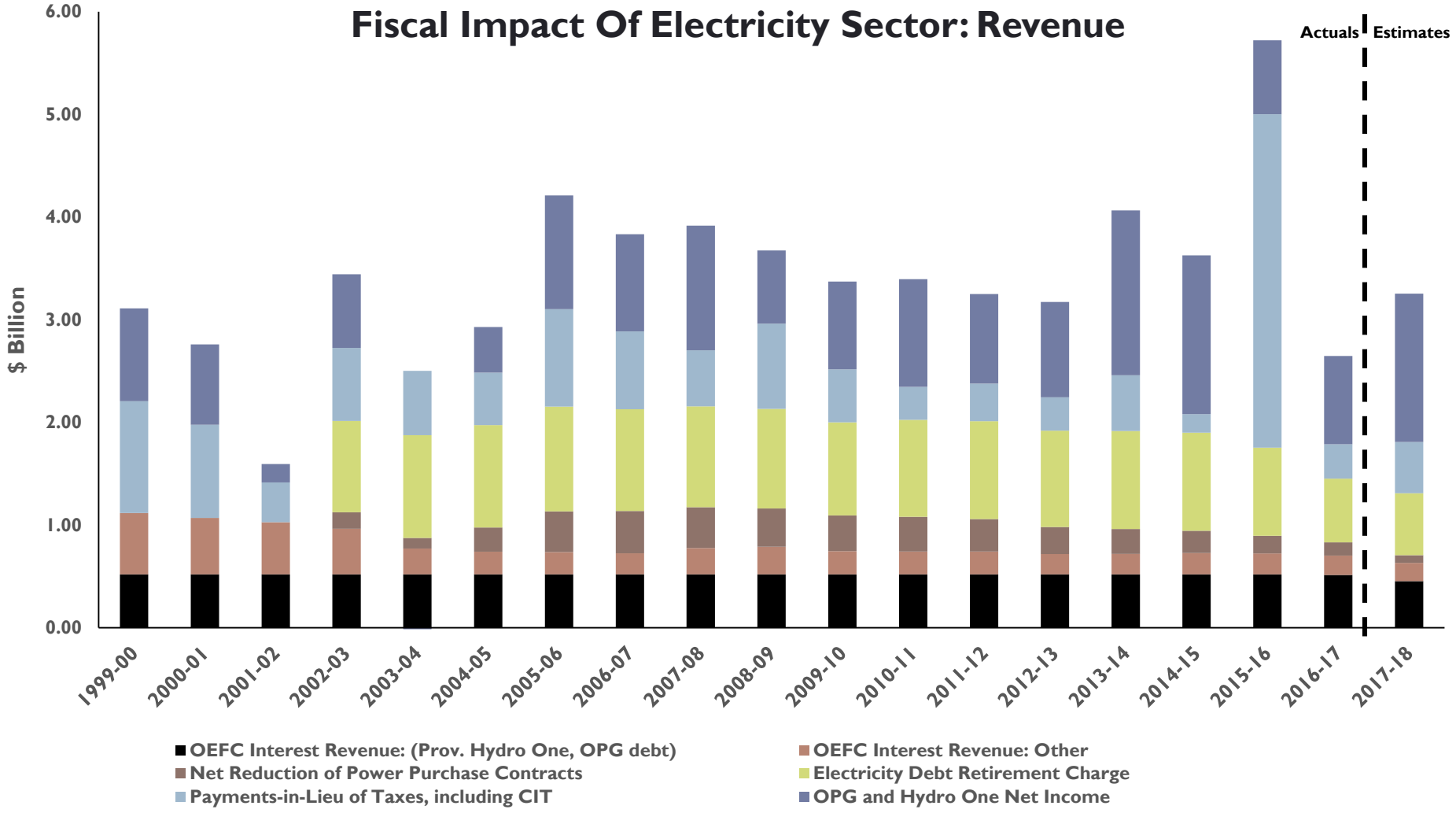

* Other Measures include Northern Ontario Energy Credit, Northern Industrial Electricity Rate Program, Ontario Electricity Support Program, Ontario Rebate for Electricity consumers, Rural and Remote Rate Protection and the energy portion of the Ontario Energy and Property Tax Credit. The latter is a provincial tax expenditure netted from Ontario's Sales Tax revenue for reporting purposes.

As a result of Hydro One ownership broadening, the Province's share of Hydro One net income has been reduced from 100% before the November 2015 IPO to 47.4% as of the final May 2017 offering and the December 2017 sale to First Nations.

The net fiscal impact chart does not include proceeds from the sale of Hydro One shares which were reported under Sales and Rentals.

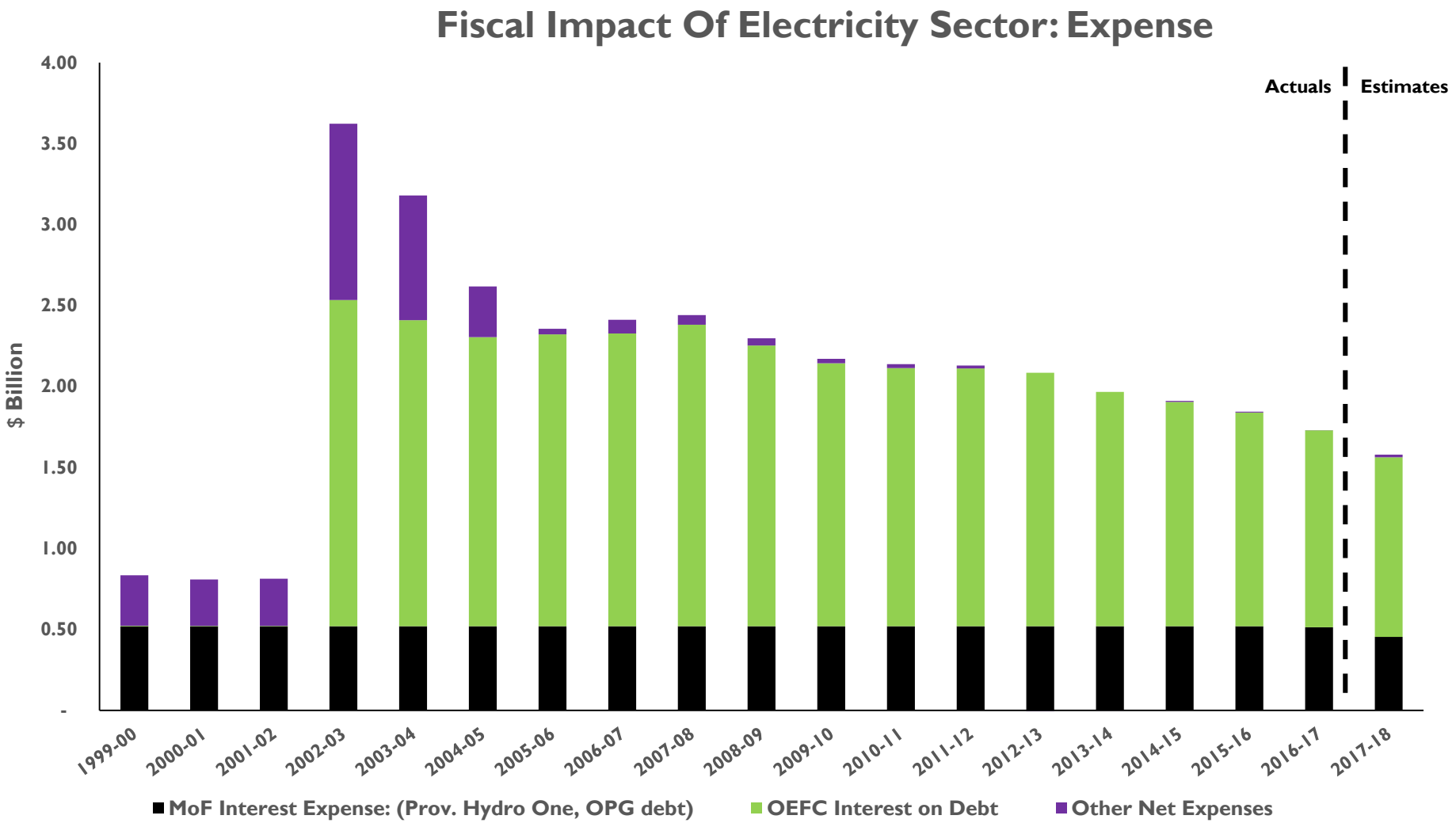
DRAFT

# Fiscal Impact of the Electricity Sector: Revenue Details



DRAFT

# Fiscal Impact of the Electricity Sector: Expense Details



# Fiscal Impact of the Electricity Sector Revenue and Expense Details

- The government dedicates the revenues it receives from the electricity sector to the OEFC to retire the debt and other liabilities of the former Ontario Hydro.

- Some electricity revenue streams are paid directly to the OEFC such as OPG's and Local Distribution Companies' payments in lieu of taxes and the Debt Retirement Charge (eliminated as of April 1, 2018).

- Other electricity revenues are received by the Province and transferred to the OEFC through a Ministry of Finance Expense.
  - E.g., MoF's Dedicated Electricity Earnings Expense transfers to OEFC, OPG and Hydro One net income, net of the Province's debt interest expense related to its Hydro One and OPG debt. Which is also paid to OEFC.
  - Upon consolidation the Province's Dedicated Electricity Earnings Expense is fully offset by the revenue received by OEFC (Electricity Sector Dedicated Income).
  - Hydro One corporate taxes received by the Ministry of Finance are also transferred to OEFC through an MoF expense.

- Key OEFC expenses include interest on debt payments, which are partially offset by interest on debt payments that it receives from other parties including the Province, OPG and IESO.

# Fiscal Impact of the Electricity Sector Revenue and Expense Details (continued)

- Revenues and expense do not include some revenues and expenses that are fully offsetting either with OEFC or upon consolidation of OEFC finances with the Province.
  - E.g., the charts do not include OEFC's offsetting Power Supply Contract Recoveries or Costs related to management of non-utility generator contracts.
  - MOF's Dedicated Earnings Expense, which transfers OPG and Hydro One net income to OEFC net of the Province's OPG and Hydro One debt interest costs are not shown as they are fully offset by the equivalent OEFC revenue.

# Risks

**REGULATORY**

- **Hydro One Deferred Tax Benefit**: The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccessful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. At the Province's current 47.4% average share allocation this would translate to about $420 million. An OEB hearing on this issue was held on February 12, 2018. The timing for an OEB decision on the Motion to Review and on an appeal, if necessary, is uncertain but is expected during 2018.

- **Hydro One Distribution:** OEB is expected to rule on the rate application for 2018 in the first half of 2018.

- **OPG Motion to Review**: OPG requested an effective date of January 1, 2017 for its 2017 multi-year rate application. The OEB, in its December 2017 Decision, approved an effective date of June 1, 2017. OPG filed a Motion with the OEB in January 2018 to review and vary this aspect of the OEB's December 2017 decision. An OEB hearing was held on April 10, 2018. A favourable OEB decision would increase OPG net income by about $300 million.

- **OPG Pension & OPEB Cost Recovery**: The OEB's decision on OPG's cost of service rate application for 2014 and 2015 rejected the accrual method of accounting for determination of Pension and other Post-Employment Benefit (OPEB) costs for ratemaking in years 2014 and 2015 in favour of cash cost recovery; however, the OEB provided for OPG to track the difference in costs in a deferral account pending an OEB generic hearing on recovery of such costs. The OEB's December 28, 2017 decision instructed OPG to submit a request to dispose of its Pension and OPEB deferral account balance during 2018. An adverse worst-case decision could result in a write-off to the deferral account asset with a impact to OPG net income of about $600 million.

**PERFORMANCE / POLICY**

- **The Darlington Refurbishment Project** is currently underway and while the project is described as on budget and on schedule, any significant delays and cost overruns could affect OPG's performance, subject to regulatory review, thereby affecting the Province's fiscal position. Furthermore, any exercise of policy off ramps on future unit refurbishments would adversely affect fiscal performance.

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | Bruno Amara |
| **Cc:** | Usman Zahid; John Kim |
| **Subject:** | RE: Electricity Update |
| **Date:** | Tuesday, January 09, 2018 7:08:39 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 08)_unpacked_v05_Markup.xlsm |

Hi Bruno.

I made some suggested edits to the variance explanations on the "Electricity Summary – Change" tab. Please review.

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** January-09-18 17:19
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Ron

Please see attached with update footnotes and Pension risk revised per our discussion.

Bruno

---

**From:** Ronald Kwan
**Sent:** Tuesday, January 09, 2018 5:16 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Bruno,

Please send me the revised version.

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** January-09-18 11:12
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** Electricity Update

Hi Ron

I realize we did not update various footnotes to reflect unpacking in the version I sent to you last night. We have now done this. I also revised the Risk table to shift the pension risk forward one-year, noting that while this risk may be mitigated by findings of the OEB report, OEB will make final decision with deferred decision. I haven't forwarded this for now to avoid any confusion with edits you may be making, but happy to do so.

Also we have coordinated with SIFB and FTD on the AO unpacking exercise to make sure we are all on same page before we share with Frost. We are just finalizing some summary tables on our unpacking exercise that we can send to you and/or walk you through.

I heard from CQSD late yesterday that wrap-up is on Monday. They would like to prepare ESDI update today for Helmut's review. I noted that we do have updates that we are finalizing and will send as soon as we can. We can check back to see if tomorrow will be OK as necessary.

I also let OPCD know that we are working on an update that will re-categorize AO impacts and will send them that version as it will be more accurate for Budget consolidation. But I will also offer them our Interim unpacked version if they want to use that for now.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 24 | 9 | - | 48 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (24) | (9) | - | (48) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 149 | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 327 | 388 | 419 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 377 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,906** | **1,138** | **1,048** | **1,341** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **779** | **57** | **42** | **429** |
| | | | ***check*** | ***-*** | ***-*** | ***(0)*** | ***-*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (101) | 9 | 0 | 48 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 101 | (9) | 0 | (48) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 52 | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (233) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (28) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(105)** | **(997)** | **(1,049)** | **(1,356)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(10)** | **(882)** | **(914)** | **(1,247)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
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| Revenue |
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|---|
| Expense |
| Expense |
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| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 779 | 57 | 42 |
| | | -15 | -10 | -882 | -914 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| | *0* | *0* | *0* | *0* |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***216.5*** | ***144.9*** | ***152.7*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (110.2) | (142.2) | (167.0) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 281.4 | (9.0) | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (281.4) | 9.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 281.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (0.1) | (0.3) | (0.4) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 106.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 110.2 | 142.2 | 167.0 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **216.5** | **144.9** | **152.7** |

| 2020-21 |
|---|
| 1,676 |
| 429 |
| -1,247 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | |

| |
|---|
| *0* |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***180.0*** |

***t***

| |
|---|
| |
| (170.4) |
| 0.0 |
| (47.6) |
| 47.6 |
| 0.0 |
| 135.3 |
| 0.0 |
| (0.4) |
| 0.0 |
| 44.9 |
| 0.0 |
| 170.4 |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **180.0** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

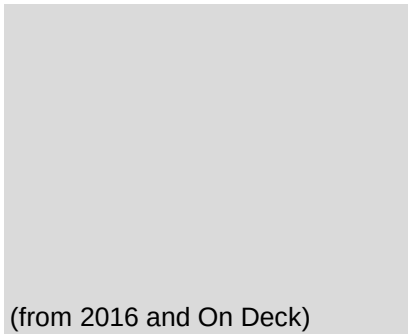
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 149 | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 327 | 388 | 419 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **650** | **463** | **381** | **575** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (24) | (9) | - | (48) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (478) | (463) | (454) | (502) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(478)** | **(463)** | **(454)** | **(502)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 377 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 24 | 9 | - | 48 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **506** | **(42)** | **17** | **265** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **779** | **57** | **42** | **429** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's latest monthly update and now includes re-caztegorization from Sales and Rentals to OPG net income (and OPG PILs) of OPG head office properties sale. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information and now reflect the re-categorization from sales and Rentals to Hydro One net income of the full impact of Hydro One broadening.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 52 | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely from re-categorization from Sales and Rentals to OPG net income (and OPG PILs) of the sale of OPG head office properties -- re-categorisation itself is fiscally-neutral, as Sales and Rentals will be lower than shown in Budget 2017, plus some in-year upside (about $90M), before the OEB rate decision for OPG. Recategorisation amount in net income (about $280 million) is largely offset by negative fiscal impact (about -$320M in net income, -$110M in PILs below) from OEB Dec. 28, 2017 rate decision for OPG, including effective date of new OPG rates of June 1, 2017 rather than Jan. 1, 2017 .<br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (233) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **33.0** | **(831)** | **(848)** | **(1,143)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 101 | (9) | - | (48) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.] [CHECK]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above), offset by lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. Note ESDI is also lowered as HYdro One net income now reflects the full impact of Hydro One share sales. Part of this impact was previously reflected in Sales and Rentals. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **138** | **29** | **38** | **(10)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (101) | 9 | - | 48 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(181)** | **(88)** | **(115)** | **(105)** | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(10)** | **(882)** | **(914)** | **(1,247)** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality. The pure changes to non-AO electricity sector changes is significantly fiscally negative -- approximately $xx M in 17-18 [and put in amounts by fiscal year] |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (105) | (997) | (1,049) | (1,356) | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimiza**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**ıtion strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 287 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 377 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 24 | 9 | 0 | 48 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,477 | 1,340 | 1,309 | 1,429 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,056** | **(42)** | **17** | **265** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (28) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (501) | 9 | - | 48 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>ESDI is alo lowered as the full impact of Hydro One share dispositions is now refelected in lower Hydro One net income tothe Province. Part of this impact was previously reflected in Sales and Rentals.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (111) | (155) | (195) | (186) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(31)** | **(88)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 149 | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 329 | 327 | 388 | 419 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **478** | **463** | **381** | **575** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **24** | **9** | **(73)** | **121** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **24** | **9** | **(73)** | **121** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | (73) |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | (73) | 73 |
| Ending Balance | 0 | 0 | 0 | 0 | (73) | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **24** | **9** | **0** | **48** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **24** | **9** | **0** | **48** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283.27 | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **149** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **320** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 149 | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **287** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

ce-of-Ontario
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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 183 | 134 | 103 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Ronald Kwan |
| **Cc:** | Usman Zahid; John Kim |
| **Subject:** | RE: Electricity Update |
| **Date:** | Wednesday, January 10, 2018 9:37:27 AM |
| **Attachments:** | Electricity Sector Outlook (2018 01 08)_unpacked_v05_with revsions.xlsm |

Hi Ron

Thanks. I put through all your edits. For the last edit (line 45) of the "Electricity Summary – Change", I added a footnote and table showing the fiscally-neutral AO changes vs. non-AO changes. Let me know if this works. Otherwise I can just list the changes in the text explanation per your edit.

Thanks
Bruno

---

**From:** Ronald Kwan
**Sent:** Tuesday, January 09, 2018 7:09 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Bruno.

I made some suggested edits to the variance explanations on the "Electricity Summary – Change" tab. Please review.

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** January-09-18 17:19
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: Electricity Update

Hi Ron

Please see attached with update footnotes and Pension risk revised per our discussion.

Bruno

---

**From:** Ronald Kwan
**Sent:** Tuesday, January 09, 2018 5:16 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>

**Subject:** RE: Electricity Update

Hi Bruno,

Please send me the revised version.

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** January-09-18 11:12
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** Electricity Update

Hi Ron

I realize we did not update various footnotes to reflect unpacking in the version I sent to you last night. We have now done this. I also revised the Risk table to shift the pension risk forward one-year, noting that while this risk may be mitigated by findings of the OEB report, OEB will make final decision with deferred decision. I haven't forwarded this for now to avoid any confusion with edits you may be making, but happy to do so.

Also we have coordinated with SIFB and FTD on the AO unpacking exercise to make sure we are all on same page before we share with Frost. We are just finalizing some summary tables on our unpacking exercise that we can send to you and/or walk you through.

I heard from CQSD late yesterday that wrap-up is on Monday. They would like to prepare ESDI update today for Helmut's review. I noted that we do have updates that we are finalizing and will send as soon as we can. We can check back to see if tomorrow will be OK as necessary.

I also let OPCD know that we are working on an update that will re-categorize AO impacts and will send them that version as it will be more accurate for Budget consolidation. But I will also offer them our Interim unpacked version if they want to use that for now.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

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Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 24 | 9 | - | 48 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (24) | (9) | - | (48) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 149 | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 329 | 327 | 388 | 419 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 377 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,906** | **1,138** | **1,048** | **1,341** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **779** | **57** | **42** | **429** |
| | | | ***check*** | ***-*** | ***-*** | ***(0)*** | ***-*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (101) | 9 | 0 | 48 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 101 | (9) | 0 | (48) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 52 | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (190) | (235) | (216) | (233) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (28) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(105)** | **(997)** | **(1,049)** | **(1,356)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(10)** | **(882)** | **(914)** | **(1,247)** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
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| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

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|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 779 | 57 | 42 |
| | | -15 | -10 | -882 | -914 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |

| | | | | |
|---|---|---|---|---|
| | *0* | *0* | *0* | *0* |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***216.5*** | ***144.9*** | ***152.7*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (110.2) | (142.2) | (167.0) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 281.4 | (9.0) | 0.0 |
| Provision for Electricity Sector (MOF) | (8.4) | (281.4) | 9.0 | 0.0 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 281.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (0.1) | (0.3) | (0.4) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 106.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 110.2 | 142.2 | 167.0 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **216.5** | **144.9** | **152.7** |

| 2020-21 |
|---|
| 1,676 |
| 429 |
| -1,247 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | |

| |
|---|
| *0* |

| |
|---|
| |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***180.0*** |

***t***

| |
|---|
| |
| (170.4) |
| 0.0 |
| (47.6) |
| 47.6 |
| 0.0 |
| 135.3 |
| 0.0 |
| (0.4) |
| 0.0 |
| 44.9 |
| 0.0 |
| 170.4 |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **180.0** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

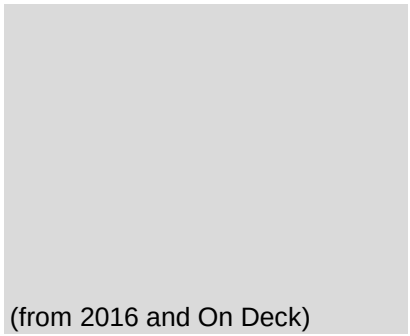
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 149 | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 329 | 327 | 388 | 419 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **650** | **463** | **381** | **575** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (24) | (9) | - | (48) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (478) | (463) | (454) | (502) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(478)** | **(463)** | **(454)** | **(502)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 377 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 24 | 9 | - | 48 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **506** | **(42)** | **17** | **265** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **779** | **57** | **42** | **429** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *(0)* | *(0)* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's latest monthly update and now includes re-caztegorization from Sales and Rentals to OPG net income (and OPG PILs) of OPG head office properties sale. 2018 to 2019-20 reflects OPG's 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget and OEB Dec. 28 rate decision. Note rate decsion impact is alloacted to net income and PILs on a 75%/25% basis respectively.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information and now reflect the re-categorization from sales and Rentals to Hydro One net income of the full impact of Hydro One broadening.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 52 | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely from re-categorization from Sales and Rentals to OPG net income (and OPG PILs) of the sale of OPG head office properties -- re-categorisation itself is fiscally-neutral, as Sales and Rentals will be lower than shown in Budget 2017, plus some in-year upside (about $95M), before the OEB rate decision for OPG. Recategorisation amount in net income (about $280 million) is largely offset by negative fiscal impact (about -$320M in net income, -$110M in PILs below) from OEB Dec. 28, 2017 rate decision for OPG, including effective date of new OPG rates of June 1, 2017 rather than Jan. 1, 2017 .<br>Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB Dec. 28, 2017 rate decision estimated impacts are allocated between OPG net income and PILs on a 75%/25% basis. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (190) | (235) | (216) | (233) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **33.0** | **(831)** | **(848)** | **(1,143)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 101 | (9) | - | (48) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.] [CHECK]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above), offset by lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. Note ESDI is also lowered as HYdro One net income now reflects the full impact of Hydro One share sales. Part of this impact was previously reflected in Sales and Rentals. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **138** | **29** | **38** | **(10)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (101) | 9 | - | 48 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(181)** | **(88)** | **(115)** | **(105)** | |
| **Impact on Surplus/(Deficit)[1]** | **(14.6)** | **(10)** | **(882)** | **(914)** | **(1,247)** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (105) | (997) | (1,049) | (1,356) | |
| Total Expenditure impact | 101 | (95) | (115) | (135) | (109) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimiza**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**ıtion strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 287 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 377 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 24 | 9 | 0 | 48 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,477 | 1,340 | 1,309 | 1,429 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,421 | 1,383 | 1,292 | 1,164 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,056** | **(42)** | **17** | **265** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (28) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (28) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (501) | 9 | - | 48 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>ESDI is alo lowered as the full impact of Hydro One share dispositions is now refelected in lower Hydro One net income tothe Province. Part of this impact was previously reflected in Sales and Rentals.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (111) | (155) | (195) | (186) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (79) | (66) | (80) | (81) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(31)** | **(88)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,146** | **2,189** | **2,172** | **1,906** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 149 | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 329 | 327 | 388 | 419 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **478** | **463** | **381** | **575** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **24** | **9** | **(73)** | **121** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **24** | **9** | **(73)** | **121** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | (73) |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | (73) | 73 |
| Ending Balance | 0 | 0 | 0 | 0 | (73) | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **24** | **9** | **0** | **48** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **24** | **9** | **0** | **48** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | 283.27 | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **149** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **320** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 149 | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | 95 | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **287** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

ce-of-Ontario
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ce-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 183 | 134 | 103 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Emily Kerr |
| **To:** | John Kim |
| **Subject:** | RE: Energy OESP TB Submission |
| **Date:** | Thursday, July 27, 2017 10:33:29 AM |

---

Thanks. I have asked Chris.

---

**From:** John Kim
**Sent:** Thursday, July 27, 2017 10:29 AM
**To:** Emily Kerr <Emily.Kerr@ofina.on.ca>
**Subject:** RE: Energy OESP TB Submission

It's the assessment note….often referred as RAN but not sure why.

---

**From:** Emily Kerr
**Sent:** Thursday, July 27, 2017 10:29 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Energy OESP TB Submission

Sure, I can contact Chris. Do you know what Ron means by RAN?

---

**From:** John Kim
**Sent:** Thursday, July 27, 2017 10:18 AM
**To:** Emily Kerr <Emily.Kerr@ofina.on.ca>
**Subject:** FW: Energy OESP TB Submission

Hi Emily,

Would you want to contact Chris? Let me know as I'm okay either way.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, July 27, 2017 10:04 AM
**To:** John Kim <John.Kim@ofina.on.ca>; Emily Kerr <Emily.Kerr@ofina.on.ca>
**Subject:** Energy OESP TB Submission

Hi,

I heard that Energy went to TB on auto-enrolment for OESP and FTEs for MCSS(?) for this purpose.

Would one of you ask PEMD for a copy (Chris?) of the submission and RAN.

Thanks,
Ron

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim; Bruno Amara |
| **Cc:** | Usman Zahid; Francisco Chinchon; Darren Scanlan |
| **Subject:** | RE: More audit requests |
| **Date:** | Tuesday, April 17, 2018 11:17:10 PM |
| **Attachments:** | OEFC MOF ODOE Variance Summary_v07_extract_Markup.xlsx |

Hi All,

Comments, as attached, primarily for EFB.

Ron

---

**From:** Darren Scanlan
**Sent:** April-17-18 1:17 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Francisco Chinchon <Francisco.Chinchon@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
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Thanks,
Darren

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**Cc:** John Kim <John.Kim@ofina.on.ca>; Francisco Chinchon <Francisco.Chinchon@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** Re: More audit requests

Hi,

Can this wait until EOD? Hard to read, as I don't think the row and column numbers and letters appear on the iPhone.

Ron

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> Hi Ron,

Please find attached proposed variance explanations for the OAG assembled by EFB and SIFB. The explanations cover a number of different time periods, including variance explanations for 16-17 vs. 18-19 and 18-19 vs. 20-21.

Happy to discuss. Saved here.

Thanks,
Darren

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**From:** Paramasivam, Luxman (MOF) [mailto:Luxman.Paramasivam@ontario.ca]
**Sent:** Monday, April 16, 2018 4:36 PM
**To:** Darren Scanlan <Darren.Scanlan@ofina.on.ca>
**Cc:** Kathy Grant (MOF) <Kathy.Grant@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Francisco Chinchon <Francisco.Chinchon@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Fred Chow (MOF) <Fred.Chow@ontario.ca>; Leah Young (MOF) <Leah.Young@ontario.ca>; Charow, Christopher (MOF) <Christopher.Charow@ontario.ca>
**Subject:** RE: More audit requests

Hi Daren,

TBS is ok if we can provide a program head approved response by **tomorrow, noon if possible**.

One more correction/requirement was missed for the request which was for an **explanation for variance between 2018-19 budget vs 2020-21 budget**, our apologies for this last minute correction, if you could confirm that what you have provided, or will be providing, in your response is sufficient enough for this request then that would work for us.

Please note audit field work is set to end this Wednesday, any follow-up question will have very tight turnaround times.

We are almost there! Any question please let us know.

Regards,

Luxman
905-433-5369

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**From:** Paramasivam, Luxman (MOF)
**Sent:** April 16, 2018 3:09 PM
**To:** 'Scanlan, Darren (OFA)' <Darren.Scanlan@ofina.on.ca>

**Cc:** Grant, Kathy (MOF) <Kathy.Grant@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Chinchon, Francisco (OFA) <Francisco.Chinchon@ofina.on.ca>; Zahid, Usman (OFA) <Usman.Zahid@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Chow, Fred (MOF) <Fred.Chow@ontario.ca>; Young, Leah (MOF) <Leah.Young@ontario.ca>; Charow, Christopher (MOF) <Christopher.Charow@ontario.ca>
**Subject:** RE: More audit requests

Hi Daren,

I noticed you provided a variance explanation for 2017-18 interim vs 2018-19 budget. It seems the OAGO is insisting on an explanation for 2016-17 actual vs 2018-19 budget variance.

Apologies for the confusion, you may not have been cc'd on this email to Bruno confirming the OAGO request.

Can you please update your variance explanation in this regards and ensure your program head has approved the response.

Thank you,

Luxman
905-433-5369

---

**From:** Scanlan, Darren (OFA) [mailto:Darren.Scanlan@ofina.on.ca]
**Sent:** April 16, 2018 2:16 PM
**To:** Paramasivam, Luxman (MOF) <Luxman.Paramasivam@ontario.ca>
**Cc:** Grant, Kathy (MOF) <Kathy.Grant@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Chinchon, Francisco (OFA) <Francisco.Chinchon@ofina.on.ca>; Zahid, Usman (OFA) <Usman.Zahid@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Chow, Fred (MOF) <Fred.Chow@ontario.ca>; Young, Leah (MOF) <Leah.Young@ontario.ca>; Charow, Christopher (MOF) <Christopher.Charow@ontario.ca>
**Subject:** RE: More audit requests

Hi Luxman,

Please find attached variance explanations for the OEFC related items. Happy to discuss if you have any questions or concerns.

Thanks,
Darren

---

**From:** Paramasivam, Luxman (MOF) [mailto:Luxman.Paramasivam@ontario.ca]
**Sent:** Friday, April 13, 2018 2:59 PM
**To:** Kathy Grant (MOF) <Kathy.Grant@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Fred Chow (MOF) <Fred.Chow@ontario.ca>; Leah Young (MOF) <Leah.Young@ontario.ca>; Charow, Christopher (MOF) <Christopher.Charow@ontario.ca>
**Subject:** RE: More audit requests

Hi Bruno,

Further to Kathy's email, the attached details part of the YoY variances explanations the auditor was looking for in the recent request. We pulled some info from the Electricity Sector Per worksheet for the response but I'm sure you folks can just confirm if the information was supplied from a previous responses (see pdf for more details).

Can you please confirm/update the variance explanations on the attached, or you may otherwise confirm if the information had already been supplied to the auditor in a previous response.

On a side note, it's odd the auditor is looking for 2016-17 actuals vs 2018-19 budget variance explanations, they may update the request for 2018-19 budget vs 2017-18 interim/budget.

Let us know if any questions.

Thanks,
Luxman
905-433-5369

---

**From:** Grant, Kathy (MOF)
**Sent:** April 13, 2018 2:36 PM
**To:** Bruno.Amara@ofina.on.ca
**Cc:** Kim, John (OFA) <John.Kim@ofina.on.ca>; Zahid, Usman (OFA) <Usman.Zahid@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Chow, Fred (MOF) <Fred.Chow@ontario.ca>; Paramasivam, Luxman (MOF) <Luxman.Paramasivam@ontario.ca>; Young, Leah (MOF) <Leah.Young@ontario.ca>
**Subject:** More audit requests

Hi Bruno,

Just a heads up that we have rec'd more requests to provide variance explanations for YOY changes in MOF's "Other Transactions" and "Services" lines. Based on our initial look, part of the OT response will reflect changes in ESDI, Asset Optimization and the CT

Provision line.  We're hoping some of this is covered off in what was already provided, but are reviewing further.

Apparently, there was some mix-up in the request and TBS/OAGO have pulled back the question (to be resent later today perhaps).  We'll send you more info asap.

The original deadline was for EOB today, however, we're expecting it will be extended to Monday or Tuesday.

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This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

<OEFC MOF ODOE Variance Summary_v07.xlsx>

| Set 1 | 2016-17 Actuals | 2017-18 Interim | 2016-17 vs 2017-18 Interim | |
|---|---|---|---|---|
| **OEFC - Dedicated Electricity Earning** | 289.5520 | 797.3165 | 507.7645 | Largely due to one-time boost to OPG net income in 2017-18 as a result of OPG real estate property transactions during the fiscal year. |
| **Ontario Electricity Financial Corporation Financial Benefit - Asset Optimization, the *Electricity Act, 1998*** | 411.1527 | | (411.1527) | The 2016-17 vs. 2017-18 variance shown above is due to the 2017-18 interim expense remaining subject to the Minister's determination and TB/MBC approval as at the time of 2017-18 interim estimates. Subsequently, an expense of $531.450818 M received TB/MBC approval on April 10, 2018 and is related to the sale of Hydro One shares in May 2017 and the sale of Hydro One Brampton. In the 2017-18 Public Accounts, this MOF expense will be offset by an equivalent OEFC revenue upon consolidation. |
| **Hydro One Inc., Provincial Corporate Tax Provision, the *Electricity Act, 1998*** | 24.8000 | | (24.8000) | The 2016-17 vs. 2017-18 variance is due to $0 recorded for the 2017-18 Interim expense related to the Hydro One 2017-18 corporation tax amount transferred to OEFC as the actual amount ($23.7M) only received TB/MBC approval post-Budget on April 10th. At Public Accounts, this MOF expense will be offset by an equivalent OEFC revenue upon consolidation. The out-years 2018-19 reflect the minimum $1,000 expense placeholder amount. Placeholder amounts are used as Hydro One is a reporting issuer and projections on future tax amounts are commercially sensitive. |

| Services | 2018-19 Budget | 2019-20 Budget | 2018-19 vs 2019-20 Budget | 2020-21 Budget | 2019-20 vs 2020-21 Budget |
|---|---|---|---|---|---|
| **Budget 2018 - Commitment to Support Senior to Live Independently (2019-20 and 2020-21)** | 0 | 350 | 350.00 | 350 | - |
| | | | - | | - |
| | **0** | **350** | **350.00** | **350** | **-** |

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Ronald Kwan |
| **Cc:** | Usman Zahid; Francisco Chinchon; Darren Scanlan; John Kim |
| **Subject:** | RE: More audit requests |
| **Date:** | Wednesday, April 18, 2018 12:10:36 PM |
| **Attachments:** | OEFC MOF ODOE Variance Summary_v08_extract_Markup5.xlsx |

Hi Ron

Thanks for your comments. We have revised explanations in attached.

Bruno

---

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**Sent:** Tuesday, April 17, 2018 11:17 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
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**Subject:** RE: More audit requests

Hi Bruno,

Further to Kathy's email, the attached details part of the YoY variances explanations the auditor was looking for in the recent request. We pulled some info from the Electricity Sector Per worksheet for the response but I'm sure you folks can just confirm if the information was supplied from a previous responses (see pdf for more details).

Can you please confirm/update the variance explanations on the attached, or you may otherwise confirm if the information had already been supplied to the auditor in a previous response.

On a side note, it's odd the auditor is looking for 2016-17 actuals vs 2018-19 budget variance explanations, they may update the request for 2018-19 budget vs 2017-18 interim/budget.

Let us know if any questions.

Thanks,
Luxman
905-433-5369

---

**From:** Grant, Kathy (MOF)
**Sent:** April 13, 2018 2:36 PM
**To:** Bruno.Amara@ofina.on.ca
**Cc:** Kim, John (OFA) <John.Kim@ofina.on.ca>; Zahid, Usman (OFA) <Usman.Zahid@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Chow, Fred (MOF) <Fred.Chow@ontario.ca>; Paramasivam, Luxman (MOF) <Luxman.Paramasivam@ontario.ca>; Young, Leah (MOF) <Leah.Young@ontario.ca>
**Subject:** More audit requests

Hi Bruno,

Just a heads up that we have rec'd more requests to provide variance explanations for YOY changes in MOF's "Other Transactions" and "Services" lines. Based on our initial look, part of the OT response will reflect changes in ESDI, Asset Optimization and the CT Provision line. We're hoping some of this is covered off in what was already provided, but are reviewing further.

Apparently, there was some mix-up in the request and TBS/OAGO have pulled back the question (to be resent later today perhaps). We'll send you more info asap.

The original deadline was for EOB today, however, we're expecting it will be extended to Monday or Tuesday.

---

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

<OEFC MOF ODOE Variance Summary_v07.xlsx>

| Set 1 | 2016-17 Actuals | 2017-18 Interim | 2016-17 vs 2017-18 Interim | |
|---|---|---|---|---|
| **OEFC - Dedicated Electricity Earning** | 289.5520 | 797.3165 | 507.7645 | Largely due to the one-time boost to OPG net income in 2017-18 as a result of OPG real estate property transactions during the fiscal year. |
| **Ontario Electricity Financial Corporation Financial Benefit - Asset Optimization, the *Electricity Act, 1998*** | 411.1527 | | (411.1527) | The 2016-17 vs. 2017-18 variance shown above is due to the 2017-18 interim expense remaining subject to the Minister's determination and TB/MBC approval as at the time of 2017-18 interim estimates. Subsequently, an expense of $531.450818 M received TB/MBC approval on April 10, 2018 and is related to the sale of Hydro One shares in May 2017 and the sale of Hydro One Brampton. In the 2017-18 Public Accounts, this MOF expense will be offset by an equivalent OEFC revenue upon consolidation. |
| **Hydro One Inc., Provincial Corporate Tax Provision, the *Electricity Act, 1998*** | 24.8000 | | (24.8000) | The 2016-17 vs. 2017-18 variance is due to $0 recorded for the 2017-18 Interim expense related to the Hydro One 2017-18 corporation tax amount transferred to OEFC as the actual amount ($23.7M) only received TB/MBC approval post-Budget on April 10th. At Public Accounts, this MOF expense will be offset by an equivalent OEFC revenue upon consolidation. The out-years 2018-19 reflect the minimum $1,000 expense placeholder amount. Placeholder amounts are used as Hydro One is a reporting issuer and projections on future tax amounts are commercially sensitive. |

| Services | 2018-19 Budget | 2019-20 Budget | 2018-19 vs 2019-20 Budget | 2020-21 Budget | 2019-20 vs 2020-21 Budget |
|---|---|---|---|---|---|
| **Budget 2018 - Commitment to Support Senior to Live Independently (2019-20 and 2020-21)** | 0 | 350 | 350.00 | 350 | - |
| | | | - | | - |
| | **0** | **350** | **350.00** | **350** | **-** |

| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim |
| **Cc:** | Deena Padamadan; Bruno Amara; Shajee Kathirgamanathan |
| **Subject:** | RE: OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx |
| **Date:** | Wednesday, May 03, 2017 6:25:40 PM |
| **Attachments:** | OPG Business Plan Meeting (2017 05 01 v2)_Markup2.pptx |

Hi,

I took out the specific refurb example, and took out the 20-21 column in the additional IFRS risk, as we don't have it, not that it does not exist.

Ron

---

**From:** John Kim
**Sent:** May-03-17 18:10
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Deena Padamadan <Deena.Padamadan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx

Hi Ron,

Pls. see attached back pocket for tomorrow's meeting.

John

DRAFT

# OPG Fiscal Impacts

Corporate and Electricity Finance Division
2017-05-01

DRAFT

# OPG Fiscal Impact

- The table below illustrates OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **OPG Net Income - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan*[1] | 349 | 702 | 678 | 726 | 913[1] |
| *OPG Monthly Shareholder Update (February 2017)* | 30 | | | | |
| *OPG IFRS Consolidation Risk*[2] | (75) | (400) | - | (200) | - |
| *OPG Head Office Sales (Reported under Sales and Rentals)*[3] | | (222) | | | |
| *GA Refinancing – OPG Trust Interest Revenue* | | 17 | 54 | 99 | 153 |
| ***OPG Net Income (After Tax, Adjusted)*** | **304** | **97** | **732** | **625** | **1,066** |
| *ONFA Adjustments*[4] | 8 | - | - | - | - |
| **OPG Income Tax PILs - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan* | 96 | 166 | 135 | 170 | 298[1] |
| *OPG Monthly Shareholder Update (February 2017)* | (4) | | | | |
| *OPG Head Office Sales (Reported under Sales and Rentals)*[3] | | (74) | | | |
| ***OPG Income Tax PILs (Adjusted)*** | 92 | 92 | 135 | 170 | 298 |

1 Fiscalized projection from OPG Business Plan

2 IFRS risk is related to Province's reporting of nuclear asset retirement obligations. The Ontario Auditor General recommended (2016 AG Report) that the Province include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards, versus the companies U.S. GAAP basis of reporting.

3 For public Budget reporting, projected net impacts of Province asset optimization strategy including, OPG Head Office sale, are reported under Sales and Rentals for commercial confidentiality. OPG proceeds estimate updated per 2017 Budget.

4 Provincial consolidation adjustments for unrealized earnings on decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds.

DRAFT

# Updated OPG Fiscal Impacts

- The table below illustrates updated OPG's net income, income tax PILs and ONFA adjustment figures from the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Other updates since Budget 2017** | | | | | |
| *March 2017 Shareholder Update: OPG Net Income* | 385 | - | - | - | - |
| *March 2017 Shareholder Update: Income Tax Expense* | 94 | - | - | - | - |
| *ONFA Adjustments (as at Mar 31, 2017)* | 49 | - | - | - | - |

# Risks

- **OEB Risks:** OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing) and unfavourable future treatment of pension costs would adversely affect OPG's results, resulting in negative fiscal impacts.
- **IFRS Risks:** A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| *Net additional OPG IFRS Consolidation Risks* | - | (25) | (525) | (475) |

- **Financing Costs:** Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

# Risks – Darlington Refurbishment

- **Darlington Refurbishment Risk:** Darlington Refurbishment is executed consistent with the approved project budget and schedule. Failure to maintain cost and schedule commitments for the project could potentially result in significant write-offs against net income as well as reputational damage. In addition, inability to carry out the refurbishment of the first unit as planned may result in the Province of Ontario (Province) not proceeding with OPG's refurbishment of the remaining units.

# Electricity Sector Rules of Thumb

- **OPG Rule of Thumb**: For every $50M change in OPG revenues due to changes in regulated prices, all-in rate impact of about 0.04 ¢/kWh (less than 0.25% of total bill)

| OPG Risks | Fiscal Impact |
|---|---|
| Realised gains in ONFA funds v plan -/+ 1% | -/+ $100 million |
| Change in Regulated Prices -/+ 1% | -/+ $40 million |
| Regulated ROE -/+ 1% | -/+ $45 million |
| Nuclear regulated price -/+ 0.1 ¢/kWh | -/+ $40 million |
| Hydro regulated price -/+ 0.1 ¢/kWh | -/+ $20 million |
| Nuclear output -/+ 1 TWh | -/+ $70 million |
| Hydro output -/+ 1 TWh | -/+ $45 million |

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Ronald Kwan |
| **Cc:** | Deena Padamadan; Bruno Amara; Shajee Kathirgamanathan |
| **Subject:** | RE: OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx |
| **Date:** | Thursday, May 04, 2017 8:13:50 AM |
| **Attachments:** | OPG Business Plan Meeting (2017 05 01 v2)_Markup4.pptx |

Hi Ron,

If I understand you right, yes, it is the 8M ONFA that is the difference. Made the change in red.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, May 04, 2017 1:54 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Deena Padamadan <Deena.Padamadan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx

Hi John,

I added in an extract of the appendix table from the TBS BN, but the net income difference does not seem to add up (differs by 8, which may be the ONFA adjustment amount) – does the table need to be fixed (on slide 3 as well as the appendix E table?

Ron

---

**From:** Ronald Kwan
**Sent:** May-03-17 6:26 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Deena Padamadan <Deena.Padamadan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx

Hi,

I took out the specific refurb example, and took out the 20-21 column in the additional IFRS risk, as we don't have it, not that it does not exist.

Ron

---

**From:** John Kim
**Sent:** May-03-17 18:10

**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** Deena Padamadan <Deena.Padamadan@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** OPG Business Plan Meeting (2017 05 01 v2)_Markup.pptx

Hi Ron,

Pls. see attached back pocket for tomorrow's meeting.

John

DRAFT

# OPG Fiscal Impacts

Corporate and Electricity Finance Division
2017-05-01

DRAFT

# OPG Fiscal Impact

- The table below illustrates OPG's fiscal impacts in the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **OPG Net Income - 2017 Ontario Budget / Fiscal Plan** | | | | | |
| *OPG 2017-19 Business Plan*[1] | 349 | 702 | 678 | 726 | 913[1] |
| *OPG Monthly Shareholder Update (February 2017)* | 30 | | | | |
| *OPG IFRS Consolidation Risk*[2] | (75) | (400) | - | (200) | - |
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| **OPG Income Tax PILs - 2017 Ontario Budget / Fiscal Plan** | | | | | |
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| ***OPG Income Tax PILs (Adjusted)*** | 92 | 92 | 135 | 170 | 298 |

1 Fiscalized projection from OPG Business Plan

2 IFRS risk is related to Province's reporting of nuclear asset retirement obligations. The Ontario Auditor General recommended (2016 AG Report) that the Province include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards, versus the companies U.S. GAAP basis of reporting.

3 For public Budget reporting, projected net impacts of Province asset optimization strategy including, OPG Head Office sale, are reported under Sales and Rentals for commercial confidentiality. OPG proceeds estimate updated per 2017 Budget.

4 Provincial consolidation adjustments for unrealized earnings on decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds.

DRAFT

# OPG Fiscal Impact Changes

- The table below illustrates OPG's fiscal impact variances in the 2017 Budget vs 2016 Budget.

| OPG Net Income and Income tax ($ Millions) | | | | |
|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| **2016 Budget[1]** | | | | |
| Net Income | 471 | 586 | 673 | |
| Income Tax | 224 | 159 | 182 | |
| **2017 Budget** | | | | |
| Net Income 2017 Budget | 312 | 97 | 732 | 625 |
| Income tax 2017 Budget | 92 | 92 | 135 | 170 |
| **2016 Budget vs. 2017 Budget (including IFRS and sales & rental adjustments)** | | | | |
| Net Income | -159 | -489 | 59 | |
| Income taxes | -132 | -67 | -47 | |
| **2016 Budget vs. 2017 Budget (Before IFRS and sales & rental adjustments)** | | | | |
| Net Income | -84 | 133 | 59 | 200 |
| Income taxes | -132 | 7 | -47 | 0 |

1. 2016 Budget fiscal plan was largely based on OPG's 2015 multi-year business plan, as the 2016 multi-year business plan was approved and submitted following the timeframe for locking the numbers for the early 2016 Budget.
2. OPG February 2017 Monthly Update
3. IFRS risk is related to Province's reporting of nuclear asset retirement obligations. The Ontario Auditor General recommended (2016 AG Report) that the Province include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards, versus the companies U.S. GAAP basis of reporting.
4. For public Budget reporting, projected net impacts of Province asset optimization strategy including, OPG Head Office sale, are reported under Sales and Rentals for commercial confidentiality. OPG proceeds estimate updated per 2017 Budget.
5. Provincial consolidation adjustments for unrealized earnings on decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds.

DRAFT

# Updated OPG Fiscal Impacts

- The table below illustrates updated OPG's net income, income tax PILs and ONFA adjustment figures from the 2017 Budget forecast.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Other updates since Budget 2017** | | | | | |
| *March 2017 Shareholder Update: OPG Net Income* | 385 | - | - | - | - |
| *March 2017 Shareholder Update: Income Tax Expense* | 94 | - | - | - | - |
| *ONFA Adjustments (as at Mar 31, 2017)* | 49 | - | - | - | - |

# Risks

- **OEB Risks:** OPG's multi-year rate application to the Ontario Energy Board for the period starting January 1, 2017, is currently in process. Potential OEB decisions providing for lower rates, including disallowance of recovery of OPG's operating costs, current or future deferral and variance account balances (including for the proposed nuclear rate smoothing) and unfavourable future treatment of pension costs would adversely affect OPG's results, resulting in negative fiscal impacts.
- **IFRS Risks:** A change in the basis of accounting used for consolidation of OPG results from U.S. GAAP to International Financial Reporting Standards (IFRS) on the Province's financial statements is expected to result in potentially significant fiscal impacts.

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| *Net additional OPG IFRS Consolidation Risks* | - | (25) | (525) | (475) |

- **Financing Costs:** Higher cost public capital market borrowing (vs the Province's borrowing cost for OEFC to lend to OPG) would have a negative fiscal impact.

# Risks – Darlington Refurbishment

- **Darlington Refurbishment Risk:** Darlington Refurbishment is executed consistent with the approved project budget and schedule. Failure to maintain cost and schedule commitments for the project could potentially result in significant write-offs against net income as well as reputational damage. In addition, inability to carry out the refurbishment of the first unit as planned may result in the Province of Ontario (Province) not proceeding with OPG's refurbishment of the remaining units.

# Electricity Sector Rules of Thumb

- **OPG Rule of Thumb**: For every $50M change in OPG revenues due to changes in regulated prices, all-in rate impact of about 0.04 ¢/kWh (less than 0.25% of total bill)

| OPG Risks | Fiscal Impact |
|---|---|
| Realised gains in ONFA funds v plan -/+ 1% | -/+ $100 million |
| Change in Regulated Prices -/+ 1% | -/+ $40 million |
| Regulated ROE -/+ 1% | -/+ $45 million |
| Nuclear regulated price -/+ 0.1 ¢/kWh | -/+ $40 million |
| Hydro regulated price -/+ 0.1 ¢/kWh | -/+ $20 million |
| Nuclear output -/+ 1 TWh | -/+ $70 million |
| Hydro output -/+ 1 TWh | -/+ $45 million |

**From:** Gavin He
**To:** John Kim; Bruno Amara
**Subject:** RE: OPG Revenue
**Date:** Wednesday, November 29, 2017 1:36:28 PM
**Attachments:** OPG 2017 Budget_v5.xlsx

---

Hi John/Bruno,

Please find attached the footnotes for PILs.

The income tax and property taxable payable were sourced from 2017-19 BP, but the GRC payable to OEFC was sourced from the older 2015-17 BP. I added below language:

"From OPG's 2015-17 Business Plan. OPG's 2017-19 BP included the total GRC number payable to OEFC and NPC, without the details. The breakdown information of the GRC payable to OEFC was provided after the numbers were locked for Budget 2017."

Please let me know if this works.

Thanks,
Gavin He

---

**From:** Bruno Amara
**Sent:** Wednesday, November 29, 2017 1:18 PM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: OPG Revenue

Hi Gavin

Could you add those please. I assume it OPG 2017-19 business plan.

Thanks
Bruno

Sent from my iPhone

On Nov 29, 2017, at 1:12 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Thanks Bruno.
>
> Is the source for the PILs and GRC being footnoted as well.

Fine to send the spreadsheet with that added.  And let's hold on to the source IFRS one for now, should there be a follow up.

Ron

---

**From:** Bruno Amara
**Sent:** November 29, 2017 1:10 PM
**To:** Ronald Kwan
**Cc:** Usman Zahid; John Kim; Gavin He
**Subject:** Re: OPG Revenue

Hi Ron

I'm good with edits and Yes , adjustments are consistent with final information we received post 2017 Document.

Bruno

Sent from my iPhone

On Nov 29, 2017, at 11:46 AM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Bruno,
>
> Some suggestions for the spreadsheet.  Are the IFRS numbers consistent with what we learned from OB & OPCD on the IFRS numbers subsequent to the 2017 Document?
>
> Ron
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Thursday, November 23, 2017 5:23 PM
> **To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>

**Cc:** John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi Ron

Answer limited to 18-19 and 19-20 per your comment. We added a footnote consistent with our FAO response re, prudence wrt to IFRS assumption in 16-17 and 17-18 etc. Also attached is source from OPG.

Bruno

---

**From:** Ronald Kwan
**Sent:** Thursday, November 23, 2017 3:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

The request also seems to be just for 18-19 and 19-20. Is that right? Why provide more?

Ron

---

**From:** Ronald Kwan
**Sent:** November-23-17 15:30
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi,

Do we know what Energy wants to use them for? And can we point directly to an OPG source document for the numbers, including on the IFRS side, even if not fully picked up?

Ron

---

**From:** Usman Zahid
**Sent:** November-23-17 15:27
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>

**Subject:** FW: OPG Revenue

Hi Ron,

The Ministry of Energy has reached out requesting OPG revenue numbers built in budget 2017. EFB has prepared the attached table, including the IFRS adjustment built-in for Budget 2017.

They are also considering including the FAO response as part of the explanation. Are you okay with sending this table to Energy, or should we exclude the IFRS adjustment?

Regards,
Usman

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 12:05 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: OPG Revenue

Hi Usman,

The Ministry of Energy has reached out to us to acquire the OPG revenue numbers built-in for Budget 2017 for 2018-19 and 2019-20. We have prepared the attached table outlining the information they requested, including the IFRS adjustments built-in for Budget 2017. In addition, we are thinking about attaching the FAO response as part of the explanations to the table as well.

Could you please let us know if Ron is okay with this table going to Energy, or should we exclude the IFRS adjustments?

Thanks,
Gavin He

---

**From:** Young, Graham (ENERGY) [mailto:Graham.Young@ontario.ca]
**Sent:** Thursday, November 23, 2017 9:41 AM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>
**Subject:** OPG Revenue

Hi Gavin,

Can you provide me with the OPG revenue numbers used in Budget 2017 for 2018/19 and 2019/20? I'm not able to pull them out of the document because they're aggregated up with other GBE's. Please include net income, GRC, property tax payable and income tax PILS if possible.

Thank you,

**Graham Young**
**Senior Policy Advisor**
Strategic Policy and Analytics Branch
Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

<OPG 2017 Budget_v4_Markup.xlsx>

## Budget 2017 Outlook for OPG

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Interest Revenue from OPG Trust*[2] | *54* | *99* |
| IFRS Adjustment[3] | - | (200) |
| **Total OPG Net Income** | **732** | **625** |

1. From OPG's 2017-19 Business Plan.

2. Note: Relates only to the portion financed by sub-debt related to the Province's equity injection into OPG. Values estimated by OFA based on an assumed fiscal neutrality between the Province's interest cost on the equity injection and higher OPG interest revenue related to the sub-debt related to the equity injection.

3. Note: IFRS Provincial consolidation adjustments provided by OPG were not fully reflected in Budget 2017, as determined at a centralised level during the fiscal plannning process. IFRS was fully picked up in 2016-17 and 2017-18 reflecting the higher degree of prudence included in the near term period. The out-year impacts, 2018-19 onwards will be assessed, pending receipt of revised IFRS consolidation adjustment estimates at the time of the next Budget and it is expected that these revised estimates will be reflected in the Province's income from OPG/Hydro One.

| | 2018-19 | 2019-20 |
|---|---|---|
| Payments-in-lieu of tax: | | |
| Income Taxes[1] | 135 | 170 |
| GRC: Payable to OEFC[4] | 212 | 218.5 |
| Proxy Property Tax[1] | 19 | 19 |
| **Total OPG PILs** | **366** | **407.5** |

1. From OPG's 2017-19 Business Plan.

2. From OPG's 2015-17 Business Plan. OPG's 2017-19 BP included the total GRC number payable to OEFC and NPC, without the details. The breakdown information of the GRC payable to OEFC was provided after the numbers were locked for Budget 2017.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Ronald Kwan |
| **Cc:** | John Kim; Gavin He; Usman Zahid |
| **Subject:** | RE: OPG Revenue |
| **Date:** | Thursday, November 23, 2017 5:23:24 PM |
| **Attachments:** | OPG 2017 Budget_v4.xlsx<br>OPG ONFA Analysis _For Province_Mar 24 2017_cv (005).pdf |

Hi Ron

Answer limited to 18-19 and 19-20 per your comment. We added a footnote consistent with our FAO response re, prudence wrt to IFRS assumption in 16-17 and 17-18 etc. Also attached is source from OPG.

Bruno

---

**From:** Ronald Kwan
**Sent:** Thursday, November 23, 2017 3:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

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**Sent:** November-23-17 15:30
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**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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**Senior Policy Advisor**
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Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

## Budget 2017 Outlook for OPG

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Trust Interest Revenue*[2] | *54* | *99* |
| IFRS Adjustment[3] | - | (200) |
| **Total OPG Net Income** | **732** | **625** |

1. From OPG's 2017-19 Business Plan.
2. Note: Values estimated by OFA.

3. Note: IFRS adjustments provided by OPG were not fully reflected in Budget 2017. IFRS was fully picked up in 2016-17 and 2017-18 reflecting the higher degree of prudence included in the near term period. The out-year impacts, 2018-19 onwards will be assessed, pending receipt of revised IFRS consolidation adjustment estimates at the time of the next Budget and it is expected that these revised estimates will be reflected in the Province's income from OPG/Hydro One.

| | 2018-19 | 2019-20 |
|---|---|---|
| Payments-in-lieu of tax: | | |
| Income Taxes | 135 | 170 |
| GRC: Payable to OEFC | 212 | 218.5 |
| Proxy Property Tax | 19 | 19 |
| **Total OPG PILs** | **366** | **407.5** |

**Ontario Power Generation**
**IFRS - Nuclear ARO**
**Discount Rate & ONFA Update Impact**
**$ in millions**

**CAUTION / DISCLAIMER:** This information is forecasted based on discount rates up to December 31, 2016. Assumptions have been made in determining discount rate change and other activity for years 2017 and beyond.

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## Decrease/(Increase) to Net Income in comparison to US GAAP

**(15 year historical - 4.95% at transition; update discount rate each year)**

| | 31-Mar-15 Retained earnings [1] | 31-Mar-16 Income [1] | 31-Mar-17 Income (projected) | 31-Mar-18 Income (projected) | 31-Mar-19 Income (projected) | 31-Mar-20 Income (projected) | 31-Mar-21 Income (projected) | 2015-2021 Total (projected) |
|---|---|---|---|---|---|---|---|---|
| Bruce Life Extension | | 373 | - | - | - | - | - | |
| ONFA Cash Flow Changes | | - | (225) | - | - | - | - | |
| Discount Rate [2] | | - | 200 | 225 * | 200 * | 300 * | 275 * | |
| Other Activity [3] | | 2 | 100 | 175 | 275 | 400 | 475 | |
| **Total** | **419** | **375** | **75** | **400** | **475** | **700** | **750** | **3,194** |
| **Discount Rate [4]** | ***4.95%*** | ***4.70%*** | ***4.50%*** | ***4.30%*** | ***4.15%*** | ***3.95%*** | ***3.85%*** | |

## NOTES

[1] This information has been provided to the Province. Ernst & Young has performed specified procedures on behalf of the Province.

[2] **Projected annual journal entry for ONFA/discount rate changes under IFRS**

| | 31-Mar-17 | 31-Mar-18 * | 31-Mar-19 * | 31-Mar-20 * | 31-Mar-21 * |
|---|---|---|---|---|---|
| Dr(Cr) ARC | 1,300 | 775 | 650 | 950 | 400 |
| Dr(Cr) ARO | (50) | (1,225) | (1,050) | (1,550) | (850) |
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| Dr(Cr) Income | (25) | 225 | 200 | 300 | 275 |

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| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | Gavin He; John Kim |
| **Subject:** | RE: OPG Revenue |
| **Date:** | Thursday, November 23, 2017 4:45:56 PM |

And is footnote correct to note IFRS adjustment was provided by OPG. I thought that was what Ron was suggesting. And we point to the source document which is E&Y rather than OPG. E&Y provided their results to the Province, although I imagine they did work with OPG on the estimates.

Bruno

---

**From:** Bruno Amara
**Sent:** Thursday, November 23, 2017 4:42 PM
**To:** Gavin He <Gavin.He@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** FW: OPG Revenue

In excel, don't we need to reflect what was in the budget 2017?

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 4:33 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

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**From:** Gavin He
**To:** John Kim; Bruno Amara
**Subject:** RE: OPG Revenue
**Date:** Thursday, November 23, 2017 4:32:49 PM
**Attachments:** OPG 2017 Budget_v2.xlsx
OPG ONFA Analysis _For Province_Mar 24 2017_cv.pdf

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## Budget 2017 Outlook for Electricity Companies[1]

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Trust Interest Revenue*[2] | *54* | *99* |
| IFRS Adjustment provided by OPG[3] | (475) | (700) |

1. From OPG's 2017-19 Business Plan.
2. Note: Values estimated by FTD as part of the IOD impact.
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| ONFA Cash Flow Changes | | - | (225) | - | - | - | - | |
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| | |
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| **From:** | Bruno Amara |
| **To:** | Gavin He |
| **Cc:** | John Kim |
| **Subject:** | RE: OPG Revenue |
| **Date:** | Thursday, November 23, 2017 4:22:19 PM |

Oh great. thanks

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 4:14 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

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**Graham Young**
**Senior Policy Advisor**
Strategic Policy and Analytics Branch
Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

**From:** Gavin He
**To:** John Kim; Bruno Amara
**Subject:** RE: OPG Revenue
**Date:** Thursday, November 23, 2017 4:14:19 PM
**Attachments:** OPG ONFA Analysis _For Province_Mar 24 2017_cv.pdf

---

Hi Bruno,

I found OPG's IFRS adjustment report.

Regards,
Gavin He

---

**From:** John Kim
**Sent:** Thursday, November 23, 2017 3:50 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

It is OK to refuse as well. Lol

---

**From:** Bruno Amara
**Sent:** Thursday, November 23, 2017 3:49 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

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**Subject:** RE: OPG Revenue

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**Sent:** Thursday, November 23, 2017 3:44 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG Revenue

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**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He

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Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

**Ontario Power Generation**
**IFRS - Nuclear ARO**
**Discount Rate & ONFA Update Impact**
**$ in millions**

**CAUTION / DISCLAIMER:** This information is forecasted based on discount rates up to December 31, 2016. Assumptions have been made in determining discount rate change and other activity for years 2017 and beyond.

**Sensitivity to Discount Rate Change:** In addition, discount rates have been volatile during 2016 . Changes in discount rates alone could result in P&L impact. Discount rate at December 31, 2016 was 3.15%. Previous analysis was based on discount rates up until August 11, 2016. Discount rate at August 11, 2016 was 2.55%. Comparing the annual projected impact to net income, as well as comparing the results below to the previously provided analysis, provide a range as to the potential impact of future discount rate change.

## Decrease/(Increase) to Net Income in comparison to US GAAP

**(15 year historical - 4.95% at transition; update discount rate each year)**

| | 31-Mar-15 Retained earnings [1] | 31-Mar-16 Income [1] | 31-Mar-17 Income (projected) | 31-Mar-18 Income (projected) | 31-Mar-19 Income (projected) | 31-Mar-20 Income (projected) | 31-Mar-21 Income (projected) | 2015-2021 Total (projected) |
|---|---|---|---|---|---|---|---|---|
| Bruce Life Extension | | 373 | - | - | - | - | - | |
| ONFA Cash Flow Changes | | - | (225) | - | - | - | - | |
| Discount Rate [2] | | - | 200 | 225 * | 200 * | 300 * | 275 * | |
| Other Activity [3] | | 2 | 100 | 175 | 275 | 400 | 475 | |
| **Total** | **419** | **375** | **75** | **400** | **475** | **700** | **750** | **3,194** |
| **Discount Rate [4]** | ***4.95%*** | ***4.70%*** | ***4.50%*** | ***4.30%*** | ***4.15%*** | ***3.95%*** | ***3.85%*** | |

## NOTES

[1] This information has been provided to the Province. Ernst & Young has performed specified procedures on behalf of the Province.

[2] **Projected annual journal entry for ONFA/discount rate changes under IFRS**

| | 31-Mar-17 | 31-Mar-18 * | 31-Mar-19 * | 31-Mar-20 * | 31-Mar-21 * |
|---|---|---|---|---|---|
| Dr(Cr) ARC | 1,300 | 775 | 650 | 950 | 400 |
| Dr(Cr) ARO | (50) | (1,225) | (1,050) | (1,550) | (850) |
| Dr(Cr) Reg asset | (1,225) | 225 | 200 | 300 | 175 |
| Dr(Cr) Income | (25) | 225 | 200 | 300 | 275 |

* This is based on discount rates as at December 31, 2016. Magnitude of the impact will change as discount rate changes.

[3] **Other Activity**

Under IFRS, when there is a downward movement in discount rate, the expected adjustment is to increase ARO, ARC, reg asset and an income impact. In subsequent years, this creates higher depreciation of ARC, higher depreciation of reg assets and less accretion; therefore reversing the relationship.

Majority of this relates to depreciation expense. Depreciation increases year over year due to additions to ARC as a result of discount rate change each year. Majority of the increase in depreciation expense is related to the Pickering Nuclear generating stations as additions to ARC are amortized to a current end of life date of December 31, 2020.

[4] Discount rate projections are the 15 year rolling average based on current discount rates up to December 31, 2016 (3.15%). Analysis assumes this rate for each year end up to December 31, 2020 for the purpose of the 15 year average. If discount rates continue to decline, this will result in more adverse impact.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Cc:** | Gavin He |
| **Subject:** | RE: OPG Revenue |
| **Date:** | Thursday, November 23, 2017 3:49:05 PM |

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Could you please let us know if Ron is okay with this table going to Energy, or should we exclude the IFRS adjustments?

Thanks,
Gavin He

---

**From:** Young, Graham (ENERGY) [mailto:Graham.Young@ontario.ca]
**Sent:** Thursday, November 23, 2017 9:41 AM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>
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**From:** Gavin He
**To:** John Kim
**Cc:** Bruno Amara
**Subject:** RE: OPG Revenue
**Date:** Wednesday, November 29, 2017 2:03:51 PM
**Attachments:** OPG 2017 Budget_v5.xlsx

---

Hi John,

As discussed, I have updated the note to below:

"…The breakdown information of the GRC payable to OEFC from OPG's 2015-17 BP was used for Budget 2017."

I will send this back to Energy then.

Regards,
Gavin He

---

**From:** John Kim
**Sent:** Wednesday, November 29, 2017 1:41 PM
**To:** Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi Gavin,

I need to be shown where the footnote is coming from pls.

Thanks,

John

---

**From:** Gavin He
**Sent:** Wednesday, November 29, 2017 1:36 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi John/Bruno,

Please find attached the footnotes for PILs.

The income tax and property taxable payable were sourced from 2017-19 BP, but the GRC payable to OEFC was sourced from the older 2015-17 BP. I added below language:

"From OPG's 2015-17 Business Plan. OPG's 2017-19 BP included the total GRC number payable to

OEFC and NPC, without the details. The breakdown information of the GRC payable to OEFC was provided after the numbers were locked for Budget 2017."

Please let me know if this works.

Thanks,
Gavin He

---

**From:** Bruno Amara
**Sent:** Wednesday, November 29, 2017 1:18 PM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: OPG Revenue

Hi Gavin

Could you add those please. I assume it OPG 2017-19 business plan.

Thanks
Bruno

Sent from my iPhone

On Nov 29, 2017, at 1:12 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Thanks Bruno.
>
> Is the source for the PILs and GRC being footnoted as well.
>
> Fine to send the spreadsheet with that added. And let's hold on to the source IFRS one for now, should there be a follow up.
>
> Ron
>
> ---
>
> **From:** Bruno Amara
> **Sent:** November 29, 2017 1:10 PM
> **To:** Ronald Kwan

**Cc:** Usman Zahid; John Kim; Gavin He
**Subject:** Re: OPG Revenue

Hi Ron

I'm good with edits and Yes , adjustments are consistent with final information we received post 2017 Document.

Bruno

Sent from my iPhone

On Nov 29, 2017, at 11:46 AM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Bruno,
>
> Some suggestions for the spreadsheet. Are the IFRS numbers consistent with what we learned from OB & OPCD on the IFRS numbers subsequent to the 2017 Document?
>
> Ron
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Thursday, November 23, 2017 5:23 PM
> **To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject:** RE: OPG Revenue
>
> Hi Ron
>
> Answer limited to 18-19 and 19-20 per your comment. We added a footnote consistent with our FAO response re, prudence wrt to IFRS assumption in 16-17 and 17-18 etc. Also attached is source from OPG.
>
> Bruno
>
> ---

**From:** Ronald Kwan
**Sent:** Thursday, November 23, 2017 3:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

The request also seems to be just for 18-19 and 19-20. Is that right? Why provide more?

Ron

---

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<OPG 2017 Budget_v4_Markup.xlsx>

## Budget 2017 Outlook for OPG

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Interest Revenue from OPG Trust*[2] | *54* | *99* |
| IFRS Adjustment[3] | - | (200) |
| **Total OPG Net Income** | **732** | **625** |

1. From OPG's 2017-19 Business Plan.

2. Note: Relates only to the portion financed by sub-debt related to the Province's equity injection into OPG. Values estimated by OFA based on an assumed fiscal neutrality between the Province's interest cost on the equity injection and higher OPG interest revenue related to the sub-debt related to the equity injection.

3. Note: IFRS Provincial consolidation adjustments provided by OPG were not fully reflected in Budget 2017, as determined at a centralised level during the fiscal plannning process. IFRS was fully picked up in 2016-17 and 2017-18 reflecting the higher degree of prudence included in the near term period. The out-year impacts, 2018-19 onwards will be assessed, pending receipt of revised IFRS consolidation adjustment estimates at the time of the next Budget and it is expected that these revised estimates will be reflected in the Province's income from OPG/Hydro One.

| | 2018-19 | 2019-20 |
|---|---|---|
| Payments-in-lieu of tax: | | |
| Income Taxes[1] | 135 | 170 |
| GRC: Payable to OEFC[4] | 212 | 218.5 |
| Proxy Property Tax[1] | 19 | 19 |
| **Total OPG PILs** | **366** | **407.5** |

1. From OPG's 2017-19 Business Plan.

4. From OPG's 2015-17 Business Plan. OPG's 2017-19 BP included the total GRC number payable to OEFC and NPC, without the details. The breakdown information of the GRC payable to OEFC from OPG's 2015-17 BP was used for Budget 2017.

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: OPG Update
**Date:** Wednesday, August 23, 2017 8:33:55 AM
**Attachments:** OPG Hydro One v1.xlsx

---

I was looking at the Outlook and maybe I'm missing something but I can't make sense just by looking at the Budget 2017 NI and income tax PILs where the fiscal plan number for 2017-18 came from. It was a quick scan. I want something like the attached as an ongoing product. Outlook right now seems overly complicated to me.

---

**From:** John Kim
**Sent:** Wednesday, August 23, 2017 7:53 AM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: OPG Update

Thanks Bruno.

Could you have Atif spend maybe an afternoon figuring out what the impact of the Q2 2017 is for H1? I would be fine with the assessment of no change but would like staff to give it some thought.

Some commentaries about whether they came ahead or below analysts' expectations for the quarter would be good too.

Thanks,

John

---

**From:** Bruno Amara
**Sent:** Tuesday, August 22, 2017 6:48 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** OPG Update

Hi John

OPG updated per monthly is +$79M on earning before tax basis (+85 NI, -6 PILs). Will explain tomorrow. But $160m wasn't actually the PILs change. Need to look at that difference vs, the difference at the time of Budget.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis

Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# OPG and Hydro One Net Income and Pils: Changes Since 2016 Budget

## Hydro One Net Income

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Budget | 578 | 612 | 674 | 713 |
| Current Fiscal Plan (March 2017) | 530 | 520 | 562 | 603 |
| **Change Since Budget 2016** | **(48)** | **(93)** | **(112)** | **(109)** |

**Current Update** **N/A**

**Change Since Budget 2017**

**Variance Explanation**

The variance primarily reflects the secondary share offering and change from 84% provicial ownership at 2016 Budget to 70% ownership currently. In addition, since 2016 Budget, Hydro One Brampton's net income (about $15m per year) is now removed from 2017-18 onwards due to the merger with Alectra Inc.

**vs. Current Fiscal Plan**

N/A - EFB is working on updating the information

## Hydro One Pils

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Budget | 34 | 35 | 37 | 38 |
| Current Fiscal Plan (March 2017) | 27 | 22 | 24 | 25 |
| **Change Since Budget 2016** | **(6)** | **(13)** | **(13)** | **(13)** |

**Current Update** **N/A**

**Change Since Budget 2017**

**Variance Explanation**

The decreases reflects the loss of Hydro One Brampton PILs, due to the merger with Alectra. Hydro One CIT is also lower reflecting lower corporate minimum tax due to the benefit from the deferred tax asset.

**vs. Current Update**

## OPG Net Income

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Budget* | 471 | 586 | 673 | 705 |
| Current (March 2017) | 379 | 497 | 732 | 825 |
| **Change Since Budget 2016** | **(92)** | **(89)** | **59** | **121** |

**Current Update** **???**

**Change Since Budget 2017** **85**

**Variance Explanation**

## OPG PiLs

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| 2016 Budget* | 437 | 382 | 414 | 343 |
| Current (March 2017) | 302 | 315 | 366 | 407.5 |
| **Change Since Budget 2016** | **(135)** | **(67)** | **(48)** | **65** |

**Current Update** **???**

**Change Since Budget 2017** **(6)**

**Variance Explanation**

**vs. Current Fiscal Plan**

Lower net income in 2016-17 and 2017-18 is primarily due to changes in assumed timing for OPG's rate application, which the 2016 Budget assumed would be effective in 2016 but currently is expected to become effective in the second half of 2017. 2017-18 is also lower due to lower nuclear production and higher OM&A expenses resulting from the deferral of the Darlington planned outage from Q1 2017 to Q2 2017.

Higher revenue in 2017-19 inpart reflects inteterest income earned by OPG related to GA financing (+$99M in 2019-20 and $153M in 2020-21). This interest income will be fiscally neutral, being offset by IOD expense

OPG's revenues are projected to improve over time as the regulated rate increases on the basis of a custom incentive regulation approach, and as the first refurbished Darlington unit returns to service in February 2020.

The change in OPG PiLs largely refelcts the described changes in OPG net income.

**vs. Current Update**

* Budget 2016 figures were primarily based on OPG's 2015-17 Business Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Budget fiscal plan was locked.

**From:** Bruno Amara
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** RE: OPG changes
**Date:** Thursday, February 15, 2018 7:24:13 PM
**Attachments:** OPG Comparisons.xlsx

---

Sorry, fixed a couple of labelling issues

Bruno

---

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**Cc:** John Kim <John.Kim@ofina.on.ca>
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Thanks Bruno.

Ron

On Feb 15, 2018, at 7:17 PM, Bruno Amara <Bruno.Amara@ofina.on.ca> wrote:

> Hi Ron
>
> For what it's worth, I put these tables together to help make more clear the changes in OPG's Outlook when comparing OPG's current 2018-2021 BP to a) 2017 Budget and b) our previous January 2018 Outlook distribution.
>
> Bruno
>
> Bruno Amara
> Sr. Manager, Financial and Regulatory Analysis
> Electricity Finance Branch
> Corporate and Electricity Finance Division
> Ontario Financing Authority
>
> Tel: 416-325-1489
> Email: bruno.amara@ofina.on.ca
>
> <OPG Comparisons.xlsx>

**OPG Business Plan 2018-2021**

| | $ Millions | | | | 2017 Budg<br>$ Millions |
|---|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **2017-18** |
| **Net Income** | 712 | 795 | 1,053 | 877 | 480 |
| **OPG Headquarters**** | 283 | | | | |
| **OPG Lakeview**** | 200 | | | | |
| **Sub-total** | **1,195** | **795** | **1,053** | **877** | **480** |
| **OPG Fair Hydro Plan Amounts** | 10 | 80 | 150 | 225 | 17 |
| **Sub-total** | **1,205** | **875** | **1,203** | **1,102** | **497** |
| **IFRS Adjustment** | (400) | (475) | (700) | (750) | (400) |
| **Sub-total** | **805** | **400** | **503** | **352** | **97** |
| | | | | | |
| **PILs** | | | | | |
| GRC to OEFC | 206 | 209 | 212 | 212 | 205 |
| Property Tax to OEFC | 13 | 14 | 14 | 13 | 18 |
| **Sub-total** | **219** | **223** | **226** | **225** | **223** |
| | | | | | |
| **Income Tax PLs** | 58 | 54 | 175 | 169 | 92 |
| **OPG Headquarters**** | 93 | | | | 74 |
| **OPG Lakeview**** | 70 | | | | - |
| **Sub-total** | **221** | **54** | **175** | **169** | **166** |
| | | | | | |
| **Total OPG** | **1,245** | **677** | **904** | **746** | **486** |

* 2017 Budget is based on OPG 2017-2019 Business Plan. 2020-21 is EFB estimate

** OPG Headquarters and Lakeview amonts were reported in Sales and Rentals at the time of the 2017 Budget

| ɡet* | | | Change $ Millions | | | | |
|---|---|---|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | |
| 678 | 726 | 913 | 232 | 117 | 327 | (36) | |
| | | | 283 | - | - | - | |
| | | | 200 | - | - | - | |
| **678** | **726** | **913** | **715** | **117** | **327** | **(36)** | |
| 54 | 99 | 153 | (7) | 26 | 51 | 72 | |
| **732** | **825** | **1,066** | **708** | **143** | **378** | **36** | |
| | (200) | | - | (475) | (500) | (750) | |
| **732** | **625** | **1,066** | **708** | **(332)** | **(122)** | **(714)** | see change table line 7 |
| | | | | | | | |
| 212 | 219 | 220 | 1 | (3) | (7) | (8) | |
| 19 | 19 | 19 | (5) | (5) | (5) | (6) | |
| **231** | **238** | **239** | **(4)** | **(8)** | **(12)** | **(14)** | |
| | | | | | | | |
| 135 | 170 | 298 | (34) | (81) | 5 | (129) | |
| | | | 19 | - | - | - | |
| | | | 70 | - | - | - | |
| **135** | **170** | **298** | **55** | **(81)** | **5** | **(129)** | |
| | | | | | | | |
| **1,098** | **1,033** | **1,603** | **759** | **(421)** | **(129)** | **(857)** | |

**OPG Business Plan 2018-2021** **January El**

| | $ Millions | | | | | $ Millions |
|---|---|---|---|---|---|---|
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** | | **2017-18** |
| **Net Income** | 1,037 | 795 | 1,053 | 877 | | 574 |
| **OEB Impact*** | (325) | na | na | na | | (320) |
| **OPG Headquarters**** | 283 | | | | | 283 |
| **OPG Lakeview**** | 200 | | | | | |
| **Sub-total** | **1,195** | **795** | **1,053** | **877** | | **537** |
| **OPG Fair Hydro Plan Amounts** | 10 | 80 | 150 | 225 | | 12 |
| **Sub-total** | **1,205** | **875** | **1,203** | **1,102** | | **549** |
| **IFRS Adjustment** | (400) | (475) | (700) | (750) | | (400) |
| **Sub-total** | **805** | **400** | **503** | **352** | - | **149** |
| | | | | | | |
| **PILs** | | | | | | |
| GRC to OEFC | 206 | 209 | 212 | 212 | | 214 |
| Property Tax to OEFC | 13 | 14 | 14 | 13 | | 18 |
| **Sub-total** | **219** | **223** | **226** | **225** | | **232** |
| | | | | | | |
| **Income Tax PLs** | 58 | 54 | 175 | 169 | | 67 |
| **OEB Impact*** | - | na | na | na | | (107) |
| **OPG Headquarters**** | 93 | | | | | 95 |
| **OPG Lakeview**** | 70 | | | | | |
| **Sub-total** | **221** | **54** | **175** | **169** | | **55** |
| | | | | | | |
| **Total OPG** | **1,245** | **677** | **904** | **746** | | **436** |

* OPG Business Plan noted that impavct of deferred effective date was $325M (impact note separated out in pre

** OPG Headquarters and Lakeview amonts were reported in Sales and Rentals at the time of the 2017 Budget.di

**ectricty Outlook Distribution**

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 678 | 726 | 913 |
| (109) | (115) | (136) |
| | | |
| | | |
| **569** | **611** | **777** |
| 42 | 82 | 128 |
| **612** | **693** | **906** |
| (475) | (700) | (750) |
| **137** | **(7)** | **156** |
| | | |
| 224 | 222 | 222 |
| 19 | 19 | 19 |
| **243** | **241** | **241** |
| | | |
| 135 | 170 | 298 |
| | | |
| | | |
| | | |
| **135** | **170** | **298** |
| | | |
| **515** | **404** | **695** |

**Change**
**$ Millions**

| 2017-18 | 2018-19 | 2019-20 | 2020-21 | |
|---|---|---|---|---|
| 463 | 117 | 327 | (36) | |
| (5) | | | | |
| - | - | - | - | |
| 200 | - | - | - | |
| **658** | **226** | **442** | **100** | |
| (2) | 38 | 68 | 97 | |
| **656** | **263** | **510** | **196** | |
| - | - | - | - | |
| **656** | **263** | **510** | **196** | see change |
| | | | | |
| (8) | (15) | (10) | (10) | |
| (5) | (5) | (5) | (6) | |
| **(13)** | **(20)** | **(15)** | **(16)** | |
| | | | | |
| (9) | (81) | 5 | (129) | |
| 107 | | | | |
| (2) | - | - | - | |
| 70 | - | - | - | |
| **166** | **(81)** | **5** | **(129)** | |
| | | | | |
| **809** | **162** | **500** | **51** | |

vious table)

istribution included OPG Headquarters but not Lakeview.

table line 7

**From:** John Kim
**To:** Ronald Kwan
**Cc:** Gavin He; Bruno Amara
**Subject:** RE: OPG
**Date:** Wednesday, March 08, 2017 10:27:25 AM

---

Hi Ron,

We are doing a more fulsome variance explanation for all of the components of the Outlook but the following hopefully meets the need for now:

Budget 2016 figures were primarily based on OPG's 2015-17 Business Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Budget fiscal plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the basis of a custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February 2020.

OPG's 2017-18 net income forecast is $89M lower than in the Budget 2016 and PILs forecast is lower by $67M. The lower OPG estimate is primarily based on updated outlook on OPG's rate application currently underway. Current forecast is subject to change prior to numbers lock.

---

**From:** Ronald Kwan
**Sent:** Tuesday, March 07, 2017 9:43 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG

Hi John,

Draft some variance wording from the outlook please.

Ron

---

**From:** Lewis, Brian (MOF) [mailto:Brian.Lewis@Ontario.ca]
**Sent:** March-07-17 09:38
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
**Cc:** Tim Schuurman (MOF) <Tim.Schuurman@ontario.ca>
**Subject:** OPG

Hi Gadi, Ron

We've picked up the latest electricity sector numbers in the fiscal plan, including the lower OPG #s. What is the explanation we would provide for the OPG net income in 17-18 being lower than in the 2016 Budget?

Brian

**Brian Lewis**
Chief Economist and Assistant Deputy Minister, Office of Economic Policy
Ontario Ministry of Finance
416-325-0850
brian.lewis@ontario.ca

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | Bruno Amara; Atif Ali; Esther Jeon |
| **Cc:** | John Kim |
| **Subject:** | RE: Outlook Walk Through |
| **Date:** | Tuesday, August 22, 2017 5:28:41 PM |
| **Attachments:** | Electricity Sector Outlook (2017 08 18).xlsm |

Hi everyone,

Just in prep and for reference for tomorrow, the Outlook files are saved here:
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook

The file we'll be going over is in the in the '08. August' folder: **Electricity Sector Outlook (2017 08 18).xlsm**

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

-----Original Appointment-----
**From:** Shajee Kathirgamanathan
**Sent:** Monday, August 21, 2017 9:53 AM
**To:** Bruno Amara; Atif Ali; Esther Jeon
**Cc:** John Kim
**Subject:** Outlook Walk Through
**When:** Wednesday, August 23, 2017 10:30 AM-11:15 AM (UTC-05:00) Eastern Time (US & Canada).
**Where:** Boardroom CEFD ADM

Hi team,

Just wanted to put the outlook walk through in our calendar. Happy to reschedule if things come up.

Thanks,
Shajee

# Electricity Sector Outlook

## August 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 37 |
| Expense | MOF (OEFC) | 39 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF | 16 |
| Expense | MOF (OEFC) | 41 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 28 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 3 |

* Outlook reflects revenues from OPG, Hydro C

*

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| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (838) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (8) | (10) | - | - |
| Provision for Electricity Sector | 290 | 21 | 658 | 580 |
| Provision for Electricity Sector4 | (290) | (21) | (658) | (580) |
| Other (Finance) | (7) | (6) | (6) | (6) |
| OPG Income1 | 293 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 49 | - | - | - |
| HOI Income3 | 500 | 378 | 380 | 408 |
| Brampton Income | 18 | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 364 | 414 | 488 | 541 |
| Electricity Debt Retirement Charge5 | 621 | 623 | - | - |
| Power Supply Contract Recoveries | 838 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 14 | - | - | - |
| **Sub-Total** | **1,973** | **1,571** | **1,635** | **1,599** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) | (454) |
| Interest on Debt | (513) | (491) | (453) | (417) |
| **Impact on Surplus/Deficit** | **946** | **626** | **728** | **728** |
| ***check*** | **-** | **-** | **-** | **-** |

# et17

| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | 0 | 0 |
| Provision for Electricity Sector | 342 | 125 | 0 | 0 |
| Provision for Electricity Sector | (342) | (125) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 304 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 8 | 0 | 0 | 0 |
| HOI Income3 | 516 | 520 | 562 | 603 |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 373 | 405 | 476 | 538 |
| Electricity Debt Retirement Charge5 | 625 | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Sub-Total** | **1,939** | **1,703** | **1,805** | **1,791** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | (532) | (422) | (374) | (342) |
| **Impact on Surplus/Deficit** | **915** | **789** | **939** | **957** |
| ***check*** | ***(15)*** | ***-*** | ***-*** | ***-*** |

# ge

| | ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | **(99)** | **0** | **0** | **0** |
| Demand Management Support Costs | **2** | **-** | **-** | **-** |
| Provision for Electricity Sector | **(53)** | **(104)** | **658** | **580** |
| Provision for Electricity Sector | **53** | **104** | **(658)** | **(580)** |
| Other (Finance) | **(1)** | **-** | **-** | **-** |
| OPG Income | **(11)** | **-** | **-** | **-** |
| ONFA and other Fair Value Adjustments | **41** | **-** | **-** | **-** |
| HOI Income | **2** | **(142)** | **(181)** | **(195)** |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | **(9)** | **9** | **12** | **4** |
| Electricity Debt Retirement Charge | **(4)** | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **99** | **(0)** | **(0)** | **(0)** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** | **-** |
| Miscellaneous | **14** | **-** | **-** | **-** |
| **Sub-Total** | 33 | (133) | (169) | (191) |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 |
| Interest on Debt | 19 | (69) | (79) | (75) |
| **Impact on Surplus/Deficit** | **30** | **(164)** | **(210)** | **(228)** |
| ***check*** | ***15*** | ***(0)*** | ***-*** | ***-*** |

)ne, OEFC and PILS from MEUs, and

| 2020-21 |
|---|
| (273) |
| - |
| 1,053 |
| (1,053) |
| (6) |
| 1,066 |
| - |
| 441 |
| - |
| 681 |
| - |
| 273 |
| 28 |
| - |
| **2,209** |
| |
| (454) |
| (354) |
| **1,401** |
| - |

| 2020-21 |
|---|
| (273) |
| 0 |
| 0 |
| 0 |
| (6) |
| 1,066 |
| 0 |
| 652 |
| |
| 679 |
| 0 |
| 273 |
| 28 |
| 0 |
| **2,418** |
| |
| (492) |

| |
|---|
| (250) |
| **1,676** |
| - |

| **2020-21** |
|---|
| **(0)** |
| **-** |
| **1,053** |
| **(1,053)** |
| **-** |
| **-** |
| **-** |
| **(211)** |
| |
| **2** |
| **-** |
| **0** |
| **-** |
| **-** |
| (209) |
| |
| 38 |
| (104) |
| **(275)** |
| **-** |

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Track Changes in Surplus/Defic

**Budget 2017 Outlook**
**Current Outlook**

| Date | Change ID# | Source in File | Description of Update |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA Update as of March 31 2017 |
| 5/1/2017 | 20170501-2 | | s. 50.3 Update for 2016-17 |
| 5/1/2017 | 20170501-3 | | Revised Provincial Interest Costs, DforE |
| 5/1/2017 | 20170501-4 | | Revised OPG Interest |
| 5/1/2017 | 20170501-5 | | Revised Debt Interest |
| 5/2/2017 | 20170502-1 | | OPG IFRS Risk in 2019-20 |
| 5/9/2017 | 20170509-1 | | Revised OPG 2016-17 Net Income |
| 5/10/2017 | 20170510-1 | | Updating H1 2016-17 Net Income for ESDI |
| 5/10/2017 | 20170510-2 | | Power Purchase Supply |
| 5/12/2017 | 20170512-1 | | H1 Model Forecasts - No Fiscal Update Resa |
| 5/15/2017 | 20170515-1 | | Update Budget 2017 Tabs to reflect fiscal pla |
| 5/15/2017 | 20170515-2 | | Update OPG forecasted PILS to reflect sourc |
| 5/17/2017 | 20170517-1 | | Update H1 2016-17 CIT |
| 5/17/2017 | 20170517-2 | | Re-inputting ONFA updates |
| 5/17/2017 | 20170517-3 | | Updating H1 Net Income to include Pref Shai |
| 5/18/2017 | 20170518-1 | | Updating OPG Income Tax Expense for 201 |
| 5/18/2017 | 20170518-2 | | Updating OPG non-income tax PILs |
| 5/18/2017 | 20170518-3 | | H1 Final Offering - Net Income Impacts and e |
| 6/15/2017 | 20170615-1 | | Updating with actual OPG IFRS Adjustment 2 |
| 6/22/2017 | 20170622-1 | | Utilizing H1 IFRS Adjustment for 2016-17 |
| 6/22/2017 | 20170622-2 | | **[NOT APPLIED]** Updating H1 Brampton (Inte |
| 6/26/2017 | 20170626-1 | | Shifted H1 Brampton 2016-17 NI to the 2017 |
| 6/29/2017 | 20170629-1 | | Removed H1 Brampton for 2016-17 (pending finals) |
| 7/6/2017 | 20170706-1 | | Reconfigured calculation of ESDI and MOF E |
| 7/11/2017 | 20170711-1 | | Reconfigured calculation of OPG 2017-18 Ne |
| 7/13/2017 | 20170713-1 | | Backup for the Provincial Interest cost |
| 7/17/2017 | 20170717-1 | | Linking source for Revenue Risks Tab |
| 7/24/2017 | 20170724-1 | | New source for Revenue Risks Tab |
| 7/25/2017 | 20170725-1 | | Revenue Risks Tab - ROE Risks |
| 7/26/2017 | 20170726-1 | | Updating OEB Risk for OPG |
| 7/27/2017 | 20170727-1 | | OEB Staff Report - H1 Tx - Revenue Risks |
| 7/27/2017 | 20170727-2 | | OPG Pensions - Cash vs Accrual Deferral Ac |
| 7/31/2017 | 20170731-1 | | Updating Links in Electricity Summary Chang |
| 7/31/2017 | 20170731-2 | | Preliminary estimate for Hydro One Brampto |
| 7/31/2017 | 20170731-3 | | Updating DRC for Actuals 2016-17 (Based o |
| 8/11/2017 | 20170811-1 | | Updating PILs for 2016-17 Baced on Actuals |
| 8/17/2017 | 20170817-1 | | Sourcing Provision for Electricity Sector from |
| 8/17/2017 | 20170817-2 | | Revised 2016-17 Brampton Amount for Publi |
| 8/18/2017 | 20170818-1 | | OPG Pensions - Cash vs Accrual Deferral Ac |

Update impact: copy and paste as values abo

it

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| | 930 | 789 | 939 | 1,157 |
| File | 946 | 626 | 728 | 728 |

| Expense / Revenue | Impacts by FY → | | | |
|---|---|---|---|---|
| Revenue | 41 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 26 | 39 |
| Expense | 0 | -31 | -67 | -76 |
| Expense | 0 | 0 | 0 | -200 |
| Revenue | -2 | 0 | 0 | 0 |
| Revenue | -39 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | - | - | - | - |
| n/a | - | - | - | - |
| es | - | - | - | - |
| Revenue | 4.7 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | 18 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | 8 | 9 | 12 | 3.5 |
| Revenue | 0 | -142 | -181 | -195 |
| Revenue | -3 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | -14.7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| t Income | - | - | - | - |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| Revenue | 15 | 0 | 0 | 0 |
| Revenue | -4 | 0 | 0 | 0 |
| Revenue | -29 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | 3 | 0 | 0 | 0 |
| counts | 0 | 0 | 0 | 0 |

ove
4
0
0
0

| 2020-21 | |
|---|---|
| 1,676 | |
| 1,401 | |

| | Further Explanation of Change and source of data |
|---|---|
| 0 | Regular quarterly ONFA Update |
| 0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 12 | From FTD, revised OPG Interest (updated in 5/4/2017) |
| -78 | From FTD, revised Debt Interest (updated in 5/4/2017) |
| 0 | Revised numbers from OEP with 2019-20 Risk |
| 0 | Updated numbers from OPG Q1 2017 FS |
| 0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0 | No Change to numbers, just re-inputting data and saving sources |
| 0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholde |
| 0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Sharehol |
| 1.75 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OP |
| -211 | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a |
| 0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OP |
| 0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Fin |
| 0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will sh |
| 0 | make decision on shifting when we know 2016-17 status. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided another scenario backup/source |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just provided actual backup/source. |
| 0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On D |
| 0 | Adjustment to ESDI to include Hydro One Brampton |
| 0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 num |
| - | No change to numbers. Just re-organized spreadsheet |
| 0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0 | Revising for OPG's Q3 Finances |

0

Will update once revised numbers are received.

impacts

er impact as well.
der
G about the BP
weighted average ownership for 2017-18. Also adjusted future net income attributed to the province.
CD.

ıancial Statements to produce an estimate. May require additional calculations.
ıift this to 2017-18.

)eck (from 2016 and On Deck)

ıbers to reflect this.

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used for a one-off purpose, DELE

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of August 2017** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Recoveries | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Net reduction of Power Purchase Contracts[2] | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Miscellaneous | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Electricity Revenue[3]** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG August 2017 Financial Outlook[1] | 0 | (89) | 9 | 12 | 4 | 2 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (330) | (480) | (678) | (726) | (913) |
| Hydro One August 2017 Financial Outlook Update[3] | #REF! | (23) | (142) | (181) | (195) | (211) |
| MEUs PILs | 0 | 68 | 0 | 0 | 0 | 0 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | 0 | (4) | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 14 | 0 | 0 | 0 | 0 |
| Power Supply Contract Recoveries[5] | 0 | 99 | (0) | (0) | (0) | 0 |
| **Total Revenue Items On Deck** | #REF! | (266) | (613) | (848) | (918) | (1121) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of August 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 860 | 475 | 1,113 | 1,034 | 1,507 |
| Taxation Revenue | 3,228 | 364 | 414 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,826 | 1,878 | 1,966 | 1,906 | 2,489 |
| **Check Calculation:** | | | | | | |
| Revenue | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Expense | 2,006 | 1,880 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Electricity Summary - On Deck | 3,856 | 946 | 626 | 728 | 728 | 1,401 |
| | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG August 2017 Financial Outlook | (11) | 224 | 213 |
| ONFA and other Fair Value Accounting Adjustments | (330) | | (330) |
| Hydro One August2017 Financial Outlook | (24) | 29 | 4 |
| MEU PILs | | 80 | 80 |
| | (365) | 333 | (33) |

## Electricity Sector Outlook (PSAB)

If this tab is not needed, or c
used for a one-off purpose, Dl

| Expenditure Outlook as of August 2016 ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Public Accounts | | | | | | |
| Finance - Own Account | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Interest on Debt | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Electricity Consumer Price Protection Fund | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Costs | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Electricity Expenditures** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| Details on Change in Expenditure Outlook ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Public Accounts** | | | | | | |
| **Finance - Own Account** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Interest on Debt | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Costs | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Updates:** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| On Deck Expenditure Outlook as of August 2017 ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 7 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,027 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,872 | 1,243 | 1,238 |

| Expense Items On Deck ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Finance - Own Account*** | - | - | - | - | - | - |
| **Interest on Debt*** | - | - | - | - | - | - |
| Power Supply Contract Costs* | - | - | - | - | - | - |
| **Total Expense Items "On Deck":** | - | - | - | - | - | - |

* Updated based on OEFC audited financial statements.

| On Deck Expenditure Outlook as of August 2017 ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 7 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,116 | 1,027 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | - | 9 | 8 | 8 | 10 | - |
| **Total Electricity Expenditures** | 2,551 | 2,143 | 2,006 | 1,880 | 1,253 | 1,238 |

| Additional Expenditure Risks ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Finance - Own Account** | | | | | | |
| **Interest on Debt** | | | | | | |
| Power Supply Contract Costs | | | | | | |
| Total Additional Risks: | - | - | - | - | - | - |

| Risk Based Expenditure Outlook ($ millions) | Actual 2013-14 | Plan 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 7 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,027 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,872 | 1,243 | 1,238 |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Revenues)** | **1,038** | **3** | **342** | **125** | **-** |

If this table is not needed, or only used for a one-off purpose, DELETE

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **842** | **617** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONF* | *520* | *520* | *342* | *125* | *0* |
| *w[illegible] ONFA adjustments* | *[illegible]2* | *[illegible]2* | *8* | *0* | *0* |
| *[illegible]ck to* | *[illegible]7* | *[illegible]5* | *842* | *617* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,709** | **2,011** | **2,136** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (342) | (125) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **412** | **183** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **834** | **617** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of August 2017** | | | | | | |
| | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 334 | 817 | 291 | 293 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 475 | 239 | 172 | 49 | - | - |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | - | - | - | - |
| HOI Income[3] | 786 | 741 | 236 | 500 | 378 | 380 |
| Brampton Income | | | 20 | 18 | - | - |
| **Total OPG and HOI Income** | **1,605** | **1,789** | **719** | **860** | **475** | **1,113** |
| | | | | | | |
| **Other Fees and Licences** | **136** | **131** | **127** | **122** | **102** | **91** |
| | | | | | | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (599) | (1,038) | - | (290) | (21) | (658) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,119) | (1,558) | (520) | (803) | (475) | (1,113) |
| Public Debt Interest - Impact of ONFA | - | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | | | | | |
| **Total Electricity Expenses of the Province** | **(1,119)** | **(1,558)** | **(520)** | **(803)** | **(475)** | **(1,113)** |
| | | | | | | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 543 | 180 | 3,228 | 364 | 414 | 488 |
| | | | | | | |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 954 | 956 | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 243 | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (136) | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 8 | 9 | 9 | 14 | - | - |
| | | | | | | |
| **Expenses** | | | | | | |
| Interest on Debt | (728) | (658) | (596) | (513) | (491) | (453) |
| Power Supply Contract Costs | (1,296) | (950) | (875) | (838) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | | (9) | (8) | (8) | (10) | - |
| Provision for Electricity Sector | 599 | 1,038 | - | 290 | 21 | 658 |
| Other (Finance) | (7) | (6) | (7) | (7) | (6) | (6) |
| **Total OEFC Income** | **1,476** | **1,596** | **3,530** | **767** | **524** | **637** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **2,098** | **1,958** | **3,856** | **946** | **626** | **728** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | | 9 | 8 | 8 | 10 | - |
| Provision for Electricity Sector | (599) | (1,038) | - | (290) | (21) | (658) |
| Other (Finance) | 7 | 6 | 7 | 7 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **704** | **(73)** | **890** | **563** | **286** | **(327)** |
| | | | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **599** | **1,038** | **-** | **290** | **21** | **658** |

**2) D**

If this table is not needed, or o
used for a one-off purpose, DE

| REVENUE | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,60** | **1,789** | **719** | **860** | **475** | **1,113** |
| *OPG - Debt Interest - Fi* | *5* | *5* | *5* | *5* | *454* | *454* |
| *HOI - Amount of $55.0 IPO* | *7* | *7* | *7* | *25* | *21* | *658* |
| *or which: ONFA Adjustments** | *475* | *239* | *1* | *49* | *0* | *0* |
| *check total* | *1,594* | *1,797* | *692* | *852* | *475* | *1,113* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 543 | 180 | 3,228 | 364 | 414 | 488 |
| Electricity Debt Retirement Charge | 954 | 956 | 859 | 621 | 623 | 0 |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 243 | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 8 | 9 | 9 | 14 | 0 | 0 |
| **SUBTOTAL** | **4,649** | **4,101** | **5,862** | **2,826** | **1,878** | **1,966** |
| | | | | | | |
| **EXPENSE** | | | | | | |
| | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | 0 | 9 | 8 | 8 | 10 | 0 |
| **less provision** | (599) | (1,038) | 0 | (290) | (21) | (658) |
| Other OEFC Expenses | 7 | 6 | 7 | 7 | 6 | 6 |
| **SUBTOTAL** | **704** | **(73)** | **890** | **563** | **286** | **(327)** |
| | | | | | | |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | 599 | 1,038 | 0 | 290 | 21 | 658 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 520 | 514 | 454 | 454 |
| **SUBTOTAL** | **1,119** | **1,558** | **520** | **803** | **475** | **1,113** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | 1,447 | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| interest payments to OEFC from Other than Province | (199) | (207) | (203) | (189) | (176) | (187) |
| interest to OEFC from Province | (520) | (520) | (520) | (514) | (454) | (454) |
| **SUBTOTAL** | **728** | **658** | **596** | **513** | **491** | **453** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **2,098** | **1,958** | **3,856** | **946** | **626** | **728** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of August 2017** | | | | | | | | ***Last updated X, to be updated upon next request*** |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | - | (11) | - | - | - | - | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | - | 41 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 20 | 2 | (142) | (181) | (195) | (211) | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections pro CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger Inc. |
| **Total OPG and HOI Income** | **-** | **-** | 17 | (142) | (181) | (195) | (211) | |
| **Other Fees and Licences** | **-** | **-** | - | - | - | - | - | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | 3 | 53 | 104 | (658) | (580) | (1,053) | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-1 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for t after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | - | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | - | 3 | 31 | 142 | (620) | (542) | (1,015) | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **3** | 31 | 142 | (620) | (542) | (1,015) | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | - | (9) | 9 | 12 | 4 | 2 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | - | (4) | - | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | - | 99 | (0) | (0) | (0) | 0 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generation Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DC<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | - | 14 | - | - | - | - | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | - | 19 | (69) | (79) | (75) | (104) | |
| Power Supply Contract Costs | - | - | (99) | 0 | 0 | 0 | (0) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | - | 2 | - | - | - | - | |
| Provision for Electricity Sector | - | (3) | (53) | (104) | 658 | 580 | 1,053 | |
| Other (Finance) | - | - | (1) | - | - | - | - | |
| **Total OEFC Income** | **-** | **(3)** | (33) | (164) | 591 | 508 | 951 | |
| **Impact on Surplus/(Deficit)** | **-** | **-** | 16 | (164) | (210) | (228) | (275) | |
| **Total revenue Impact** | **-** | **-** | **117** | **(133)** | **(170)** | | **(208)** | |
| Total revenue Impact - less power supply contract recoveries | - | - | 18 | (133) | (169) | | (209) | |
| **Total Expenditure impact** | **-** | **-** | **101** | **31** | **41** | | **66** | |

## 2) DETAIL LINES

| **REVENUE** | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **0** | **0** | **17** | **(142)** | **(181)** | **(195)** |
| *Public Debt Interest - Electricity Sector exp* | *0* | *0* | *22* | *(38)* | *(38)* | *(38)* |
| *equals amount above $520M (not incl ONFA)* | *(3)* | *(3)* | *(53)* | *(104)* | *658* | *580* |
| *of which: ONFA Adjustments* | *0* | *0* | *41* | *0* | *0* | *0* |
| *check total* | *(3)* | *(3)* | *10* | *(142)* | *620* | *542* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 0 | 0 | (9) | 9 | 12 | 4 |
| Electricity Debt Retirement Charge | 0 | 0 | (4) | 0 | 0 | 0 |
| Power Supply Contract Recoveries | 0 | 0 | 99 | (0) | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 0 | 0 | 14 | 0 | 0 | 0 |
| **SUBTOTAL** | **0** | **0** | **117** | **(133)** | **(170)** | **(192)** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 0 | 0 | 99 | (0) | (0) | (0) |
| Demand Management Support Costs | 13 | - | (2) | - | - | - |
| **less provision** | 3 | 3 | 53 | 104 | (658) | (580) |
| Other OEFC Expenses | 0 | 0 | 1 | 0 | 0 | 0 |
| **SUBTOTAL** | **16** | **3** | **151** | **103** | **(658)** | **(580)** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | (3) | (3) | (53) | (104) | 658 | 580 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Public Debt Interest - Electricity Sector (Treasury Program) | 0 | 0 | 22 | (38) | (38) | (38) |
| **SUBTOTAL** | **(3)** | **(3)** | **(31)** | **(142)** | **620** | **542** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | 0 | 0 | 31 | 67 | 76 |
| interest payments to OEFC from Other than Province | (8) | 0 | 3 | 0 | (26) | (39) |
| interest to OEFC from Province | | 0 | (22) | 38 | 38 | 38 |
| **SUBTOTAL** | **(16)** | **0** | **(19)** | **69** | **79** | **75** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **3** | **0** | **16** | **(164)** | **(210)** | **(228)** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of March 2017

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 |
| MEUs | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 |
| Interest : | | | | |
| OPG | 173 | 179 | 168 | 153 |
| H1 | | | | |
| IESO | 2 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - |
| Miscellaneous | 9 | - | - | - |
| | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 596 | 532 | 422 | 374 |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of August 2017**

| | Actual 2014-15 | Actual 2015-16 | Interim (Actuals) 2016-17 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue Pool Residual | | | |
| Debt Retirement Charge | 956 | 859 | 621 |
| Payments-in-lieu of tax: | | | |
| OPG | 53 | 268 | 223.6 |
| Legacy Hydro One (Including Brampton) | 95 | 2,929 | 4.1 |
| Hydro One CIT dedicated to OEFC | | 3 | 25 |
| MEUs | 32 | 27 | 112 |
| Total PILs & CIT dedicated to OEFC[1] | 180 | 3,228 | 364 |
| Interest : | | | |
| OPG | 191 | 173 | 179 |
| H1 | | | |
| IESO | 3 | 2 | |
| Province | 520 | 520 | 514 |
| Other | 13 | 28 | 10 |
| Total Interest | 727 | 723 | 703 |
| | | | |
| Power Supply Contract Recoveries | 950 | 875 | 838 |
| Amortization of NUG liability | 217 | 172 | 129 |
| Electricity sector dedicated income | 1,038 | 3 | 302 |
| Gain to OEFC under s. 50.3 | - | 172 | 411 |
| Miscellaneous | 9 | 9 | 14 |
| | 4,077 | 6,041 | 3,382 |
| **Expense** | | | |
| Debt interest | 1,385 | 1,319 | 1,216 |
| Interest on nuclear risk funding | | | |
| Demand Management Support Costs | 9 | 8 | 8 |
| Amortization of deferred debt costs | - | - | - |
| Power Supply Contract Costs | 950 | 875 | 838 |
| Debt Guarantee fee | 131 | 127 | 122 |
| Operating | 6 | 7 | 7 |
| | 2,481 | 2,336 | 2,191 |
| **Excess (Deficiency) of Revenue over Expense** | **1,596** | **3,705** | **1,191** |
| Prior period adjustment | | 87 | |
| **Stranded Debt - Year End** | **8,185** | **4,393** | **3,202** |
| | 658 | 596 | |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2017 as of August 2017

| | Plan | | | | | | *Last updated X, to be updated upon next request* |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | **Explanation of Change** |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | - | (4) | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | - | (78) | 9 | 12 | 4 | 2 | |
| Legacy Hydro One (Including Brampton) | - | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | - | 5 | - | - | - | - | |
| MEUs | - | 68 | - | - | - | - | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | - | (9) | 9 | 12 | 4 | 2 | |
| Interest : | | | | | | | |
| OPG | - | - | - | 26 | 39 | 12 | |
| H1 | - | - | - | - | - | - | |
| IESO | - | (3) | - | - | - | - | |
| Province | - | 22 | (38) | (38) | (38) | (38) | |
| Other | - | - | - | - | - | - | |
| Total Interest | - | 19 | (38) | (12) | 1 | (26) | |
| Power Supply Contract Recoveries | - | 99 | (0) | (0) | (0) | 0 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | - | (41) | (104) | - | - | - | |
| Gain to OEFC under s. 50.3 | - | 411 | - | - | - | - | |
| Miscellaneous | - | 14 | - | - | - | - | |
| | - | 489 | (133) | (0) | 4 | (24) | |
| **Expense** | | | | | | | |
| Debt interest | - | - | 31 | 67 | 76 | 78 | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | - | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | - | 99 | (0) | (0) | (0) | 0 | |
| Debt Guarantee fee | - | - | - | - | - | - | |
| Operating | - | 1 | - | - | - | - | |
| | - | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **-** | **391** | **(164)** | **(67)** | | | |
| **Stranded Debt - Year End** | **4,393** | **3,202** | **2,679** | **2,700** | **2,639** | **2,371** | |

## Electricity Sector Outlook (PSAB)

### Negative Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | TBD | TBD | TBD | TBD |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (14) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (533) | | | |
| OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6] | - | (75) | (425) | (525) | (675) | TBD |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[6] | | (75) | (400) | (475) | (700) | (750) |
| OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6] | | (1,000) | (375) | (400) | (400) | TBD |
| Additional regulatory risk - Timing, Darlington Refurb Project & Others[7] | - | | (780) | | | |
| **Total - Scenario 1** | - | (436) | (2,239) | (1,043) | (1,281) | (547) |
| **Total - Scenario 2** | - | (1,361) | (2,189) | (918) | (1,006) | (547) |

**Notes: The cumulative downside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Under the Ontario Nuclear Funds Agreement (ONFA), OPG has established two segregated funds, the Decommissioning Segregated Fund (DSF) and for the Used Fuel Segregated Fund (UFSF). The risk shown is based on 1% decline on a realized basis in the DSF and UFSF, less the portion in the DSF assumed to be attributable to OPG's Bruce assets that is recoverable from consumers through the Bruce Variance Account.

3. Risk range for OPG reflects potential risk of lower ROE by 0.5% vs assumed ROEs in OPG's 2016 business plan and corresponding rate application. Also reflects how the proposed deemed equity of 49% might actually revert to the prior approved 45% weighting.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities.

6. The Ontario Auditor General recommended in the 2016 AG Report that the Province of Ontario include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards potentially as soon as the 2016-17 fiscal year. Estimated impacts to the Province by OPG being consolidated on an IFRS basis with respect to its nuclear liabilities under two methodologies are summarized in Scenarios 1 and 2. (Following work on the next Reference Plan, the potential impact to the 2021-22 fiscal year and going forward would be known.) **NOTE: The scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan.**

7. Additional regulatory risks related to the rate application in spring 2016, including risks related to effective date timing, and a portion of refurb. costs-to-date of about $700-800M.

8. On January 25, 2017, the Ontario Energy Board (OEB) staff released their review of the Hydro One Transmission rate application (EB-2016-0160), and proposed a number of changes for the Board to rule on including a reduction in allowed capital expenditure, which would reduce the rate base and related return on capital, and OM&A related primarily to the compensation levels beyond the benchmark.

## Electricity Sector Outlook (PSAB)

### Positive Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

**Notes: The cumulative upside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Reflects OPG's Motion to Review application with the OEB for the Niagara Tunnel cost disallowance and the 2013 tax loss.

3. A 1% change in the forecast represents a change of approximately 206MW for Tx in peak demand based on 2015/2016revenue requirement.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE by 1% vs assumed ROEs in the Hydro One CEFD Forecast. Rounded to the nearest $5M.

5. Risk range for OPG reflects potential risk of higher ROE by 1% (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Rounded to the nearest $5M.

6. NOTE: The Scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan. This is the impact if Scenario 2 is realized.

**Ontario Electricity Financial Corporation**

**On Debt Revenue & Expenses Outlook**

**($ millions)**

*If* this tab is not needed, or only used for a one-off purpose, DELETE

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | 4,077 | 6,011 | 3,382 | 2,054 | 1,495 | 1,508 | 1,591 |
| less: interest income (to IOD) | 1 | 727 | 723 | 703 | 630 | 641 | 636 | 609 |
| less: Electricity Sector Dedicated Income from Prov | 2 | 1,038 | 3 | 302 | 21 | - | - | - |
| ***Adjustment to CRF revenue*** | | 2,312 | 5,315 | 2,377 | 1,403 | 854 | 872 | 982 |
| | | | | | | | | |
| **Expense** | | 2,481 | 2,336 | 2,191 | 1,531 | 1,516 | 1,448 | 1,323 |
| less: Interest expense - With Province (to IOD) | | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| less: Debt Guarantee Fee paid to Province | 3 | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| ***Adjustment to CRF expense*** | | 965 | 890 | 853 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| **Surplus/(Deficit) Impact - without IOD Adj.** | | 689 | 3,829 | 1,011 | 604 | 70 | 149 | 349 |
| **Surplus/(Deficit) Impact** | | 1,347 | 4,425 | 1,524 | 1,095 | 523 | 565 | 703 |
| **In 2008-09 RBP - Surplus/(Deficit)** | | - | - | - | - | - | - | - |
| **Adjustment required** | | 1,347 | 4,425 | 1,524 | 1,095 | 523 | 565 | 703 |
| | | | | | | | | |
| ***Operating expense split*** | | 965 | 890 | 853 | 308 | 331 | 307 | 279 |
| ***Capital expense split*** | | - | - | - | - | - | - | - |
| ***Total*** | | 965 | 890 | 853 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| ***IOD*** | | 658 | 596 | 513 | 491 | 453 | 417 | 354 |

**Notes:**

1. OEFC interest income includes $520 million, or less (after H1 ownership broadening), annual interest payment from Province related to the Province's investment in OPG and Hydro One.

2. OEFC receives Electricity Sector Dedicated Income from the Province for the combined net income of OPG and Hydro One in excess of the Province's annual interest cost for its investment in these companies.

3. OEFC pays a Debt Guarantee Fee to the Province that is eliminated upon consolidation.

## Ontario Power Generation

**OPG Income - Budget 2017**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | *243* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 108 | 59 | (75) | 8 | | | | |
| *ONFA Adjustments* | - | - | - | 8 | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

**OPG PIL - Budget 2017**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income Before Tax | 539 | 659 | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 |
| Income Taxes | 205 | (158) | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **407** | **53** | **306** | **302** | **315** | **366** |

**OPG Income - August 2017**
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 293 | 97 | 732 | 625 | 1,066 |
| OPG Net Income After Tax | 334 | 574 | 291 | 377 | **480** | 678 | 726 | 913 |
| Extraordinary Gains | - | 243 | - | - | - | - | - | - |
| GA - OPG Trust Interest Revenue | | | | | 17.2 | 54.4 | 99.4 | 152.5 |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (78) | (400) | | (200) | |
| add: non-ONFA | | | | -6 | | | | |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 49 | | | | |
| ONFA Adjustments | 367 | 180 | 247 | 49 | | | | |
| Other Fair Value Adjustments | 108 | 59 | (75) | | | | | |

**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income Before Tax | 539 | 659 | 383 | 302 | 572 | 867 |
| Net Income After Tax (Adjusted) | 334 | 817 | 291 | 293 | 97 | 732 |
| Income Taxes | 205 | (158) | 92 | 9 | **92** | 135 |
| GRC: Payable to OEFC | 186 | 198 | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **407** | **53** | **306** | **224** | **324** | **378** |
| | | | | 2.85% | 16.08% | 15.56% |

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 680 | 742 | 802 | 862 | 931 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 742 | 802 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

## Provision for Electricity Sector (and Electricity Sector Dedicated Income)

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 299.0000 | 97 | 732 | 625 | 1,066 |
| Hydro One Income | 786 | 741 | 232 | 501.3520 | 378 | 380 | 408 | 441 |
| Hydro One Brampton (if applied separately) | | | | 15.0000 | | | | |
| **Total Income** | 1,120 | 1,558.00 | 523.0000 | 815.3520 | 475 | 1,113 | 1,034 | 1,507 |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (300) | (300) | (300) | (300) |
| Hydro One | | | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (514) | (454) | (454) | (454) | (454) |
| Interest Revennue to OEFC | | 520 | 520 | 514 | 454 | 454 | 454 | 454 |
| **Impact of OPG and Hydro One** | 600.0000 | 1,038.0000 | 3.0000 | 302 | 21 | 658 | 580 | 1,053 |
| **Other Adjustments**[1] | | | | 3 | | | | |
| **Excluding Brampton**[2] | | | | (15) | | | | |
| **MOF Expense** | | | - | 290 | 21 | 658 | 580 | 1,053 |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| **Dedicated Electricity Earnings (as Per Public Accounts)** | | | 0 | 290 | 21 | 658 | 580 | 1,053 |
| *Ministry of Finance Expense (negative sign)* | | | - | (290) | (21) | (658) | (580) | (1,053) |
| **Electricity Sector Dedicated Income (as per OEFC FS)** | **599** | **1,038** | **3** | **302** | **21** | **658** | **580** | **1,053** |

| ID# (Track Cha | Fiscal Year |
|---|---|
| n/a | n/a |
| n/a | n/a |
| | |
| | |
| | |
| | Reduction in E |
| 20170713-1 | 2016-17 |
| | Provincial Interest |
| | Rounded |
| 20170817-1 | 2015-16 |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy
2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Value (Hardcoded) | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|
| 5126 | | ($M) Provinces Equity for Debt payment to OEFC for OPG | OEFC 1999-2000 FS, pg 24 | |
| 5.85% | | Annual Interest Costs | OEFC 1999-2000 FS, pg 26 | |
| | | | | |
| | | | | |
| | | OPG's Annual Interest Costs: | 300 | |
| | | SDI for OPG's Annual Interest Costs: | -300 | |
| -513768360.73 | | Provincial interest cost for equity investment in OPG, H1 in 2016 | Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |
| | | | | |
| -513.7683607 | | | | |
| -513.8 | | | | |
| | | | | |
| 0 | | Ontario Electricity Financial Corporation Dedicated Electricity Ea | 2015-16 Public Accoun | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\08. August\Backup\20170817-1 - Provision for Electricity Sector\PA 2015-16 - Vol 1.pdf |

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | | |
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| OPG Net Income Adjustment | | | | |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| OPG Net Income Adjustment | | | | |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| ***Adjustment for Change in Due to Province*** | | | | |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at fiscal year end / latest quarter | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at fiscal year end / latest quarter | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Other Data

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Debt Retirement Charge | 621 | 0 | 0 | 0 | 0 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 838 | 292 | 325 | 301 | 273 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 179 | 168 | 179 | 174 | 147 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| MEU - PIL Income Tax | 109.8 | | | | |
| MEU - PIL Property Tax | 0.6 | | | | |
| MEU - GRC | 1.2 | | | | |
| TOTAL MEU PILs | 111.6 | | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) |
|---|---|---|
| 20170510-2 | 2016-17 | $ 838,000,000 |
| 20170510-2 | 2017-18 | $ 291,629,707 |
| 20170510-2 | 2018-19 | $ 324,906,017 |
| 20170510-2 | 2019-20 | $ 300,648,570 |
| 20170510-2 | 2020-21 | $ 273,240,858 |
| | | |
| 20170501-4 | 2016-17 | 179 |
| 20170501-4 | 2017-18 | 168 |
| 20170501-4 | 2018-19 | 179 |
| 20170501-4 | 2019-20 | 174 |
| 20170501-4 | 2020-21 | 147 |
| | | |
| 20170501-5 | 2016-17 | 1216 |
| 20170501-5 | 2017-18 | 1121 |
| 20170501-5 | 2018-19 | 1094 |
| 20170501-5 | 2019-20 | 1053 |
| 20170501-5 | 2020-21 | 963 |
| | | |
| 20170731-3 | 2016-17 | 621 |
| | | |
| 20170811-1 | 2016-17 | 109.8 |
| 20170811-1 | 2016-17 | 0.6 |
| 20170811-1 | 2016-17 | 1.2 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | The table below contains an updated preliminary N | SPFB Estimates, Email | |
| | • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 168 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 174 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 147 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,216 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,121 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,094 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,053 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 963 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| | Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2( |

017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
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017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
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017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for

017\OEFC\RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.

017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary

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| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | Bruno Amara; Atif Ali; Esther Jeon |
| **Cc:** | John Kim |
| **Subject:** | RE: Outlook Walk Through |
| **Date:** | Wednesday, August 23, 2017 10:14:39 AM |
| **Attachments:** | Electricity Sector Outlook (2017 08 11).xlsm |
| **Importance:** | Low |

Hi team,

Just realized this version might be better for the walk through.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

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**From:** Shajee Kathirgamanathan
**Sent:** Tuesday, August 22, 2017 5:29 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>; Atif Ali <Atif.Ali@ofina.on.ca>; Esther Jeon <Esther.Jeon@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Outlook Walk Through

Hi everyone,

Just in prep and for reference for tomorrow, the Outlook files are saved here:
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook

The file we'll be going over is in the in the '08. August' folder: **Electricity Sector Outlook (2017 08 18).xlsm**

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

-----Original Appointment-----
**From:** Shajee Kathirgamanathan
**Sent:** Monday, August 21, 2017 9:53 AM
**To:** Bruno Amara; Atif Ali; Esther Jeon
**Cc:** John Kim
**Subject:** Outlook Walk Through
**When:** Wednesday, August 23, 2017 10:30 AM-11:15 AM (UTC-05:00) Eastern Time (US & Canada).
**Where:** Boardroom CEFD ADM

Hi team,

Just wanted to put the outlook walk through in our calendar. Happy to reschedule if things come up.

Thanks,
Shajee

# Electricity Sector Outlook

## August 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

**For Discussion**

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 37 |
| Expense | MOF (OEFC) | 39 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF | 16 |
| Expense | MOF (OEFC) | 41 |
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 28 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 3 |

* Outlook reflects revenues from OPG, Hydro C

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| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | - | - |
| Provision for Electricity Sector | 302 | 21 | - | - |
| Provision for Electricity Sector4 | (302) | (21) | - | - |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 299 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 49 | - | - | - |
| HOI Income3 | 501 | 378 | 380 | 408 |
| Brampton Income | 15 | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 364 | 414 | 488 | 541 |
| Electricity Debt Retirement Charge5 | 621 | 623 | - | - |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | - | - | - | - |
| **Sub-Total** | **1,963** | **1,571** | **1,635** | **1,599** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) | (454) |
| Interest on Debt | (510) | (491) | (453) | (417) |
| **Impact on Surplus/Deficit** | **939** | **626** | **728** | **728** |
| ***check*** | **-** | **-** | **-** | **-** |

# et17

| | Plan ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | (739) | (292) | (325) | (301) |
| Demand Management Support Costs6 | (10) | (10) | 0 | 0 |
| Provision for Electricity Sector | 342 | 125 | 0 | 0 |
| Provision for Electricity Sector | (342) | (125) | 0 | 0 |
| Other (Finance) | (6) | (6) | (6) | (6) |
| OPG Income1 | 304 | 97 | 732 | 625 |
| OPG - ONFA and other Fair Value Adjustments2 | 8 | 0 | 0 | 0 |
| HOI Income3 | 516 | 520 | 562 | 603 |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 373 | 405 | 476 | 538 |
| Electricity Debt Retirement Charge5 | 625 | 623 | 0 | 0 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 | 30 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Sub-Total** | **1,939** | **1,703** | **1,805** | **1,791** |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |

| | | | | |
|---|---|---|---|---|
| Interest on Debt | (532) | (422) | (374) | (342) |
| **Impact on Surplus/Deficit** | **915** | **789** | **939** | **957** |
| ***check*** | ***(15)*** | ***-*** | ***-*** | ***-*** |

# ge

| | ($ Millions) | | | |
|---|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Power Supply Contract Costs | **(0)** | **0** | **0** | **0** |
| Demand Management Support Costs | **-** | **-** | **-** | **-** |
| Provision for Electricity Sector | **(41)** | **(104)** | **-** | **-** |
| Provision for Electricity Sector | **41** | **104** | **-** | **-** |
| Other (Finance) | **-** | **-** | **-** | **-** |
| OPG Income | **(5)** | **-** | **-** | **-** |
| ONFA and other Fair Value Adjustments | **41** | **-** | **-** | **-** |
| HOI Income | **1** | **(142)** | **(181)** | **(195)** |
| | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | **(9)** | **9** | **12** | **4** |
| Electricity Debt Retirement Charge | **(4)** | **-** | **-** | **-** |
| Power Supply Contract Recoveries | **0** | **(0)** | **(0)** | **(0)** |
| Net Reduction of Power Purchase Contracts | **-** | **-** | **-** | **-** |
| Miscellaneous | **-** | **-** | **-** | **-** |
| **Sub-Total** | 23 | (133) | (169) | (191) |
| **add IOD expense (picked up by OFA)** | | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 |
| Interest on Debt | 22 | (69) | (79) | (75) |
| **Impact on Surplus/Deficit** | **23** | **(164)** | **(210)** | **(228)** |
| ***check*** | ***15*** | ***-*** | ***-*** | ***-*** |

)ne, OEFC and PILS from MEUs, and

| 2020-21 |
|---|
| (273) |
| - |
| - |
| - |
| (6) |
| 1,066 |
| - |
| 441 |
| - |
| 681 |
| - |
| 273 |
| 28 |
| - |
| **2,209** |
| |
| (454) |
| (354) |
| **1,401** |
| - |

| 2020-21 |
|---|
| (273) |
| 0 |
| 0 |
| 0 |
| (6) |
| 1,066 |
| 0 |
| 652 |
| |
| 679 |
| 0 |
| 273 |
| 28 |
| 0 |
| **2,418** |
| |
| (492) |

| |
|---|
| (250) |
| **1,676** |
| - |

| |
|---|
| **2020-21** |
| **(0)** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **-** |
| **(211)** |
| |
| **2** |
| **-** |
| **0** |
| **-** |
| **-** |
| (209) |
| |
| 38 |
| (104) |
| **(275)** |
| **-** |

**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Track Changes in Surplus/Defic

**Budget 2017 Outlook**
**Current Outlook**

| Date | Change ID# | Source in File | Description of Update |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA Update as of March 31 2017 |
| 5/1/2017 | 20170501-2 | | s. 50.3 Update for 2016-17 |
| 5/1/2017 | 20170501-3 | | Revised Provincial Interest Costs, DforE |
| 5/1/2017 | 20170501-4 | | Revised OPG Interest |
| 5/1/2017 | 20170501-5 | | Revised Debt Interest |
| 5/2/2017 | 20170502-1 | | OPG IFRS Risk in 2019-20 |
| 5/9/2017 | 20170509-1 | | Revised OPG 2016-17 Net Income |
| 5/10/2017 | 20170510-1 | | Updating H1 2016-17 Net Income for ESDI |
| 5/10/2017 | 20170510-2 | | Power Purchase Supply |
| 5/12/2017 | 20170512-1 | | H1 Model Forecasts - No Fiscal Update Resa |
| 5/15/2017 | 20170515-1 | | Update Budget 2017 Tabs to reflect fiscal pla |
| 5/15/2017 | 20170515-2 | | Update OPG forecasted PILS to reflect sourc |
| 5/17/2017 | 20170517-1 | | Update H1 2016-17 CIT |
| 5/17/2017 | 20170517-2 | | Re-inputting ONFA updates |
| 5/17/2017 | 20170517-3 | | Updating H1 Net Income to include Pref Shai |
| 5/18/2017 | 20170518-1 | | Updating OPG Income Tax Expense for 201 |
| 5/18/2017 | 20170518-2 | | Updating OPG non-income tax PILs |
| 5/18/2017 | 20170518-3 | | H1 Final Offering - Net Income Impacts and e |
| 6/15/2017 | 20170615-1 | | Updating with actual OPG IFRS Adjustment 2 |
| 6/22/2017 | 20170622-1 | | Utilizing H1 IFRS Adjustment for 2016-17 |
| 6/22/2017 | 20170622-2 | | **[NOT APPLIED]** Updating H1 Brampton (Inte |
| 6/26/2017 | 20170626-1 | | Shifted H1 Brampton 2016-17 NI to the 2017 |
| 6/29/2017 | 20170629-1 | | Removed H1 Brampton for 2016-17 (pending finals) |
| 7/6/2017 | 20170706-1 | | Reconfigured calculation of ESDI and MOF E |
| 7/11/2017 | 20170711-1 | | Reconfigured calculation of OPG 2017-18 Ne |
| 7/13/2017 | 20170713-1 | | Backup for the Provincial Interest cost |
| 7/17/2017 | 20170717-1 | | Linking source for Revenue Risks Tab |
| 7/24/2017 | 20170724-1 | | New source for Revenue Risks Tab |
| 7/25/2017 | 20170725-1 | | Revenue Risks Tab - ROE Risks |
| 7/26/2017 | 20170726-1 | | Updating OEB Risk for OPG |
| 7/27/2017 | 20170727-1 | | OEB Staff Report - H1 Tx - Revenue Risks |
| 7/27/2017 | 20170727-2 | | OPG Pensions - Cash vs Accrual Deferral Ac |
| 7/31/2017 | 20170731-1 | | Updating Links in Electricity Summary Chang |
| 7/31/2017 | 20170731-2 | | Preliminary estimate for Hydro One Brampto |
| 7/31/2017 | 20170731-3 | | Updating DRC for Actuals 2016-17 (Based o |
| 8/11/2017 | 20170811-1 | | Updating PILs for 2016-17 Baced on Actuals |

Update impact: copy and paste as values abo

it

$ Millions

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| | 930 | 789 | 939 | 1,157 |
| File | 939 | 626 | 728 | 728 |

| Expense / Revenue | Impacts by FY → | | | |
|---|---|---|---|---|
| Revenue | 41 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 26 | 39 |
| Expense | 0 | -31 | -67 | -76 |
| Expense | 0 | 0 | 0 | -200 |
| Revenue | -2 | 0 | 0 | 0 |
| Revenue | -39 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | - | - | - | - |
| n/a | - | - | - | - |
| es | - | - | - | - |
| Revenue | 4.7 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | 18 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | 8 | 9 | 12 | 3.5 |
| Revenue | 0 | -142 | -181 | -195 |
| Revenue | -3 | 0 | 0 | 0 |
| Revenue | 7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| Revenue | 0 | 0 | 0 | 0 |
| Revenue | -14.7 | 0 | 0 | 0 |
| Revenue | - | - | - | - |
| t Income | - | - | - | - |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| n/a | 0 | 0 | 0 | 0 |
| Revenue | 15 | 0 | 0 | 0 |
| Revenue | -4 | 0 | 0 | 0 |
| Revenue | -29 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| ove | 0 | 0 | 0 | 0 |

| 2020-21 | |
|---|---|
| 1,676 | |
| 1,401 | |

| | | Further Explanation of Change and source of data |
|---|---|---|
| | 0 | Regular quarterly ONFA Update |
| | 0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| | 0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| | 12 | From FTD, revised OPG Interest (updated in 5/4/2017) |
| | -78 | From FTD, revised Debt Interest (updated in 5/4/2017) |
| | 0 | Revised numbers from OEP with 2019-20 Risk |
| | 0 | Updated numbers from OPG Q1 2017 FS |
| | 0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. |
| - | | No Change to numbers, just re-inputting data and saving sources |
| - | | No Change to numbers, just re-inputting data and saving sources |
| - | | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal |
| - | | No Change to numbers, just re-inputting data and saving sources |
| | 0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| | 0 | No Change to numbers, just re-inputting data and saving sources |
| | 0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholde |
| | 0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Sharehol |
| | 1.75 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OP |
| | -211 | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a |
| | 0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OP |
| | 0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Fin |
| | 0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will sh |
| | 0 | make decision on shifting when we know 2016-17 status. |
| - | | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just provided another scenario backup/source |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just provided actual backup/source. |
| | 0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On D |
| | 0 | Adjustment to ESDI to include Hydro One Brampton |
| | 0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| | 0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 num |

Will update once revised numbers are received.

impacts

er impact as well.
der
G about the BP
weighted average ownership for 2017-18. Also adjusted future net income attributed to the province.
CD.

ıancial Statements to produce an estimate. May require additional calculations.
ıift this to 2017-18.

)eck (from 2016 and On Deck)

ıbers to reflect this.

If this tab is not needed, or onl
used for a one-off purpose, DELE

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as at [illegible] 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Recoveries | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Net reduction of Power Purchase Contracts[2] | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Miscellaneous | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Electricity Revenue[3]** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG August 2017 Financial Outlook[1] | 0 | (83) | 9 | 12 | 4 | 2 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (330) | (480) | (678) | (726) | (913) |
| Hydro One August 2017 Financial Outlook Update[3] | #REF! | (23) | (142) | (181) | (195) | (211) |
| MEUs PILs | 0 | 68 | 0 | 0 | 0 | 0 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | 0 | (4) | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Supply Contract Recoveries[5] | 0 | 0 | (0) | (0) | (0) | 0 |
| **Total Revenue Items On Deck** | #REF! | (372) | (613) | (848) | (918) | (1121) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of August 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 864 | 475 | 1,113 | 1,034 | 1,507 |
| Taxation Revenue | 3,228 | 364 | 414 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,718 | 1,878 | 1,966 | 1,906 | 2,489 |
| **Check Calculation:** | | | | | | |
| Revenue | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Electricity Summary - On Deck | 3,856 | 939 | 626 | 728 | 728 | 1,401 |
| | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| Revenue Items On Deck - Changes Compared to Budget 2 | Net Income | PILs | Total |
| OPG August 2017 Financial Outlook | (5) | 224 | 219 |
| ONFA and other Fair Value Accounting Adjustments | (330) | | (330) |
| Hydro One August2017 Financial Outlook | (24) | 29 | 5 |
| MEU PILs | | 80 | 80 |
| | (359) | 333 | (27) |

## Electricity Sector Outlook (PSAB)

If this tab is not needed, or c
used for a one-off purpose, Dl

| **E[illegible]** | **Actual** | **Plan** | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **E[illegible]** | | | | | | |
| **[illegible] Accounts** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Interest on Debt | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Electricity Consumer Price Protection Fund | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Costs | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Electricity Expenditures** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| **Details on Change in Expenditure Outlook** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Public Accounts** | | | | | | |
| **Finance - Own Account** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Interest on Debt | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Power Supply Contract Costs | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| **Total Updates:** | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| **On Deck Expenditure Outlook as of August 2017** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

| **Expense Items On Deck** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Finance - Own Account*** | - | - | - | - | - | - |
| **Interest on Debt*** | - | - | - | - | - | - |
| Power Supply Contract Costs* | - | - | - | - | - | - |
| **Total Expense Items "On Deck":** | - | - | - | - | - | - |

* Updated based on OEFC audited financial statements.

| **On Deck Expenditure Outlook as of August 2017** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| Interest on Debt | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | - | 9 | 8 | 10 | 10 | - |
| **Total Electricity Expenditures** | 2,551 | 2,143 | 2,006 | 1,779 | 1,253 | 1,238 |

| **Additional Expenditure Risks** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Finance - Own Account** | | | | | | |
| **Interest on Debt** | | | | | | |
| Power Supply Contract Costs | | | | | | |
| Total Additional Risks: | - | - | - | - | - | - |

| **Risk Based Expenditure Outlook** | | | | | | |
|---|---|---|---|---|---|---|
| **($ millions)** | **Actual** | **Plan** | | | | |
| | **2013-14** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| **Electricity Expenditures** | | | | | | |
| **Finance - Own Account** | 7 | 6 | 7 | 6 | 6 | 6 |
| **Interest on Debt** | 1,248 | 1,178 | 1,116 | 1,024 | 945 | 907 |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| **Total Electricity Expenditures** | 2,551 | 2,134 | 1,998 | 1,769 | 1,243 | 1,238 |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable costs to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Revenues)** | **1,038** | **3** | **342** | **125** | **-** |

If this table is not needed, or only used for a one-off purpose, DELETE

## 2) DETAIL LINES

| REVENUE | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **842** | **617** | **1,294** |
| *Public Debt Interest - Electricity Sector exp* | *520* | *520* | *492* | *492* | *492* |
| *equals amount above $520M (not incl ONF* | *520* | *520* | *342* | *125* | *0* |
| *w[illegible] ONFA adjustments* | *[illegible]2* | *[illegible]2* | *8* | *0* | *0* |
| *[illegible]ck to* | *[illegible]7* | *[illegible]5* | *842* | *617* | *492* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 956 | 859 | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,709** | **2,011** | **2,136** |
| **EXPENSE** | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (342) | (125) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **412** | **183** | **331** |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 342 | 125 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 492 | 492 | 492 |
| **SUBTOTAL** | **1,558** | **523** | **834** | **617** | **492** |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (161) |
| interest to OEFC from Province | (520) | (520) | (492) | (492) | (492) |
| **SUBTOTAL** | **658** | **596** | **532** | **422** | **374** |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **930** | **789** | **939** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Actual 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|---|---|
| **On Deck Outlook as of August 2017** | | | | | |
| | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | |
| OPG Income[1] | 817 | 291 | 299 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 49 | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - |
| HOI Income[3] | 741 | 236 | 501 | 378 | 380 |
| Brampton Income | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,789** | **719** | **864** | **475** | **1,113** |
| | | | | | |
| **Other Fees and Licences** | **131** | **127** | **122** | **102** | **91** |
| | | | | | |
| **Electricity Expenses of the Province** | | | | | |
| Provision for Electricity Sector[4] | (1,038) | (3) | (302) | (21) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,558) | (523) | (815) | (475) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | |
| **Total Electricity Expenses of the Province** | **(1,558)** | **(523)** | **(815)** | **(475)** | **(454)** |
| | | | | | |
| **OEFC Income** | | | | | |
| **Taxation Revenue** | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,228 | 364 | 414 | 488 |
| | | | | | |
| **Other Revenue** | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 9 | 9 | - | - | - |
| | | | | | |
| **Expenses** | | | | | |
| Interest on Debt | (658) | (596) | (510) | (491) | (453) |
| Power Supply Contract Costs | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 1,038 | 3 | 302 | 21 | - |
| Other (Finance) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,596** | **3,533** | **768** | **524** | **(21)** |
| | | | | | |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **939** | **626** | **728** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| **Expenses** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
|---|---|---|---|---|---|
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (1,038) | (3) | (302) | (21) | - |
| Other (Finance) | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **(73)** | **887** | **453** | **286** | **331** |
| | | | | | |
| **Provision for Electricity Sector (Dedicated Earnings)** | **1,038** | **3** | **302** | **21** | **-** |

If this table is not needed, c
used for a one-off purpose,

**2) D IL**

| **REVENUE** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **1,789** | **719** | **864** | **475** | **1,113** |
| *Public Debt Interest - Electricity Sector* | *520* | *520* | *514* | *454* | *454* |
| *Provision for Electricity Sector (amount for $52 Dedicated Fund)* | *1,038* | *3* | *302* | *21* | *0* |
| *of which: ONFA Adjustments*** | *239* | *172* | *49* | *0* | *0* |
| *check total* | *1,797* | *695* | *864* | *475* | *454* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | |
| Other Fees and Licences | | | | | |
| Provision for Electricity Sector | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 180 | 3,228 | 364 | 414 | 488 |
| Electricity Debt Retirement Charge | 956 | 859 | 621 | 623 | 0 |
| Power Supply Contract Recoveries | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | | | | | |
| Miscellaneous | 9 | 9 | 0 | 0 | 0 |
| **SUBTOTAL** | **4,101** | **5,862** | **2,718** | **1,878** | **1,966** |
| | | | | | |
| **EXPENSE** | | | | | |
| | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | |
| Provision for Electricity Sector | | | | | |
| Power Supply Contract Costs | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | 9 | 8 | 10 | 10 | 0 |
| **less provision** | (1,038) | (3) | (302) | (21) | 0 |
| Other OEFC Expenses | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL** | **(73)** | **887** | **453** | **286** | **331** |
| | | | | | |
| **FINANCE** | | | | | |
| Provision for Electricity Sector | 1,038 | 3 | 302 | 21 | 0 |
| Public Debt Interest - Electricity Sector (Treasury Program) | 520 | 520 | 514 | 454 | 454 |
| **SUBTOTAL** | **1,558** | **523** | **815** | **475** | **454** |
| | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | |
| OEFC Debt interest | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| interest payments to OEFC from Other than Province | (207) | (203) | (192) | (176) | (187) |
| interest to OEFC from Province | (520) | (520) | (514) | (454) | (454) |
| **SUBTOTAL** | **658** | **596** | **510** | **491** | **453** |
| | | | | | |
| **Impact on Surplus/(Deficit)** | **1,958** | **3,856** | **939** | **626** | **728** |

## Electricity Sector Outlook (PSAB)

| ($million) | Actual 2014-15 | Plan 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of August 2017** | | | | | | | | ***Last updated X, to be updated upon next request*** |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | - | - | (5) | - | - | - | - | The explanation for the drop of OPG's Income are related to a number of OEB regulatory risks related to the pe application for the 5-year period starting in 2017. Budget 2016 figures were primarily based on OPG's 2015-17 Plan as its board-approved multi-year business plan had not yet been approved and provided when the 2016 Bu plan was locked. OPG's revenues are projected to improve over time as the regulated rate increases on the ba custom incentive regulation approach, and the first refurbished Darlington unit will return to service in February |
| ONFA and other Fair Value Adjustments | - | - | 41 | - | - | - | - | |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | - | |
| HOI Income | - | 20 | 1 | (142) | (181) | (195) | (211) | The variance primarily reflects impacts of new Hydro One net income and corporate income tax projections pro CEFD. Hydro One's net income increased due to the stronger than anticipated results for Q3 2016. Corporate i are also lower to reflect the corporate minimum cash taxes Hydro One will pay due to the benefit from the defe reducing cash taxes. Hydro One Brampton's net income is removed from 2017-18 onwards due to the merger Inc. |
| **Total OPG and HOI Income** | **-** | **-** | 22 | (142) | (181) | (195) | (211) | |
| **Other Fees and Licences** | **-** | **-** | - | - | - | - | - | |
| **Electricity Expenses of the Province** | | | | | | | | |
| Provision for Electricity Sector | - | 0 | 41 | 104 | - | - | - | The variance is primarily due to the updated revenue figures from OPG and Hydro One. As well, at the time of the forecast was for a significant negative provision, which would have then be kept at zero to have the negative clawed back from the subsequent year (2016-17). As a result of larger than anticipated deferred tax benefit rep Hydro One and proportionate share attributed to the Province based on its ownership interest, the provision in came out to be $3 million [and not the large negative provision previously anticipated]. The variance in 2016-1 explained by the reversal in the actual amount for 2015-16 versus the Budget 2016 forecast. The forecast for t after 2017-18 fiscal is zero since the ESDI payments are assumed to discontinue after DRC ends on April 1, 20 will consider policy options on the continuation of ESDI in 2017.] |
| Public Debt Interest - Electricity Sector | - | - | (22) | 38 | 38 | 38 | 38 | |
| **Subtotal** | - | 0 | 19 | 142 | 38 | 38 | 38 | |
| Public Debt Interest - Impact of ONFA | - | - | - | - | - | | - | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | - | - | - | - | | - | |
| **Total Electricity Expenses of the Province** | **-** | **0** | 19 | 142 | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | | |
| **Taxation Revenue** | | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | - | (9) | 9 | 12 | 4 | 2 | The variance is primarily due to updated OPG revenue figures in OPG's 2017-19 Business Plan, including lowe 2016-17, which impact its PIL payments as well. |
| **Other Revenue** | | | | | | | | |
| Electricity Debt Retirement Charge | - | - | (4) | - | - | - | - | Updated with December 2016 Ontario Planning Outlook forecast Scenario A |
| Power Supply Contract Recoveries | - | - | 0 | (0) | (0) | (0) | 0 | • The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are du termination and suspension of several NUG PPAs for curtailments.<br>- The NUG suspensions/terminations coincide with the assumptions used by the IESO for LTEP modelling.<br>• The increase in volumes from 2019-2023 compared to the earlier forecast is from the correction of generation Nagagami and The Power Limited Partnership, which lowered the forecasted rates.<br>• The latest model from Navigant includes more detailed modelling for Kirkland Lake, which resulted in lower o payments, however this decline was balanced by a higher payments due to an increase in forecasted TMC/DC<br>- The decline in payments in 2022-2023 is due to Iroquois Falls and Nipigon expiring, leaving Kirkland Lake as remaining gas facility. |
| Net Reduction of Power Purchase Contracts | - | - | - | - | - | - | - | |
| Other Fees and Licences | - | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | - | | - | |
| Miscellaneous | - | - | - | - | - | - | - | |
| **Expenses** | | | | | | | | |
| Interest on Debt | - | - | 22 | (69) | (79) | (75) | (104) | |
| Power Supply Contract Costs | - | - | (0) | 0 | 0 | 0 | (0) | |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | - | - | |
| Provision for Electricity Sector | - | (0) | (41) | (104) | - | - | - | |
| Other (Finance) | - | - | - | - | - | - | - | |
| **Total OEFC Income** | **-** | **(0)** | (32) | (164) | (67) | (71) | (102) | |
| **Impact on Surplus/(Deficit)** | **-** | **-** | 9 | (164) | (210) | (228) | (275) | |
| **Total revenue Impact** | **-** | **-** | **9** | **(133)** | **(170)** | | **(208)** | |
| Total revenue Impact - less power supply contract recoveries | - | - | 9 | (133) | (169) | | (209) | |
| **Total Expenditure impact** | **-** | **-** | **0** | **31** | **41** | | **66** | |

## 2) DETAIL LINES

| **REVENUE** | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED OPG/HOI NET INCOME** | **0** | **0** | **22** | **(142)** | **(181)** | **(195)** |
| *Public Debt Interest - Electricity Sector exp* | *0* | *0* | *22* | *(38)* | *(38)* | *(38)* |
| *equals amount above $520M (not incl ONFA)* | *(0)* | *(0)* | *(41)* | *(104)* | *0* | *0* |
| *of which: ONFA Adjustments* | *0* | *0* | *41* | *0* | *0* | *0* |
| *check total* | *(0)* | *(0)* | *22* | *(142)* | *(38)* | *(38)* |
| **CONSOLIDATED REVENUE - OEFC** | | | | | | |
| Other Fees and Licences | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | 0 | 0 | (9) | 9 | 12 | 4 |
| Electricity Debt Retirement Charge | 0 | 0 | (4) | 0 | 0 | 0 |
| Power Supply Contract Recoveries | 0 | 0 | 0 | (0) | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Licences | | | | | | |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **0** | **0** | **9** | **(133)** | **(170)** | **(192)** |
| **EXPENSE** | | | | | | |
| **CONSOLIDATED OEFC EXPENSE** | | | | | | |
| Provision for Electricity Sector | | | | | | |
| Power Supply Contract Costs | 0 | 0 | 0 | (0) | (0) | (0) |
| Demand Management Support Costs | 13 | - | - | - | - | - |
| **less provision** | 0 | 0 | 41 | 104 | 0 | 0 |
| Other OEFC Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUBTOTAL** | **13** | **0** | **41** | **103** | **(0)** | **(0)** |
| **FINANCE** | | | | | | |
| Provision for Electricity Sector | (0) | (0) | (41) | (104) | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Public Debt Interest - Electricity Sector (Treasury Program) | 0 | 0 | 22 | (38) | (38) | (38) |
| **SUBTOTAL** | **(0)** | **(0)** | **(19)** | **(142)** | **(38)** | **(38)** |
| | | | | | | |
| **TREASURY PROGRAM - EXPENSE** | | | | | | |
| OEFC Debt interest | (8) | 0 | 0 | 31 | 67 | 76 |
| interest payments to OEFC from Other than Province | (8) | 0 | 0 | 0 | (26) | (39) |
| interest to OEFC from Province | | 0 | (22) | 38 | 38 | 38 |
| **SUBTOTAL** | **(16)** | **0** | **(22)** | **69** | **79** | **75** |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **3** | **0** | **9** | **(164)** | **(210)** | **(228)** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of March 2017

| | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue Pool Residual | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | |
| OPG | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 |
| MEUs | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 |
| Interest : | | | | |
| OPG | 173 | 179 | 168 | 153 |
| H1 | | | | |
| IESO | 2 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - |
| Miscellaneous | 9 | - | - | - |
| | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | 87 | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 596 | 532 | 422 | 374 |

**ONTARIO ELECTRICITY FINANCIAL CORPORATION**
**On Deck Outlook as of August 2017**

| | Interim (Actuals) 2016-17 | 2017-18 | Plan 2018-19 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue Pool Residual | | | |
| Debt Retirement Charge | 621 | 623 | - |
| Payments-in-lieu of tax: | | | |
| OPG | 223.6 | 324 | 378 |
| Legacy Hydro One (Including Brampton) | 4.1 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 25 | 20 | 22 |
| MEUs | 112 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 364 | 414 | 488 |
| Interest : | | | |
| OPG | 179 | 168 | 179 |
| H1 | | | |
| IESO | 3 | 3 | 3 |
| Province | 514 | 454 | 454 |
| Other | 10 | 5 | 5 |
| Total Interest | 706 | 630 | 641 |
| Power Supply Contract Recoveries | 739 | 292 | 325 |
| Amortization of NUG liability | 129 | 74 | 41 |
| Electricity sector dedicated income | 302 | 21 | - |
| Gain to OEFC under s. 50.3 | 411 | - | - |
| Miscellaneous | - | - | - |
| | 3,272 | 2,054 | 1,495 |
| **Expense** | | | |
| Debt interest | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | |
| Demand Management Support Costs | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | |
| Power Supply Contract Costs | 739 | 292 | 325 |
| Debt Guarantee fee | 122 | 102 | 91 |
| Operating | 6 | 6 | 6 |
| | 2,093 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | **1,179** | **524** | **(21)** |
| Prior period adjustment | | | |
| **Stranded Debt - Year End** | **3,214** | **2,690** | **2,711** |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

### Changes from Budget 2017 as of August 2017

| | Plan | | | | | | *Last updated X, to be updated upon next request* |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | **Explanation of Change** |
| **Revenue** | | | | | | | |
| Debt Retirement Charge | - | (4) | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | | |
| OPG | - | (78) | 9 | 12 | 4 | 2 | |
| Legacy Hydro One (Including Brampton) | - | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | - | 5 | - | - | - | - | |
| MEUs | - | 68 | - | - | - | - | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | - | (9) | 9 | 12 | 4 | 2 | |
| Interest : | | | | | | | |
| OPG | - | - | - | 26 | 39 | 12 | |
| H1 | - | - | - | - | - | - | |
| IESO | - | - | - | - | - | - | |
| Province | - | 22 | (38) | (38) | (38) | (38) | |
| Other | - | - | - | - | - | - | |
| Total Interest | - | 22 | (38) | (12) | 1 | (26) | |
| Power Supply Contract Recoveries | - | 0 | (0) | (0) | (0) | 0 | |
| Amortization of NUG liability | - | - | - | - | - | - | |
| Electricity sector dedicated income | - | (41) | (104) | - | - | - | |
| Gain to OEFC under s. 50.3 | - | 411 | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | - | |
| | - | 379 | (133) | (0) | 4 | (24) | |
| **Expense** | | | | | | | |
| Debt interest | - | - | 31 | 67 | 76 | 78 | |
| Interest on nuclear risk funding | - | - | - | - | - | - | |
| Demand Management Support Costs | - | - | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | - | |
| Power Supply Contract Costs | - | 0 | (0) | (0) | (0) | 0 | |
| Debt Guarantee fee | - | - | - | - | - | - | |
| Operating | - | - | - | - | - | - | |
| | - | 0 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **-** | **379** | **(164)** | **(67)** | | | |
| **Stranded Debt - Year End** | **4,393** | **3,214** | **2,690** | **2,711** | **2,651** | **2,383** | |

## Electricity Sector Outlook (PSAB)

### Negative Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | TBD | TBD | TBD | TBD |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | - | (120) | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | - | (90) | (95) | (100) | (105) | (110) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | | (2) | (12) | (20) | (25) | (43) |
| Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9] | | (60) | (240) | (240) | (240) | (180) |
| Lower Hydro One Return on Equity (ROE)[4] | | | (10) | (39) | (41) | (43) |
| Hydro One Tx rate application - OEB staff report[8] | | (14) | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[5] | | | (475) | | | |
| OPG IFRS Consolidation Risks - Scenario 1: 15 year historical, update discount rate each year.[6] | - | (75) | (425) | (525) | (675) | TBD |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[6] | | (75) | (400) | (475) | (700) | (750) |
| OPG IFRS Consolidation Risk - Scenario 2: 15 year historical + 5 forward, update every 5 year.[6] | | (1,000) | (375) | (400) | (400) | TBD |
| Additional regulatory risk - Timing, Darlington Refurb Project & Others[7] | - | | (660) | | | |
| **Total - Scenario 1** | - | (436) | (2,061) | (1,043) | (1,281) | (547) |
| **Total - Scenario 2** | - | (1,361) | (2,011) | (918) | (1,006) | (547) |

**Notes: The cumulative downside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Under the Ontario Nuclear Funds Agreement (ONFA), OPG has established two segregated funds, the Decommissioning Segregated Fund (DSF) and for the Used Fuel Segregated Fund (UFSF). The risk shown is based on 1% decline on a realized basis in the DSF and UFSF, less the portion in the DSF assumed to be attributable to OPG's Bruce assets that is recoverable from consumers through the Bruce Variance Account.

3. Risk range for OPG reflects potential risk of lower ROE by 0.5% vs assumed ROEs in OPG's 2016 business plan and corresponding rate application. Also reflects how the proposed deemed equity of 49% might actually revert to the prior approved 45% weighting.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities.

6. The Ontario Auditor General recommended in the 2016 AG Report that the Province of Ontario include Hydro One and OPG financial information in the consolidated financial statements using the IFRS reporting framework as required by PSAB standards potentially as soon as the 2016-17 fiscal year. Estimated impacts to the Province by OPG being consolidated on an IFRS basis with respect to its nuclear liabilities under two methodologies are summarized in Scenarios 1 and 2. (Following work on the next Reference Plan, the potential impact to the 2021-22 fiscal year and going forward would be known.) **NOTE: The scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan.**

7. Additional regulatory risks related to the rate application in spring 2016, including risks related to effective date timing, and a portion of refurb. costs-to-date of about $700-800M.

8. On January 25, 2017, the Ontario Energy Board (OEB) staff released their review of the Hydro One Transmission rate application (EB-2016-0160), and proposed a number of changes for the Board to rule on including a reduction in allowed capital expenditure, which would reduce the rate base and related return on capital, and OM&A related primarily to the compensation levels beyond the benchmark.

## Electricity Sector Outlook (PSAB)

### Positive Revenue Risks

| ($ millions) | Plan | | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **OPG Global Adjustment Trust** | | | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | - | 85 | 85 | 85 | 85 | 85 |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - | - | - |
| 1% increase in Hydro One actual load[3] | - | 15 | 15 | 15 | 15 | 15 |
| Higher Hydro One Return on Equity (ROE)[4] | | - | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | | - | 6 | 25 | 30 | 55 |
| Revenue risk if Scenario 2 IFRS Consolidation risk.[6] | | | 50 | 125 | 275 | |
| | - | 100 | 171 | 310 | 470 | 220 |

**Notes: The cumulative upside risk is presented as additive, which may overstate off-setting risks.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Reflects OPG's Motion to Review application with the OEB for the Niagara Tunnel cost disallowance and the 2013 tax loss.

3. A 1% change in the forecast represents a change of approximately 206MW for Tx in peak demand based on 2015/2016revenue requirement.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE by 1% vs assumed ROEs in the Hydro One CEFD Forecast. Rounded to the nearest $5M.

5. Risk range for OPG reflects potential risk of higher ROE by 1% (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Rounded to the nearest $5M.

6. NOTE: The Scenario 1 risk for 2017-18 to 2019-20 is reflected in the current fiscal plan. This is the impact if Scenario 2 is realized.

**Ontario Electricity Financial Corporation**

**On Debt Revenue & Expenses Outlook**

**($ millions)**

*If* this tab is not needed, or only used for a one-off purpose, DELETE

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | 4,077 | 6,011 | 3,272 | 2,054 | 1,495 | 1,508 | 1,591 |
| less: interest income (to IOD) | 1 | 727 | 723 | 706 | 630 | 641 | 636 | 609 |
| less: Electricity Sector Dedicated Income from Prov | 2 | 1,038 | 3 | 302 | 21 | - | - | - |
| ***Adjustment to CRF revenue*** | | 2,312 | 5,315 | 2,264 | 1,403 | 854 | 872 | 982 |
| | | | | | | | | |
| **Expense** | | 2,481 | 2,336 | 2,093 | 1,531 | 1,516 | 1,448 | 1,323 |
| less: Interest expense - With Province (to IOD) | | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| less: Debt Guarantee Fee paid to Province | 3 | 131 | 127 | 122 | 102 | 91 | 88 | 81 |
| ***Adjustment to CRF expense*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| **Surplus/(Deficit) Impact - without IOD Adj.** | | 689 | 3,829 | 999 | 604 | 70 | 149 | 349 |
| **Surplus/(Deficit) Impact** | | 1,347 | 4,425 | 1,509 | 1,095 | 523 | 565 | 703 |
| **In 2008-09 RBP - Surplus/(Deficit)** | | - | - | - | - | - | - | - |
| **Adjustment required** | | 1,347 | 4,425 | 1,509 | 1,095 | 523 | 565 | 703 |
| | | | | | | | | |
| ***Operating expense split*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| ***Capital expense split*** | | - | - | - | - | - | - | - |
| ***Total*** | | 965 | 890 | 755 | 308 | 331 | 307 | 279 |
| | | | | | | | | |
| ***IOD*** | | 658 | 596 | 510 | 491 | 453 | 417 | 354 |

**Notes:**

1. OEFC interest income includes $520 million, or less (after H1 ownership broadening), annual interest payment from Province related to the Province's investment in OPG and Hydro One.

2. OEFC receives Electricity Sector Dedicated Income from the Province for the combined net income of OPG and Hydro One in excess of the Province's annual interest cost for its investment in these companies.

3. OEFC pays a Debt Guarantee Fee to the Province that is eliminated upon consolidation.

## Ontario Power Generation

### OPG Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *334* | *574* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | *243* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 108 | 59 | (75) | 8 | | | | |
| *ONFA Adjustments* | - | - | - | 8 | | | | |
| *Other Fair Value Adjustments* | *108* | *59* | (75) | | | | | |

### OPG PIL - Budget 2017
**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 304 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **302** | **315** | **366** |

### OPG Income - August 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| OPG Net Income After Tax (Adjusted) | 334 | 817 | 291 | 299 | 97 | 732 | 625 | 1,066 |
| OPG Net Income After Tax | 334 | 574 | 291 | 377 | **480** | 678 | 726 | 913 |
| Extraordinary Gains | - | 243 | - | - | - | - | - | - |
| GA - OPG Trust Interest Revenue | | | | | 17.2 | 54.4 | 99.4 | 152.5 |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | | | (78) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | 475 | 239 | 172 | 49 | | | | |
| ONFA Adjustments | 367 | 180 | 247 | 49 | | | | |
| Other Fair Value Adjustments | 108 | 59 | (75) | | | | | |

**($ millions)**

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|---|
| Net Income Before Tax | 232 | 539 | 659 | 383 | 308 | 572 | 867 |
| Net Income After Tax (Adjusted) | 244 | 334 | 817 | 291 | 299 | 97 | 732 |
| Income Taxes | (12) | 205 | (158) | 92 | 9 | **92** | 135 |
| GRC: Payable to OEFC | 189 | 186 | 198 | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 16 | 13 | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **193** | **407** | **53** | **306** | **224** | **324** | **378** |

2.80% 16.08% 15.56%

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 786 | 741 | 685 | 680 | 742 | 802 | 862 | 931 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 742 | 802 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |

## Provision for Electricity Sector

| | Actual | Plan | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | | | |
| OPG Income | 334 | 817 | 291 | 299.0000 | 97 | 732 | 625 | 1,066 |
| Hydro One Income | 786 | 741 | 232 | 501.3520 | 378 | 380 | 408 | 441 |
| (Brampton once/if available) | | | | 15.0000 | | | | |
| **Total Income** | 1,120 | 1,558.00 | 523.0000 | 815.3520 | 475 | 1,113 | 1,034 | 1,507 |
| **Public Debt Interest - Electricity Sector** | | | | | | | | |
| OPG | | | | | (300) | (300) | (300) | (300) |
| Hydro One | | | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector** | (520) | (520) | (520) | (514) | (454) | (454) | (454) | (454) |
| Interest Revennue to OEFC | | 520 | 520 | 514 | 454 | 454 | 454 | 454 |
| **Impact of OPG and Hydro One** | 600.0000 | 1,038.0000 | 3.0000 | 302 | 21 | 658 | 580 | 1,053 |
| **Other Adjustments**[1] | | | | 3 | | | | |
| **Excluding Brampton**[2] | | | | (15) | | | | |
| **MOF Expense** | | | - | 290 | | | | |
| **Cumulative Shortfall** | | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - | - |
| Deduction / (Addition) | - | - | - | - | - | - | - | - |
| Ending Balance | - | - | - | - | - | - | - | - |
| **Provision for Electricity Sector (without adjusting for unrealized losses)** | **599** | **1,038** | **3** | **301.5520** | **21** | **658** | **580** | **1,053** |
| **(Add separate line for PA)** | | | | | | | | |
| | - | - | - | | | | | |

| ID# (Track Cha | Fiscal Year |
|---|---|
| n/a | n/a |
| n/a | n/a |
| | |
| | |
| | |
| | Reduction in E |
| 20170713-1 | 2016-17 |
| | Provincial Interest |
| | Rounded |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy
2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Value (Hardcoded) | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|
| 5126 | | ($M) Provinces Equity for Debt payment to OEFC for OPG | OEFC 1999-2000 FS, pg 24 | |
| 5.85% | | Annual Interest Costs | OEFC 1999-2000 FS, pg 26 | |

| | |
|---|---|
| OPG's Annual Interest Costs: | 300 |
| SDI for OPG's Annual Interest Costs: | -300 |

| | | | | |
|---|---|---|---|---|
| -513768360.73 | | Provincial interest cost for equity investment in OPG, H1 in 2016 | Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |

-513.7683607
-513.8

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|
| ***Adjustment for Change in OPG Reported Net Income*** | | | | |
| **Adjustment for DSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 10 | 62 | (244) | (21) |
| Bruce Variance Account Adjustment | 5 | 29 | (115) | (10) |
| OPG Net Income Adjustment | | | | |
| **Adjustment for UFSF Unrealized Earnings** | | | | |
| Unrealized Earnings as at beginning of year | 0 | 0 | 0 | 0 |
| Unrealized Earnings as at fiscal year end / latest quarter | 1 | 26 | 64 | 82 |
| Bruce Variance Account Adjustment | 1 | 14 | 34 | 43 |
| OPG Net Income Adjustment | | | | |
| **Unrealized Earnings -- Fiscal YTD** | **6** | **45** | **(99)** | **28** |
| ***Adjustment for Change in Due to Province*** | | | | |
| **Adjustment for DSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | | | | |
| Unrealized Earnings as at fiscal year end / latest quarter | | | | |
| **Change in Due to Province -- Fiscal YTD** | | | | |
| **Adjustment for UFSF Due to Province** | | | | |
| Due to Province (cost basis) as at beginning of year | (102) | (189) | (181) | 87 |
| Unrealized Earnings as at fiscal year end / latest quarter | (189) | (181) | 87 | 295 |
| **Change in Due to Province -- Fiscal YTD** | **(87)** | **8** | **268** | **208** |
| **Provincial Consolidation Adjustment** | **(93)** | **(37)** | **367** | **180** |

## Other Data

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Debt Retirement Charge | 621 | 0 | 0 | 0 | 0 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Power Supply Contract Recoveries | 739 | 292 | 325 | 301 | 273 |

| | Plan | | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Interest** | | | | | |
| OPG | 179 | 168 | 179 | 174 | 147 |
| **Expense** | | | | | |
| Debt interest | 1216 | 1121 | 1094 | 1053 | 963 |

| | Actual | Plan | | | |
|---|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| MEU - PIL Income Tax | 109.8 | | | | |
| MEU - PIL Property Tax | 0.6 | | | | |
| MEU - GRC | 1.2 | | | | |
| TOTAL MEU PILs | 111.6 | | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) |
|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 |
| 20170510-2 | 2017-18 | $ 291,629,707 |
| 20170510-2 | 2018-19 | $ 324,906,017 |
| 20170510-2 | 2019-20 | $ 300,648,570 |
| 20170510-2 | 2020-21 | $ 273,240,858 |
| | | |
| 20170501-4 | 2016-17 | 179 |
| 20170501-4 | 2017-18 | 168 |
| 20170501-4 | 2018-19 | 179 |
| 20170501-4 | 2019-20 | 174 |
| 20170501-4 | 2020-21 | 147 |
| | | |
| 20170501-5 | 2016-17 | 1216 |
| 20170501-5 | 2017-18 | 1121 |
| 20170501-5 | 2018-19 | 1094 |
| 20170501-5 | 2019-20 | 1053 |
| 20170501-5 | 2020-21 | 963 |
| | | |
| 20170731-3 | 2016-17 | 621 |
| | | |
| 20170811-1 | 2016-17 | 109.8 |
| 20170811-1 | 2016-17 | 0.6 |
| 20170811-1 | 2016-17 | 1.2 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | The table below contains an updated preliminary N | SPFB Estimates, Email | |
| | • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 168 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 179 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 174 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 147 | OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,216 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,121 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,094 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 1,053 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| 963 | OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2( |
| | Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2( |
| | MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2( |

017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for

017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for
017\OEFC\RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for

017\OEFC\RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.

017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary
017\OEFC\RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary

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- Board -April 2017.xlsx
- Board -April 2017.xlsx

- Board -April 2017.xlsx
- Board -April 2017.xlsx
- Board -April 2017.xlsx
- Board -April 2017.xlsx
- Board -April 2017.xlsx

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**From:** Ronald Kwan
**To:** John Kim; Bruno Amara
**Subject:** RE: Outlook and PRRT
**Date:** Friday, February 23, 2018 7:00:28 AM
**Attachments:** Copy of Electricity Sector Outlook (2018 02 22)_v03_Markup.xlsm

---

Hi John, Bruno,

Some suggested text edits on some of the variance explanations.

Also, I thought that you were adding some other general revenue risks, such as the impact on OPG and Hydro One financial performance risk such as from higher OM&A costs (could include collective agreements risk).

I'd be also inclined to be lower on MEU PILs in 18-19 and out-years, unless we have good support for projecting a strong increase over a few years.

Ron

---

**From:** Bruno Amara
**Sent:** February-22-18 5:42 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** Outlook and PRRT

Hi Ron, John

We revised the Electricity Outlook based on the updated IFRS impacts. Versus previous this revised IFRS increased OPG net income and ESDI by $100M, 100, 225, 325 starting in (Added a vs Previous panel to the Cover Sheet line 97). The explanation for OPG changes from Budget is also updated.

CQSD had also requested that we updated the PRRT note to be consistent with the electricity update. We had already sent a DRAFT to CQSD to review. This is also attached.

The only further update now would be NUGs. TBS/OB had asked for numbers (not just electricity) to be finalized as of tomorrow to prepare for weekend meetings.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 797 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (797) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,804** | **1,463** | **1,835** | **1,781** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **386** | **817** | **865** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 672 | 449 | 736 | 711 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (672) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 808 | (232) | 103 | (389) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 93 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **793** | **(672)** | **(262)** | **(916)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **886** | **(553)** | **(139)** | **(811)** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/16/2018 | | Other Data |

| | | |
|---|---|---|
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |
| 2/22/2018 | 20180222-1 | OPG |
| | | OPG |
| | | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other

ONFA consolidation adjustment for Dec 2017
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)
Update based on January 31, 2018 BSC material for OEFC YTD and Siva email
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Rounding adjustment

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,675 | 386 | 817 |
| | | -15 | 886 | -553 | -139 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |
| Interest on Debt | Expense | | (2.5) | 8.0 | (7.0) |

| | | | | |
|---|---|---|---|---|
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (35.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 100.0 | 100.0 | 225.0 |
| Provision for Electricity Sector (MOF) | Expense | (100.0) | (100.0) | (225.0) |
| OPG Income | Revenue | 100.0 | 100.0 | 225.0 |
| | | (0.0) | (0.0) | (0.0) |

| | | | |
|---|---|---|---|
| ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 865 |
| -811 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |
| 0.4 | |

| |
|---|
| 0.0 |
| (39.3) |
| 33.7 |
| (33.7) |
| (127.3) |
| (10.0) |
| (6.0) |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 180.7 |
| 180.7 |
| (180.7) |
| 3.0 |
| 3.0 |
| (3.0) |
| |
| |
| |
| (2.0) |
| 96.5 |
| 96.5 |
| (96.5) |
| 0.0 |
| 0.0 |
| 0.0 |
| 19.2 |
| 19.2 |
| (19.2) |
| 0.0 |
| 0.0 |
| 0.0 |
| 50.4 |
| (50.4) |
| (4.4) |
| 0.0 |
| 0.0 |
| 0.0 |
| 325.0 |
| (325.0) |
| 325.0 |
| (0.0) |
| |
| |
| |
| ***0*** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

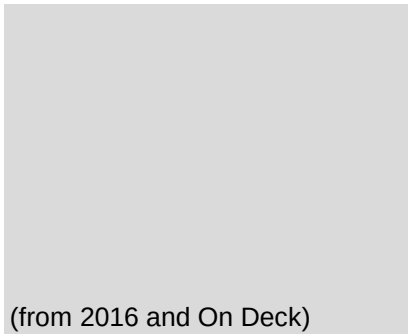
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income[1] | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector[4] | (795) | - | (290) | (797) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | | |
| **Total Electricity Expenses of the Province** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,247 | 334 | 499 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | |
| Interest on Debt | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 795 | - | 290 | 797 | 449 | 736 | 711 |
| Other (Finance) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **1,353** | **3,549** | **737** | **1,379** | **287** | **719** | **774** |
| **Impact on Surplus/(Deficit)** | **1,715** | **3,876** | **915** | **1,675** | **386** | **817** | **865** |
| *variance to OEFC check* | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 808 | (232) | 103 | (389) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the completed sale of OPG head office properties and prospective sale of Lakeview lands. This accounts for $483M of the increase. Note that while the re-categorization itself is fiscally-neutral, net income impacts of the proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower projected IFRS adjustment (by $100M) for 2017-18 and lower OPG expenses than estimated at the time of Budget 2017.<br><br>2018-19 to 2020-21 chnages reflect the negative impact of higher projeceted IFRS adjustment impacts over that period partially offset by higher OPG net income in 2018-19 and 2020-21 and more than offset by higher OPG net income in 2019-20. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **828.5** | **(441)** | **(89)** | **(603)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (672) | (449) | (736) | (711) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(635)** | **(361)** | **(648)** | **(623)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 93 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax components are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 672 | 449 | 736 | 711 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **692** | **241** | **587** | **404** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **886** | **-553** | **-139** | **-811** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 793 | (672) | (262) | (916) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to retirement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 33 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 499 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 797 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,319 | 1,652 | 2,006 | 1,925 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,911** | **287** | **719** | **774** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,292** | **1,005** | **286** | **(488)** |

**1**

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2** **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | (35) | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. Reduction in 17-18 based on YTD actual MEU PILs. |
| Total PILs | (9) | 93 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and May 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 272 | 449 | 736 | 711 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 732 | 157 | 502 | 310 | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **823** | **241** | **587** | **404** | |
| **Stranded Debt - Year End** | **(391)** | **(1,214)** | **(1,455)** | **(2,042)** | **(2,446)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 905 | 500 | 728 | 677 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,251** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **797** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **797** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | RE: Outlook |
| **Date:** | Thursday, February 22, 2018 5:28:50 PM |
| **Attachments:** | Electricity Sector Outlook (2018 02 22)_v03.xlsm<br>Revised_2018-19 PRRT - Program Note_EFB_ Wrap Up 2 update 2018022 (CPFB edit).docx |

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Hi John

Attached, but you're not reading on your Iphone are you :) Don't worry about it if you'd rather wait until tomorrow morning. Also attached is the revised PRRT note.

Only change is 100.0 100.0 225.0 325.0 to OPG NI and ESDI. So also updated OPG change explanation on change from Budget worksheet.

Bruno

-----Original Message-----
From: John Kim
Sent: Thursday, February 22, 2018 5:24 PM
To: Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: Outlook

Could you send me the Outlook without the NUGs update?

Sent from my iPhone

# Electricity Sector Outlook
## February 2018

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

**February 2018**

| | | | **MOF Expense Items (consolidated)** | **Current Outlook** | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (182) | (183) | (134) | (103) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 797 | 449 | 736 | 711 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (797) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(198)** | **(190)** | **(141)** | **(110)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 905 | 500 | 728 | 677 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 194 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 346 | 353 | 412 | 438 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 499 | 387 | 531 | 535 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 604 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 182 | 183 | 134 | 103 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **2,804** | **1,463** | **1,835** | **1,781** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (404) | (404) | (404) |
| | | | Interest on Debt | (477) | (484) | (473) | (402) |
| | | | **Total OFA IOD Expense** | **(931)** | **(888)** | **(877)** | **(806)** |
| | | | **Impact on Surplus/Deficit** | **1,675** | **386** | **817** | **865** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Electricity Summary - Budget 17

| For Discussion | | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 110 | 142 | 167 | 170 |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 672 | 449 | 736 | 711 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (672) | (449) | (736) | (711) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **110** | **141** | **166** | **169** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 808 | (232) | 103 | (389) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 194 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (173) | (209) | (191) | (214) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 93 | (89) | (7) | (143) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | (19) | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (110) | (142) | (167) | (170) |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **793** | **(672)** | **(262)** | **(916)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 88 | 88 | 88 |
| | | **36** | Interest on Debt | (55) | (110) | (131) | (152) |
| | | | **Total OFA IOD Expense** | **(17)** | **(22)** | **(43)** | **(64)** |
| | | | **Impact on Surplus/Deficit** | **886** | **(553)** | **(139)** | **(811)** |
| | | | ***check*** | ***(0)*** | ***(0)*** | ***(0)*** | ***(0)*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/4/2018 | 20180104-2 | Other Data |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/5/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/8/2018 | | |
| 1/16/2018 | | Other Data |

| | | |
|---|---|---|
| 1/23/2018 | | OPG |
| 2/2/2018 | 20180202-1 | OPG |
| | | OPG |
| | | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
| | 20180202-1 | OPG |
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| | | OPG |
| | | OPG |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/13/2018 | | |
| 2/15/2018 | 20180215-1 | Hydro One |
| 2/15/2018 | | |
| 2/15/2018 | | |
| 2/22/2018 | 20180222-1 | OPG |
| | | OPG |
| | | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated estimates of NUG costs.
Updated estimates of NUG costs.
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking OPG (Head Office sale)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Unpacking Hydro One for AO (from 70.1% ownership to as of January 2018)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Update H1 allocations for additional shares (SIFB edits)
Updated (latest IOD) Debt Interest Expense line (OEFC on-deck tab) and OPG, IESO, and Other

ONFA consolidation adjustment for Dec 2017
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary net income update
OPG 2018-2021 BP preliminary Income Tax PILs
OPG 2018-2021 BP preliminary GRC payable to OEFC update
OPG 2018-21 BP preliminary Property Tax Payable to OEFC update
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of PILs from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Removal of net income from estimated gain from Lakeview sale, as it has not been realized yet
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Remove EFB OEB impact estimate
Update with Board-approved net income
Update with Board-approved net income
Update with Board-approved net income
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on net income (now included)
Remove reversal of Lakeview proceeds on PILs (now included)
Update with Board-approved PILs
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2021
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2022
Update OPG Fair Hydro Plan amounts from OPG Busdiness Plan 2018-2023
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Remove Hydro One Debenture Cost from Outlook (now in Model)
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Annual Report 2017 Hydro One Net Income Updates
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Adjustment from using quarterly actuals
Updating Hydro One debt interest Costs
Updating Hydro One debt interest Costs
February 15, 2018 FTD Update\
Update based on January 31, 2018 BSC material for OEFC YTD
Update from Hydro One Feb 16 (email to Gavin)
Update based on January 31, 2018 BSC material for OEFC YTD and Siva email
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Updated OPG IFRS Impact
Rounding adjustment

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This line show net impact of latest change. READ COMMENT

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 1,675 | 386 | 817 |
| | | -15 | 886 | -553 | -139 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| Power Supply Contract Recoveries | Revenue | | (109.9) | (142.1) | (166.7) |
| Power Supply Contract Costs | Expense | | 109.9 | 142.1 | 166.7 |
| OPG Income | Revenue | | 283.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | 95.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.1 | 141.9 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (141.1) | (141.9) | 0.0 |
| HOI Income | Revenue | | (116.8) | (147.1) | (176.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (116.8) | (147.1) | (103.4) |
| Provision for Electricity Sector (MOF) | Expense | | 116.8 | 147.1 | 103.4 |
| HOI Income | Revenue | | (0.0) | (0.2) | (0.2) |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | (0.2) | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.2 | 0.0 |
| Interest on Debt | Expense | | (2.5) | 8.0 | (7.0) |

| | | | | |
|---|---|---|---|---|
| OPG - ONFA and other Fair Value Adjustments | Revenue | 22.5 | 0.0 | 0.0 |
| OPG Income | Revenue | 327.0 | 113.0 | 325.0 |
| Provision for Electricity Sector (OEFC) | Expense | 327.0 | 113.0 | 252.0 |
| Provision for Electricity Sector (MOF) | Expense | (327.0) | (113.0) | (252.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 54.0 | (77.0) | 7.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (8.0) | (15.0) | (10.0) |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (5.0) | (5.0) | (5.0) |
| OPG Income | Revenue | (185.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (65.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (185.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 185.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (OEFC) | Expense | 427.1 | 145.2 | 153.1 |
| Provision for Electricity Sector (MOF) | Expense | (427.1) | (145.2) | (153.1) |
| OPG Income | Revenue | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (OEFC) | Expense | 11.0 | 4.0 | 2.0 |
| Provision for Electricity Sector (MOF) | Expense | (11.0) | (4.0) | (2.0) |
| OPG Income | Revenue | 185.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | 185.0 | | |
| Provision for Electricity Sector (MOF) | Expense | (185.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 65.0 | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 5.0 | (4.0) | (2.0) |
| OPG Income | Revenue | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (OEFC) | Expense | (2.3) | 37.5 | 67.7 |
| Provision for Electricity Sector (MOF) | Expense | 2.3 | (37.5) | (67.7) |
| HOI Income | Revenue | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 17.1 | 18.6 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | (17.1) | (18.6) | 0.0 |
| HOI Income | Revenue | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (OEFC) | Expense | 8.4 | 7.7 | 24.4 |
| Provision for Electricity Sector (MOF) | Expense | (8.4) | (7.7) | (24.4) |
| HOI Income | Revenue | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (8.5) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 8.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 50.4 | 50.4 |
| Provision for Electricity Sector (MOF) | Expense | | (50.4) | (50.4) |
| Interest on Debt | Expense | 0.5 | (4.0) | (5.0) |
| Electricity Debt Retirement Charge | Revenue | (19.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 3.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | (35.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 100.0 | 100.0 | 225.0 |
| Provision for Electricity Sector (MOF) | Expense | (100.0) | (100.0) | (225.0) |
| OPG Income | Revenue | 100.0 | 100.0 | 225.0 |
| | | (0.0) | (0.0) | (0.0) |

| | | | |
|---|---|---|---|
| ***0*** | ***0*** | ***0*** | ***0*** |

| 2020-21 |
|---|
| 1,676 |
| 865 |
| -811 |
| *0* |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| (170.7) | |
| 170.7 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (190.8) | |
| (263.6) | |
| 263.6 | |
| (0.3) | |
| (0.5) | |
| 0.5 | **Distribution (January)** |
| 0.4 | |

| |
|---|
| 0.0 |
| (39.3) |
| 33.7 |
| (33.7) |
| (127.3) |
| (10.0) |
| (6.0) |
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| 180.7 |
| 180.7 |
| (180.7) |
| 3.0 |
| 3.0 |
| (3.0) |
| |
| |
| |
| (2.0) |
| 96.5 |
| 96.5 |
| (96.5) |
| 0.0 |
| 0.0 |
| 0.0 |
| 19.2 |
| 19.2 |
| (19.2) |
| 0.0 |
| 0.0 |
| 0.0 |
| 50.4 |
| (50.4) |
| (4.4) |
| 0.0 |
| 0.0 |
| 0.0 |
| 325.0 |
| (325.0) |
| 325.0 |
| (0.0) |
| |
| |
| |
| ***0*** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

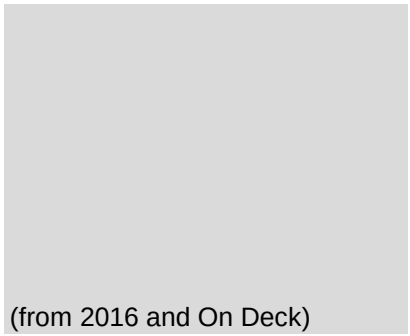
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|
| **On Deck Outlook as of February 2018** | | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income[1] | 574 | 291 | 299 | 905 | 500 | 728 | 677 |
| OPG - ONFA and other Fair Value Adjustments[2] | 239 | 172 | 43 | 194 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | (8) | - | - | - | - | - | - |
| HOI Income[3] | 741 | 236 | 500 | 346 | 353 | 412 | 438 |
| Brampton Income | | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **1,546** | **719** | **860** | **1,445** | **853** | **1,140** | **1,115** |
| **Other Fees and Licences (Debt Guarantee fee)** | **131** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector[4] | (795) | - | (290) | (797) | (449) | (736) | (711) |
| Public Debt Interest - Electricity Sector | (520) | (520) | (514) | (454) | (404) | (404) | (404) |
| **Subtotal** | (1,315) | (520) | (803) | (1,251) | (853) | (1,140) | (1,115) |
| Public Debt Interest - Impact of ONFA | | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | | |
| **Total Electricity Expenses of the Province** | **(1,315)** | **(520)** | **(803)** | **(1,251)** | **(853)** | **(1,140)** | **(1,115)** |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 180 | 3,247 | 334 | 499 | 387 | 531 | 535 |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge[5] | 956 | 859 | 621 | 604 | - | - | - |
| Power Supply Contract Recoveries | 950 | 875 | 838 | 182 | 183 | 134 | 103 |
| Net Reduction of Power Purchase Contracts | 217 | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (131) | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | | |
| Interest on Debt | (658) | (596) | (513) | (477) | (484) | (473) | (402) |
| Power Supply Contract Costs | (950) | (875) | (838) | (182) | (183) | (134) | (103) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (9) | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | 795 | - | 290 | 797 | 449 | 736 | 711 |
| Other (Finance) | (6) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **1,353** | **3,549** | **737** | **1,379** | **287** | **719** | **774** |
| **Impact on Surplus/(Deficit)** | **1,715** | **3,876** | **915** | **1,675** | **386** | **817** | **865** |
| *variance to OEFC check* | | *(156)* | *(454)* | *(531)* | - | - | - |

**Notes:**

1.OPG's 2017-18 to 2020-21 outlook reflects OPG's 2018-2021 Business Plan and Includes OPG head office properties sale proceeds and Lakeview property sale proceeds. 2021-22 estimates are based on OPG's calendar year-based business plan projections for 2021 and a CEFD projection for 2022. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of September 2017.

3. Hydro One 2017-18 is based on actual Hydro One results for 2017 and CEFD projection for 2018. Quarterly earnings are adjusted for the provincial ownership share during the quarter. 2018-19 and onwards are CEFD projections using the latest public information and reflects the Province's ownership share following the May 2017 share disposition and including the First Nations sale in December 2017. Note: all Asset Optimization transactions are re-categorised from Sales and Rentals in this Outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is now assumed to continue after 2017-18 based on TB/MBC approval of the PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects that DRC eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of February 2018** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 808 | (232) | 103 | (389) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 increase is largely due to the re-categorization from Sales and Rentals to OPG net income proceeds from the sale of OPG head office and Lakeview properties. This accounts for $483M of the increase. Note that whicle the re-categorization itself is fiscally-neutral proceeds from property sales are $206M higher than projected at the time of the 2017 Budget.<br><br>2017-18 results are also boosted by lower projected IFRS adjustment for 2017-18 and lower OPG expenses than assumed at the time of Budget 2017.<br><br>2018-19 to 2020-21 chnages reflect the negative impact of higher projeceted IFRS adjustment impacts over that period partially offset by higher OPG net income in 2018-19 and 2020-21 and more than offset by higher OPG net income in 2019-20. |
| ONFA and other Fair Value Adjustments | 35 | 194 | - | - | - | Largely revision to ONFA fair value as of December 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (173) | (209) | (191) | (214) | 2016-17 slight decrease from Budget 2017 Interim projection.<br><br>2017-18 onwards mainly reflects i) re-categorization from Sales and Rentals to Hydro One net income of the impact of a lower Provincial share of Hydro One net income from Hydro One share sales ii) impact of OEB Sep. 2017 decision on Hydro One transmission rates and iii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **828.5** | **(441)** | **(89)** | **(603)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (672) | (449) | (736) | (711) | **[NOTE: A positive number on this line indicates a decrease in the provision, while a negative number means an increase in provision expense.]**<br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals (see above).<br><br>Change in out-years reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Public Debt Interest - Electricity Sector | (22) | 38 | 88 | 88 | 88 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| **Total Electricity Expenses of the Province** | **31** | **(635)** | **(361)** | **(648)** | **(623)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | 93 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | (19) | - | - | - | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance in 16-17 is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement (PPA) contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. Going-forward, variance is largely due to suspension or early termination of some NUG PPAs in response to the IESO's NUG curtailment initiative. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (55) | (110) | (131) | (152) | 2017-18 and onward reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG, Hyro One IESO and Province. |
| Power Supply Contract Costs | (99) | 110 | 142 | 167 | 170 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 672 | 449 | 736 | 711 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **692** | **241** | **587** | **404** | |
| **Impact on Surplus/(Deficit)[1]** | **-15** | **886** | **-553** | **-139** | **-811** | Note: A significant component of the changes above affecting this net is from a fiscally-neutral recategorisation of revenue impacts from the Asset Optimisation (AO) initiative previously shown in Sales and Rentals in Budget 2017 for commercial confidentiality.<br><br>The pure changes to non-AO electricity sector changes is significantly fiscally negative. IN 2018-19 ONWARD. See summary table below for breakdown of total change between these components. |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | 793 | (672) | (262) | (916) | |
| Total Expenditure impact | 101 | (93) | (119) | (123) | (105) | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | | |
|---|---|---|---|---|---|
| ($ millions) | Plan | | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| **Generic** | | | | | |
| OPG Generation Risk: Nuclear Output (-1.6 TWh)[1] | (120) | (120) | (120) | (120) | |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) | |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) | |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) | |
| ONFA adjsutment risk | | (400) to 0 | (400) to 0 | (400) to 0 | (400) to 0 |
| **Regulatory** | | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) | |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | — | (600) | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | — | | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | — | | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | — | | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (420) | | | | |
| **Accounting** | | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — | |
| **Other Risks** | | | | | |
| ONFA adjustment decrease[12] | (100) | | | | |
| Avista Acquisition - Termination fee | | (49) | | | |
| PILs risk related to defesement of Stranded debt and potential wind down of OEFC[13] | | | | | (20) |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimization strategy**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. Previous risk removed shifted from 2017-18 to 2018-19. OEB's September 2017 Report, established accrual accounting method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. This finding mitigates this risk. However, OEB December 28, OPG rate decision instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application. OEB's final decision will be made at that time. Note, the impact of a decision could fall in 2019-20 depending on timing of the OEB decision.

7. **Previous risk removed with timing impact now reflected in OPG outlook.**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed .** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful the company would record a one-time write-down of $885 million (for transmission and distribution net income) reflecting the OEB decision. The risk above reflects this risk at the Province's current 47.4% average share allocation. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2. As a result the impact could occur in 2018-19.

11. **Previous risk figures removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan. The new IFRS adjustments figures are pending from OPG via Energy in the next few days.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Output (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| ONFA adjsutment risk | | 0 to 400 | 0 to 400 | 0 to 400 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 100 | | | |

**or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $194M positive adjustment reflecting valuations as of December 31, 2017 is included in the OPG outlook. Given current market volatility the ONFA adjustment could change significantly by the end of the Province's fiscal year, March 31, 2018. The net debt adjustment to be included in the fiscal plan consistent with the December 31, 2017 valuations/reports would also be subject to the same type of volatility.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**On Deck Outlook as of February 2018** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 604 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 440 | 277 | 401 | 394 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 24 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 33 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 499 | 387 | 531 | 535 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 155 | 166 | 158 | 131 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 404 | 404 | 404 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 632 | 593 | 575 | 548 |
| Power Supply Contract Recoveries | 875 | 838 | 182 | 183 | 134 | 103 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 797 | 449 | 736 | 711 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 531 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 3,319 | 1,652 | 2,006 | 1,925 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,109 | 1,077 | 1,048 | 950 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 182 | 183 | 134 | 103 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,409 | 1,366 | 1,287 | 1,151 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,911** | **287** | **719** | **774** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **1,292** | **1,005** | **286** | **(488)** |

**1**

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

**2** **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of February 2018** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | (19) | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 125 | (89) | (7) | (143) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 increase is largely due to inclusion of PILs related to disposition of OPG headquarters and Lakeview properties. 2018-19 onward lower mainly due to lower OPG income tax PILs. Property tax componenst are close to Budget 2017. . |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | 3 | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | (35) | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 93 | (89) | (7) | (143) | |
| Interest : | | | | | | |
| OPG | (12) | (13) | 13 | 23 | (4) | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (88) | (88) | (88) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br><br>2017-18 and 2018-19 and onward change reflects revised projections for Provincial debt interest as a result of debt pay downs related to Hydro One's April 2016 and April 2017 offerings, repectively. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (36) | (60) | (60) | (87) | |
| Power Supply Contract Recoveries | 99 | (110) | (142) | (167) | (170) | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 272 | 449 | 736 | 711 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>Changes to the Provision (ESDI) expense in 2017-18 mainly reflect higher OPG net income due to recategorisation from Sales and Rentals of proceeds from the sale of OPG headquarters properties and Lakeview properties.<br><br>Th eincrease in 2018-19 onward reflects TB/MBC approval in 2017-18 PRRT approval to continue Provision for the Electricity Sector (i.e., Electricity Sector Dedicated Income to OEFC) beyond 2017-18. 2017 Budget assumed previous policy whereby ESDI ended after 2017-18. |
| Gain to OEFC under s. 50.3 | 411 | 531 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 732 | 157 | 502 | 310 | |
| **Expense** | | | | | | |
| Debt interest | - | 19 | 50 | 71 | 65 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (110) | (142) | (167) | (170) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | (91) | (83) | (85) | (94) | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **823** | **241** | | | |
| **Stranded Debt - Year End** | **3,202** | **1,292** | **1,005** | **286** | **(488)** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 905 | 500 | 728 | 677 |
| Hydro One Income[1] | 232 | 501 | 346 | 353 | 412 | 438 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **1,251** | **853** | **1,140** | **1,115** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (104) | (104) | (104) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(404)** | **(404)** | **(404)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **797** | **449** | **736** | **711** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **797** | **449** | **736** | **711** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **797** | **449** | **736** | **711** |

**Notes:**

1. The Hydro One financials above now reflects the Provincial share allocation as of January 2018.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 | |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* | |
| *Extraordinary Gains* | - | - | - | - | - | - | |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* | |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | | |
| *ONFA Adjustments* | - | 8 | | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| OPG Net Income | 291 | 377 | 1,195 | 795 | 1,053 | 877 | 1,070 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 10 | 80 | 150 | 225 | 225 |
| OPG IFRS consolidation risk[3] | | (78.00) | (300) | (375) | (475) | (425) | (625) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **905** | **500** | **728** | **677** | **670** |
| ONFA Adjustments | 247 | 49 | 194 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **194** | | | | |
| **OPG Net Income** | **463** | **342** | **1,099** | **500** | **728** | **677** | **670** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Cu |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 1,126 | 554 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 905 | 500 |
| OPG Income Tax (PILs) | 92 | 9 | 221 | 54 |
| GRC: Payable to OEFC | 198 | 201 | 206 | 209 |
| Proxy Property Tax to OEFC | 16 | 14 | 13 | 14 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **440** | **277** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update. This update now also includes 2017-18 proceeds from the Lakeview properties sale.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. IFRS risk provided by OPCD as of 2017 Budget

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| Additional Common Shares Issued since IPO | 386,711 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Quarter%20 |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by-the-Provinc |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www. S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4170865% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.43%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.43% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.43% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

2016%20Results.pdf

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## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Hydro One Net Income After Tax | | | 662 | 706 | 831 | 885 | 943 |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 662 | 706 | 831 | 885 | 943 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | 18 | 18 | 18 | 18 | 18 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual | Actual | | C |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income After Tax - Common Shares | 670 | 680 | 662 | 706 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (116) | (116) | (116) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **104** | **104** | **104** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **404** | **404** | **404** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 531 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| 2020-21 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 220 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
| -116 | 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 104 | 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | 2017-18 | 66 | -116 | Reduction in Int | Internal Calculation | |
| | 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |
| 300 | | | | | | | |
| 404 | | | | | | | |

| 2020-21 | ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|---|
| 0 | n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | | 299.871 | | | | |

| | | | | |
|---|---|---|---|---|
| | OPG's Annual Interest Costs: | | 300 | |
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |
| s. 50.3 | 531 | 531 | S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\02. February\Back-up files | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 182 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 155 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1109 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 0 | 0 | 0 | 0 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 183 | 134 | 103 | 103 |

| Plan | | | | |
|---|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 | |
| 166 | 158 | 131 | 119 | updated Feb 15, FTD |
| 3 | 3 | 3 | 3 | updated Feb 15, FTD |
| 20 | 10 | 10 | 10 | updated Feb 15, FTD |
| 1077 | 1048 | 950 | 818 | updated Feb 15, FTD |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |

| Plan | | | |
|---|---|---|---|
| 2018-19 | 2019-20 | 2020-21 | 2020-21 |
| 7 | 7 | 7 | 7 |
| - | - | - | - |
| - | - | - | - |
| 41 | 30 | 28 | 28 |
| 99 | 98 | 91 | 91 |

| | | | |
|---|---|---|---|
| -7 | -7 | -7 | -7 |
| (99) | (98) | (91) | -91 |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1115 | |
| 20171211-0 | 2018-19 | 1089 | |
| 20171211-0 | 2019-20 | 1060 | |
| 20171211-0 | 2020-21 | 963 | |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20180104-2 | 2017-18 | $ 181,776,685 | |
| 20180104-2 | 2018-19 | $ 182,785,215 | |
| 20180104-2 | 2019-20 | $ 133,962,519 | |
| 20180104-2 | 2020-21 | $ 102,554,665 | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - January 11 | |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

| Description | Source Details | Source (Link) |
|---|---|---|
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |
| Updated FY 2017-18 estimates of NUG costs | SPFB Estimates, BN | Power Purchases and Sales Forec |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

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RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

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ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

| | |
|---|---|
| **Government Priority Outcome** | **Supportive and Dynamic Business Environment** |
| **Program Type** | **Supporting** |
| **Ministry Linkages** | **Ministry of Energy** |

## I. Assessment of Program Base

| $M | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | Growth Rate 15-16 to 17-18 | Growth Rate 18-19 to 20-21 |
|---|---|---|---|---|---|---|---|---|
| **Current Allocation** | | | | | | | | |
| Operating Expense | 892.9 | 877.8 | 308.0010 | 331.0010 | 307.0010 | 279.0010 | | |
| Capital Expense | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| **Total Expense** | **892.9** | **877.8** | **308.0010** | **331.0010** | **307.0010** | **279.0010** | | |
| % Growth | | -2% | -65% | 7% | -7.3% | -9.1% | X.X% | X.X% |
| Operating Assets | 109.96 | 0.0 | 275.00 | 0.0 | | | | |
| Capital Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |

| $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|
| Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

*Notes:*

1. Table should be presented on a fully consolidated basis. Capital assets include acquisitions of consolidated entities. Consolidation information should be consistent with information in ORBIT and information submitted to the Office of the Provincial Controller Division (OPCD).
2. See ORBIT for current allocation.

### 1) OBJECTIVES

Supports the mandate of the Ontario Electricity Financial Corporation ("OEFC") to e.g., manage its debt, financial risks and other liabilities, arising from the restructuring of Ontario Hydro.

**1203-S - Hydro One Inc., provincial corporate tax provision, the Electricity Act, 1998**

Under the amendments made to section 91.2 of the *Electricity Act, 1998* in the *Budget Measures Act, 2015*, the Minister of Finance has a statutory requirement to pay OEFC in each fiscal year an amount equal to tax payable under the *Taxation Act, 2007* (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year, to continue to help

service and pay down the electricity sector stranded debt. Hydro One Inc. is composed of Hydro One Ltd.'s regulated Ontario distribution, transmission and remotes businesses.

Prior to the IPO of Hydro One Ltd. in November 2015, Hydro One Ltd. and all its subsidiaries, including Hydro One Inc., were subject to electricity payments-in-lieu of taxes (PILs) regime, where PILs were paid to OEFC. Now, Hydro One is required to pay federal and provincial corporate income taxes to the federal and provincial governments respectively.

The Ministry is requesting a placeholder in the amount of $1,000 for 1203-S to avoid disclosing any information which may be used by the market to speculate on the performance of Hydro One. In addition, this is a consistent approach other divisions take when the forecast is not available. The actuals for 2015-16 and 2016-17 were $2.9 million (a partial year only, related to the 2015 calendar year following the November IPO) and $24.8 million, respectively.

**1203-12 - OEFC Dedicated Electricity Earnings**

The transfer of Dedicated Electricity Earnings to OEFC is in accordance with policy adopted by the government since the restructuring of Ontario Hydro as at April 1, 1999 to dedicate its electricity sector revenues to OEFC to service and pay down the legacy debt and other liabilities of the former Ontario Hydro.

This includes transferring to the OEFC the cumulative combined profits of electricity sector government business enterprises (GBEs) in excess of the interest carrying cost of the government's investment in the GBEs.

OEFC receives the payment as revenue and it appears in OEFC's income statement as "Electricity Sector Dedicated Income" (ESDI).

## 2) OUTCOMES

Supports the servicing and pay down of OEFC's legacy debt and liabilities related to the former Ontario Hydro, including the reduction of OEFC's unfunded liability ("stranded debt") as reported in OEFC's annual financial statements.

Any payments under these statutory line items would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC upon consolidation of OEFC into the Province's finances in the Public Accounts of Ontario (OEFC is an agency of the Ministry of Finance, and its financial results are consolidated into Public Accounts).

## 3) RESOURCES

OEFC uses its revenues, including transfers under 1203-S and 1203-12, to meet its expenses related to its mandate, under the *Electricity Act, 1998,* to service and pay down its debt and other liabilities.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## 4) COST DRIVERS

The costs drivers are not in the control of the Ministry of Finance, as the amounts under 1203-S and 1203-12 arise from the financial performance, tax planning of entities outside its control – Ontario Power Generation and Hydro One, decisions of the Ontario Energy Board, and tax rates.

Under section 91.2 of the *Electricity Act, 1998*, the Minister of Finance has a statutory requirement to pay the OEFC in each fiscal year an amount equal to tax payable under the *Taxation Act, 2007* (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.

Dedicated Electricity Earnings arise from the financial performance of Ontario Power Generation and Hydro One, less the interest carrying cost of the government's investment in the GBEs. Payments under this line item are fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC upon consolidation into the Province's finances in the Public Accounts of Ontario

| Cost Drivers | Description |
|---|---|
| Section 91.2 of the *Electricity Act, 1998* | Under section 91.2 of the *Electricity Act, 1998*, the Minister of Finance has a statutory requirement to pay the OEFC in each fiscal year an amount equal to tax payable under the Taxation Act, 2007 (i.e., the provincial corporate income tax – CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.<br>Any payments under this statutory line item would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the receipt of revenue of OEFC on the consolidation of the Province's finances in the Public Accounts of Ontario (OEFC is an agency of Ministry of Finance, and its financial results are consolidated into Public Accounts). |

## 5) GROWTH RATES

For the Operating Expense, after consolidations, the decreasing amount / negative growth rate is primarily due to the fact that OEFC's power supply contract mounts, which account for the majority of operating expenses on a net basis, are projected to generally decline over time, primarily due to the termination / expiration of the contracts over time.

## 6) RISKS

If approval is not provided, the Province and Minister of Finance would be criticized for not supporting and being in compliance with the statutory requirement under s. 91.2 of the *Electricity Act, 1998* and the commitment to help service and pay down the electricity sector stranded debt.

The program amounts are driven by external factors, primarily the financial performance of OPG and Hydro One. However, the transfers to OEFC are fiscally-neutral on consolidation, so there is no fiscal risk from this transfer program.

## 7) OTHER FACTORS

- The OFA, Corporate and Electricity Finance Division, will request from Hydro One Ltd. ("Hydro One") the provincial tax payable information from Hydro One Inc., upon the availability of the information. Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly, so this information is not available publicly, and there may be concerns on commercial and taxpayer confidentiality. Access to the information on a timely basis may also be challenging in the future. Hydro One does provide other information to the Province to support reporting in Public Accounts of the Province's income from Hydro One.
- The provincial CIT amount provided by Hydro One annually is unaudited and prior to a tax assessment by the Canada revenue Agency.
- Some stakeholders may consider the amount to be very low, and much lower than the annualized amount of corporate income PILs paid by Hydro One to OEFC prior to the IPO.
    - The lower amount is consistent with the communications by the Premier's Advisory Council on Government Assets and in Hydro One's IPO Prospectus, that the newly taxable entity would have a large tax shield ("deferred tax benefit") from a revaluation of assets at fair market value for tax purposes, and as reported in Hydro One's 2015 annual financial statements.
    - The revaluation would also reduce the actual federal CIT paid for a number of years, reducing "leakage" to the federal government.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## II. Requested Program Changes

| $M | 17-18 | 18-19 | 19-20 | 20-21 | Growth Rate 18-19 to 20-21 |
|---|---|---|---|---|---|
| **Proposed Allocation** | | | | | |
| *MOF Expense* | *797.3165* | *449.1131* | *736.2681* | *711.0019* | |
| *OEFC Consolidation Expense* | *(599.5398)* | *(259.3269)* | *(595.3046)* | *(601.4462)* | |
| Operating Expense | 197.7767 | 189.7862 | 140.9635 | 109.5557 | |
| Capital Expense | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Total Expense** | 0.0 | 0.0 | 0.0 | 0.0 | |
| % Growth | | -38.3% | -25.8% | -22.0% | -23.9% |
| Operating Assets | 0.0 | 0.0 | | | |
| Capital Assets | 0.0 | 0.0 | 0.0 | 0.0 | |

| $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|
| Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

*Notes:*

1. Table should be presented on a fully consolidated basis. Capital assets include acquisitions of consolidated entities. Consolidation information should be consistent with information in ORBIT and information submitted to the Office of the Provincial Controller Division (OPCD).
2. See ORBIT for current allocation.

* Reflects sum of all financial impacts related to Key Operating, Capital, Climate Change, FTE and Technical Decisions

### 1) Rationale for Change (including impacts on outcomes)

Under the assumptions in the 2017 Fiscal Plan, the discretionary payment of Dedicated Electricity Earnings from the Minister of Finance to the OEFC was assumed to not continue after March 31, 2018. Since the time of the April 1, 1999, restructuring of Ontario Hydro, it has been assumed that the government policy commitment to dedicate these electricity earnings to OEFC would end once the residual stranded debt was retired. Under the *Budget Measures Act, 2015*, the residual stranded debt concept has been removed from the Act, and the Debt Retirement Charge has a fixed legislatively end date of April 1, 2018, instead of being tied to the retirement of residual stranded debt.

Note that while the Debt Retirement Charge (DRC) paid by non-residential electricity users ends as at April 1, 2018 (and ended for residential users as of January 1, 2016), OEFC is expected to continue to have significant debt and other liabilities to service and pay down. The Ministry of Finance proposes that the government continue to make the fiscally-neutral transfer of Dedicated Electricity Earnings to OEFC after April 1, 2018 to continue to help pay down the OEFC's debt and liabilities.

## PROGRAM NOTE
## MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

The estimated amount of the proposed continued Dedicated Electricity Earnings transfer to OEFC would be $449M for fiscal year 2018-19, $736M for 2019-20, and $711M for 2020-21. However, any payments under this item would be fiscally neutral as the payment from the Ministry to the OEFC is fully offset against the consolidation of revenue of OEFC into the Province's Public Accounts of Ontario. (OEFC is an agency of Ministry of Finance, and its financial results are consolidated into Public Accounts).

The requested Dedicated Electricity Earnings amounts over the 2018-19 to 2020-21 period reflect Hydro One and OPG projected net income performance less the interest carrying cost of the government's investment in the GBEs. The amounts also include projected International Financial Reporting Standard (IFRS) adjustments with respect to OPG net income. These amounts are subject to change.

### 2) Impacts on Program Resources

No impact

### 3) Changes in Cost Drivers

No changes in cost drivers.

### 4) Changes in Growth Rates

N/A

### 5) Integrated Change Narrative

N/A

There would likely be more of a communications issue to manage if OEFC's financial statements no longer showed Electricity Sector Dedicated Income to OEFC in fiscal 2018-19 and beyond.

### 6) Program Linkages

N/A

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## III. Requested Change Decisions

## 1) Operating Decisions

### Key Decisions

| Operating Decisions | $M | 18-19 | 19-20 | 20-21 | Docket # |
|---|---|---|---|---|---|
| A. The Ministry is requesting to continue to receive Dedicated Electricity Earnings after April 1, 2018. | *MOF Expense* | *449.1121* | *736.2671* | *711.0009* | |
| | *OEFC Consolidation Expense* | *(590.3269)* | *(902.3046)* | *(880.4462)* | X |
| | Operating Expense | (141.2148 | (166.0375) | (169.4453) | |
| | Operating Asset | 0.0 | | | |

### Non-Financial Decisions

| Non-Financial Decisions | Docket # |
|---|---|
| | X |

## IV. Risks

| Objective(s) | Risk(s) | Risk Category | Risk Level | Rationale for Risk Level & Mitigation Plan Considerations |
|---|---|---|---|---|
| *Under section 91.2 of the Electricity Act, 1998, the Minister of Finance will pay the OEFC an amount equal to tax payable under the Taxation Act, 2007 (i.e., the provincial CIT) by Hydro One Inc. and its subsidiaries for its taxation year ending in each fiscal year.* | *If approval is not provided, the Province and Minister of Finance would be criticized for not complying with its statutory requirement under s. 91.2 of the Act / its commitment to help service and pay down the electricity sector stranded debt.* | *Financial and Policy* | *Low* | • **Risk Likelihood:** *Low.*<br>• **Risk Impact:** *Low.*<br>• **Time Scale:** *Ongoing.*<br><br>**Mitigation/Action Plan Considerations:**<br>• If approval is not provided, the Province and Minister of Finance would potentially be criticized for not complying with its statutory requirement under s. 91.2 of the Electricity Act, 1998, or its commitment to help service and pay down the electricity sector stranded debt.<br>• This request was approved in 2015-16 and 2016-17, and it is unlikely that approvals would not be granted for future years, in compliance with the Act. |
| *The Minister of Finance will continue to pay ESDI to the OEFC to serve and pay down stranded debt after DRC ends on April 1, 2018* | *Unfunded liability will be paid down more slowly without projected annual ESDI amount.* | *Financial* | *Low* | • **Risk Likelihood:** Low<br>• **Risk Impact:** Low<br>• **Time Scale:** Ongoing<br><br>**Mitigation/Action Plan Considerations:**<br>• Unfunded liability will be paid down more slowly without projected annual ESDI.<br>• The loss of ESDI revenue to the OEFC will be in addition to other recent revenue decreases (e.g., from the DRC) as a result of other measures put in place (e.g., for electricity price mitigation).<br>• Overall, impact to the Province is fiscally-neutral on consolidation as the OEFC ESDI revenue offsets the Ministry of Finance ESDI expense. |

## V. Implementation

Section 91.2 of the *Electricity Act, 1998*

- OPCD, as part of its interactions with Hydro One on Public Accounts, will request the provincial tax payable information from Hydro One. However, Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly, so this information is not otherwise expected to be available in the future.
- The provincial CIT amount provided by Hydro One is unaudited, as Hydro One has no obligations, under US GAAP, to report the provincial CIT publicly.

Vote Item 1203-12: Electricity Sector Dedicated Income (ESDI)

- The Minister of Finance will continue to pay ESDI to the OEFC to help service and pay down debt and liabilities after DRC ends on April 1, 2018.

## VI. Communications/Stakeholder Engagement Plans

Section 91.2 of the *Electricity Act, 1998*

- Payment under section 91.2 of the *Electricity Act, 1998* will be included in payments-in-lieu of taxes revenue provided in various public documents, most notably OEFC's annual report and its annual financial statements, with the latter included in Volume 2 of Public Accounts.
- Some stakeholders may consider the amount to be very low, and much lower than the annualized amount of corporate income PILs paid by Hydro One to OEFC prior to the IPO.
    - The lower amount is consistent with the communications by the Premier's Advisory Council on Government Assets and in Hydro One's IPO Prospectus, that the newly taxable entity would have a large tax shield from a "deferred tax benefit", and as reported in Hydro One's 2015 annual financial statements.
    - The deferred tax benefit would also reduce the actual federal CIT paid for a number of years, reducing "leakage" to the federal government.

Vote Item 1203-12: Electricity Sector Dedicated Income (ESDI)

- The Minister of Finance will continue to pay ESDI to the OEFC to help service and pay down OEFC debt and liabilities after DRC ends on April 1, 2018.

# PROGRAM NOTE
# MINISTRY OF FINANCE – Electricity Finance Program (Feb 2018)

## VII. Proposed Minute

There are no changes to the Statutory Operating Expense 1203-S "Hydro One Inc., Provincial Corporate Tax Provision, the Electricity Act, 1998" to facilitate future payments to the OEFC as required under s. 91.2 of the *Electricity Act, 1998*.

The Treasury Board/Management Board of Cabinet receive a request to approve an increase to the Dedicated Electricity Earnings (1203-102) of $449M in 2018-19, $736M in 2019-20 and $711M in 2020-21. No increase is projected for 2019-20.

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These amounts, which are transferred to the OEFC, will be fully offset upon the OEFC's consolidation with the Province. While the Electricity Finance Program allocation will increase, there is no net fiscal impact upon consolidation as this increase is offset by OEFC revenue.

In this regard, the following multi-year resources for the program are as follows:

| | $M | 18-19 | 19-20 | 20-21 |
|---|---|---|---|---|
| | Operating Expense | 189.7862 | 140.9635 | 109.5557 |
| | Capital Expense | 0.0 | 0.0 | 0.0 |
| | **Total Expense** | **189.7862** | **140.9635** | **109.5557** |
| | Operating Assets | X.X | | |
| | Capital Assets | X.X | X.X | X.X |

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Note the following multi-year capital resources:

| | $M | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 |
|---|---|---|---|---|---|---|---|---|
| | Capital Expense | X.X | X.X | X.X | X.X | X.X | X.X | X.X |
| | Capital Assets | X.X | X.X | X.X | X.X | X.X | X.X | X.X |

In this regard, the Board approve/note/direct:

| | | |
|---|---|---|
| i) | An increase of $449,112,100 in 2018-19, $736,267,100 in 2019-20 and $711,000,900 in 2020-21 in Ontario Electricity Financial Corporation Dedicated Electricity Earnings – Electricity Sector Dedicated Income (Vote/item 1203-12) offset by consolidations. | Docket # |
| ii) | Approve decreases of $590,326,900 in 2018-19, $902,304,600 in 2019-20, and 880,446,200 in 2020-21 in the Ontario Electricity Financial Corporation operating consolidation as a result of updated electricity sector forecasts. | |

| | |
|---|---|
| **From:** | Shajee Kathirgamanathan |
| **To:** | John Kim |
| **Cc:** | Gavin He; Bruno Amara |
| **Subject:** | RE: PER OAG request |
| **Date:** | Thursday, April 05, 2018 2:32:26 PM |
| **Attachments:** | OFHP supporting data for OFA_v0.1._EFBv20.xlsx<br>GA financing Ont IOD Impact Estimation_April_4_2018.xlsx |

FYI, Please see attached with revised interest rate forecasts from Risk.

Second attachment is risk's numbers.

Thanks Gavin for following up with Alex's team on this info.

Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

---

**From:** Shajee Kathirgamanathan
**Sent:** Wednesday, April 04, 2018 9:01 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: PER OAG request

Sure. Will check in with the folks that gave us the original numbers to see if there are updates.

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

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**From:** John Kim
**Sent:** Tuesday, April 03, 2018 5:09 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: PER OAG request

Ok, let's try to update that to be consistent with the fiscal plan/Budget.

---

**From:** Shajee Kathirgamanathan
**Sent:** Tuesday, April 03, 2018 5:08 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Cc:** Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** Re: PER OAG request

It's what Risk used when they sent the numbers in October

Sent from my mobile device. Please excuse any typos or brevity.

On Apr 3, 2018, at 5:06 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Looks great. Just one question….is the OEP rate forecast what is used by Risk for the IOD or are we making an inference?
>
> ---
>
> **From:** Shajee Kathirgamanathan
> **Sent:** Tuesday, April 03, 2018 4:57 PM
> **To:** John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> **Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Subject:** RE: PER OAG request
>
> I did a delta of the equity injections and iod impacts based on Risks' calculations.
>
> Please see Rows 50 and 77 of Tab: '2. Fair Hydro Plan'.
>
> Thanks,
> Shajee
>
> **Shajee Kathirgamanathan**
> Office: 416-325-1402 | Mobile: 647-294-3359
> shajee.kathirgamanathan@ofina.on.ca
>
> ---
>
> **From:** John Kim
> **Sent:** Tuesday, April 03, 2018 3:34 PM
> **To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> **Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Subject:** RE: PER OAG request
>
> On this, could you touch base and ask how the information they provided at the time of FAO response was public and where was it public?
>
> Also, could you do a delta analysis to what we have in IOD vs. Energy's FAO?
>
> Let me know if any clarifications are needed on the two items above.
>
> John
>
> ---
>
> **From:** Shajee Kathirgamanathan
> **Sent:** Tuesday, April 03, 2018 1:14 PM
> **To:** John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> **Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>

**Subject:** FW: PER OAG request
**Importance:** Low

FYI, evidently Energy will be providing calendar year numbers.

My understanding are IOD forecasts were in fiscal year basis, so should still not be an issue. But will call to confirm the methodology.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

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**From:** Cayley, Daniel (ENERGY) [mailto:Daniel.Cayley@ontario.ca]
**Sent:** Tuesday, April 03, 2018 12:09 PM
**To:** Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: PER OAG request

It appears I misspoke – we are providing annual (calendar) numbers for the forecast.

Please give me a call if you would like to discuss.

Daniel

---

**From:** Shajee Kathirgamanathan [mailto:Shajee.Kathirgamanathan@ofina.on.ca]
**Sent:** April 3, 2018 11:55 AM
**To:** Cayley, Daniel (ENERGY)
**Subject:** PER OAG request

Hi Daniel,

Thanks again for clarifying the approach of the OAG PER request.

If there are subsequent questions on IOD expense, and/or the fiscalization of the FAA amounts can we be looped in as well? Just want to get our ducks in a row if that matter comes up.

Thanks,
Shajee

**Shajee Kathirgamanathan**
Senior Advisor
Electricity Finance Branch, Corporate and Electricity Finance Division

Ontario Financing Authority
Office: 416-325-1402 | Mobile: 647-294-3359
shajee.kathirgamanathan@ofina.on.ca

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***NOTE:*** *Draft version for Comment. Inputs and assumptions may not be consistent with best information available.*

## Attempted Recreation of Energy's Octo

**INPUTS:**

| Calculation for Scenario Analysis | | |
|---|---|---|
| Provincial Borrowing | 4.50% | *<-- Change this number to test differ* |
| Basis Points | 50 bp | *<-- Number used for scenario analys* |
| Total (Interest Rate) | 5.0000% | |
| **Model Circularity** | ON | |

**OUTPUTS:**

| Interest Calculation | |
|---|---|
| **Interest Rate:** | 5.00% |
| **Year Interest Payments Stop:** | 2047 |
| **Total Interest Paid:** | 21,083 |

*NOTE: Calculations do not match En*

**SENSITIVITIES:** *Determine sensitivites at various rates*

| | | Total Interest Paid |
|---|---|---|
| Provincial Borrowing | Provincial Borrowing + | Provincial Borrowing + |
| 21,083 | 0 bp | 30 bp |
| 3.12% | 8,542 | 9,885 |
| 3.50% | 10,275 | 11,857 |
| 3.75% | 11,578 | 13,362 |
| 4.00% | 13,047 | 15,075 |
| 4.25% | 14,716 | 17,030 |
| 4.50% | 16,619 | 19,200 |

*Sensitivites and difference compared to provincial borrowing*

| | Difference in Interest Paid Compared to Provin | |
|---|---|---|
| | Provincial Borrowing + 0 bp | Provincial Borrowing + 30 bp |
| 3.12% | - | 1,343 |
| 3.50% | - | 1,582 |
| 3.75% | - | 1,784 |
| 4.00% | - | 2,028 |
| 4.25% | - | 2,314 |
| 4.50% | - | 2,580 |

**ISSUANCE ANALYSIS:**

| | | Weighted Average Borrowing Calcul |
|---|---|---|
| Tranche A - Senior Debt | 51% | FHT: |
| Tranche B - Sub Debt | 39% | OPG via Province |
| Tranche C - Jr. Sub Debt | 10% | OPG via Province & Cap Mkts |
| | | **WEIGHTED AVERAGE:** |

| | | |
|---|---|---|
| FHT Weighted Average Rate: | 3.526% | |
| FHT Interest Paid | 10,399 | |
| | | |
| Provincial Borrowing at Issuance: | 3.12% | *Source: OFA* |
| Provincial Interest Paid | 8,540 | |
| | | |
| **Difference in Interest:** | **1,858** | |

## ɔber 19 Analysis by EFB

*ɾent interest rates*
*ɨis*

*ergy's methodology exactly in Developing FAA/RA. Subject to updates and refinement.*

| Provincial Borrowing + 40 bp | Provincial Borrowing + 50 bp |
|---|---|
| 10,374 | 10,879 |
| 12,432 | 13,047 |
| 14,017 | 14,716 |
| 15,821 | 16,619 |
| 17,874 | 18,750 |
| 20,124 | 21,083 |

| cial Borrowing: | |
|---|---|
| Provincial Borrowing + 40 bp | Provincial Borrowing + 50 bp |
| 1,832 | 2,337 |
| 2,156 | 2,771 |
| 2,439 | 3,138 |
| 2,774 | 3,573 |
| 3,158 | 4,034 |
| 3,505 | 4,464 |

| ation | |
|---|---|
| 3.357% | *Source: Debt Issuance* |
| 3.64% | *Source: Email* |
| 3.96% | *Source: Email* |
| **3.526%** | |

**INPUTS:**

| Calculation for Scenario Analysis | |
|---|---|
| Provincial Borrowing | 4.50% |
| Basis Points | 00 bp |
| Total (Interest Rate) | 4.50% |

**OUTPUTS:**

| Interest Calculation | |
|---|---|
| **Interest Rate:** | 4.50% |
| **Year Interest Payments Stop:** | 2047 |
| **Total Interest Paid:** | 14,308 |
| **Peak Debt:** | 17,612 |
| **Annual Paydown Amount:** | (1,278) |

**SCENARIOS:**

| | 3.12% | |
|---|---|---|
| **Interest Rate:** | 3.12% | |
| **Year Interest Payments Stop:** | 2047 | |
| **Total Interest Paid:** | 9,038 | |
| **Peak Debt:** | 16,348 | |
| **Annual Paydown Amount:** | (1,038) | |
| **Difference in Interest Paid:** | | 1,4 |

## Scenario Analysis with EFB Model

| 3.12% + 40bp | 4.50% | 4.5% + 50bp |
|---|---|---|
| 3.52% | 4.50% | 5.00% |
| 2047 | 2047 | 2047 |
| 10,477 | 14,308 | 16,438 |
| 16,705 | 17,612 | 18,093 |
| (1,104) | (1,278) | (1,375) |
| 39 | 2,130 | |

OFHP debt and interest projections, by calendar year

| $ nominal million | 2017 |
|---|---|
| FAA w/ Interest, Fees, Readjustment Principle Recovery, Readjustment* | (1,396) |
| Interest Paid | 32 |
| Closing Debt Balance | 1,428 |

*Delta between IESO GA cost forecast and Total GA paid by ratepayer, inclusive of interest
Notes: model assumes interest rate of 4.5% and data is exclusive of OPG financing fees

*Date: October 19, 2017*
*Source: Ministry of Energy*

## Attempted recreation by EFB ($ nominal Million)

Interest:
**Year Interest Payments Stop:**
**Total Interest Paid - Positive:**

| | **2017** |
|---|---|
| *FAA w/ Interest, Fees, Readjustment Principle Recovery, Readjustment** | |
| ***(Exactly from above)*** | 1,396 |
| | |
| Interest Paid (attempted recreation) [EFB Calculation] | 36 |
| Closing Debt Balance [EFB Calculation] | 1,432 |
| | ***3.66*** |

## Attempted recreation and extrapolation by EFB ($ nominal Million)

**Interest:**
**Year Interest Payments Stop:**
**Total Interest Paid - Positive:**
**Peak Debt:**

| | **2017** |
|---|---|
| *FAA w/ Interest, Fees, Readjustment Principle Recovery, Readjustment** | |
| ***(Exactly from above)*** | 1,396 |

*Reduction*

| | |
|---|---|
| **Opening Debt:** | 0 |
| | |
| **IN YEAR ANALYSIS** | |
| **In-Year Interest:** | 29 |
| **In-Year Accumulated Debt (Excl Interest):** | 1,396 |
| **In-Year - End Debt:** | 1,425 |
| | |
| **Debt Interest from Prior Year:** | 0 |
| | |
| **Total Accumulated Interest:** | 29 |
| **Accumulated Debt:** | 1,396 |
| **Debt Reduction:** | |
| | |
| **Closing Debt:** | 1,425 |

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | (2,189) | (2,296) | (2,414) | (2,204) | (1,700) |
| | 116 | 225 | 343 | 466 | 577 |
| | 3,734 | 6,254 | 9,011 | 11,681 | 13,958 |

5.00%
**2047**
**21,083**

| | **2018** | **2019** | **2020** | **2021** | **2022** |
|---|---|---|---|---|---|
| | 2,189 | 2,296 | 2,414 | 2,204 | 1,700 |
| | | | | | Additional Borrowing/F |
| | 130 | 251 | 385 | 523 | 650 |
| | 3,751 | 6,297 | 9,096 | 11,823 | 14,173 |
| | ***17.09*** | ***43.57*** | ***84.95*** | ***142.36*** | ***215.40*** |

4.50%
**2047**
**14,308**
**17,612**

| | **2018** | **2019** | **2020** | **2021** | **2022** |
|---|---|---|---|---|---|
| | 2,189 | 2,296 | 2,414 | 2,204 | 1,700 |

| | | | | |
|---|---|---|---|---|
| 1,425 | 3,724 | 6,235 | 8,980 | 11,634 |
| | | | | |
| 46 | 48 | 50 | 46 | 36 |
| 2,189 | 2,296 | 2,414 | 2,204 | 1,700 |
| 2,235 | 2,344 | 2,464 | 2,250 | 1,736 |
| | | | | |
| 64 | 168 | 281 | 404 | 524 |
| | | | | |
| 110 | 216 | 331 | 450 | 559 |
| 3,614 | 6,020 | 8,649 | 11,184 | 13,334 |
| | | | | |
| 3,724 | 6,235 | 8,980 | 11,634 | 13,894 |

| 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| (1,050) | (492) | (61) | 79 | 129 |
| 667 | 733 | 778 | 814 | 851 |
| 15,674 | 16,899 | 17,677 | 18,491 | 19,342 |

| **2023** | **2024** | **2025** | **2026** | **2027** |
|---|---|---|---|---|
| 1,050 | 492 | 61 | (79) | (129) |
| | | Cross Over Point: | (61) | |
| | | Borrrowing Still Required: | 79 | 129 |
| Repayments [Reason Unknown, Plug]: | | | | |
| 754 | 832 | 887 | 933 | 981 |
| 15,977 | 17,301 | 18,188 | 19,121 | 20,101 |
| ***302.42*** | ***401.45*** | ***510.70*** | ***629.63*** | ***758.92*** |

| **2023** | **2024** | **2025** | **2026** | **2027** |
|---|---|---|---|---|
| 1,050 | 492 | 61 | | |

| | | | | |
|---|---|---|---|---|
| | | | -1278 | -1278 |
| 13,894 | 15,591 | 16,794 | 17,612 | 17,127 |
| | | | | |
| 22 | 10 | 1 | 0 | 0 |
| 1,050 | 492 | 61 | 0 | 0 |
| 1,072 | 502 | 62 | 0 | 0 |
| | | | | |
| 625 | 702 | 756 | 793 | 771 |
| | | | | |
| 647 | 712 | 757 | 793 | 771 |
| 14,944 | 16,083 | 16,855 | 17,612 | 17,127 |
| | | | (1,278) | (1,278) |
| | | | | |
| 15,591 | 16,794 | 17,612 | 17,127 | 16,620 |

| 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|
| 354 | 714 | 1,251 | 1,188 | 1,348 |
| 883 | 896 | 888 | 872 | 854 |
| 19,904 | 19,904 | 19,541 | 19,226 | 18,732 |

| **2028** | **2029** | **2030** | **2031** | **2032** |
|---|---|---|---|---|
| (354) | (714) | (1,251) | (1,188) | (1,348) |
| | | | | |
| 33.45 | (182) | | | |
| 1,023 | 1,044 | 1,042 | 1,033 | 1,021 |
| 20,803 | 20,951 | 20,743 | 20,588 | 20,262 |
| | | | | |
| ***898.48*** | ***1046.63*** | ***1201.44*** | ***1362.46*** | ***1529.65*** |

| **2028** | **2029** | **2030** | **2031** | **2032** |
|---|---|---|---|---|
| | | | | |

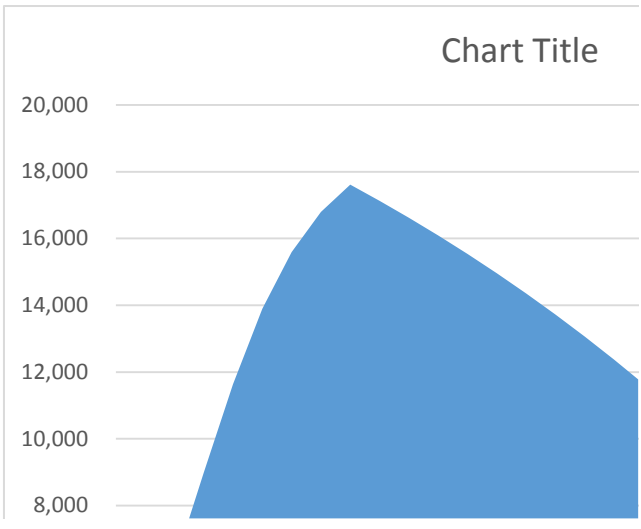
| | | | | |
|---|---|---|---|---|
| -1278 | -1278 | -1278 | -1278 | -1278 |
| 16,620 | 16,090 | 15,537 | 14,958 | 14,354 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 748 | 724 | 699 | 673 | 646 |
| 748 | 724 | 699 | 673 | 646 |
| 16,620 | 16,090 | 15,537 | 14,958 | 14,354 |
| (1,278) | (1,278) | (1,278) | (1,278) | (1,278) |
| 16,090 | 15,537 | 14,958 | 14,354 | 13,722 |

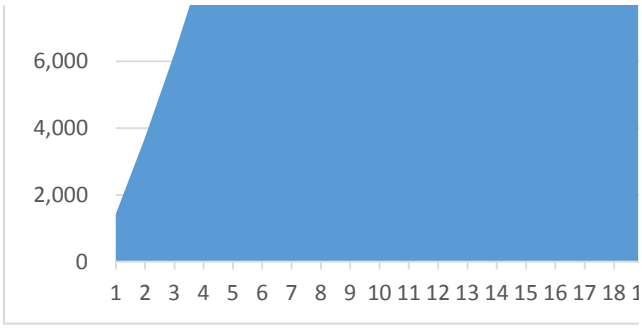
| 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|
| 1,419 | 1,901 | 2,087 | 2,128 | 2,062 |
| 830 | 791 | 736 | 673 | 607 |
| 18,143 | 17,033 | 15,682 | 14,227 | 12,773 |

| **2033** | **2034** | **2035** | **2036** | **2037** |
|---|---|---|---|---|
| (1,419) | (1,901) | (2,087) | (2,128) | (2,062) |
| 1,003 | 969 | 916 | 855 | 792 |
| 19,845 | 18,913 | 17,743 | 16,470 | 15,200 |
| ***1702.65*** | ***1880.16*** | ***2060.46*** | ***2242.82*** | ***2427.07*** |

| **2033** | **2034** | **2035** | **2036** | **2037** |
|---|---|---|---|---|
| | | | | |

| | | | | |
|---|---|---|---|---|
| -1278 | -1278 | -1278 | -1278 | -1278 |
| 13,722 | 13,062 | 12,372 | 11,651 | 10,897 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 617 | 588 | 557 | 524 | 490 |
| 617 | 588 | 557 | 524 | 490 |
| 13,722 | 13,062 | 12,372 | 11,651 | 10,897 |
| (1,278) | (1,278) | (1,278) | (1,278) | (1,278) |
| 13,062 | 12,372 | 11,651 | 10,897 | 10,110 |



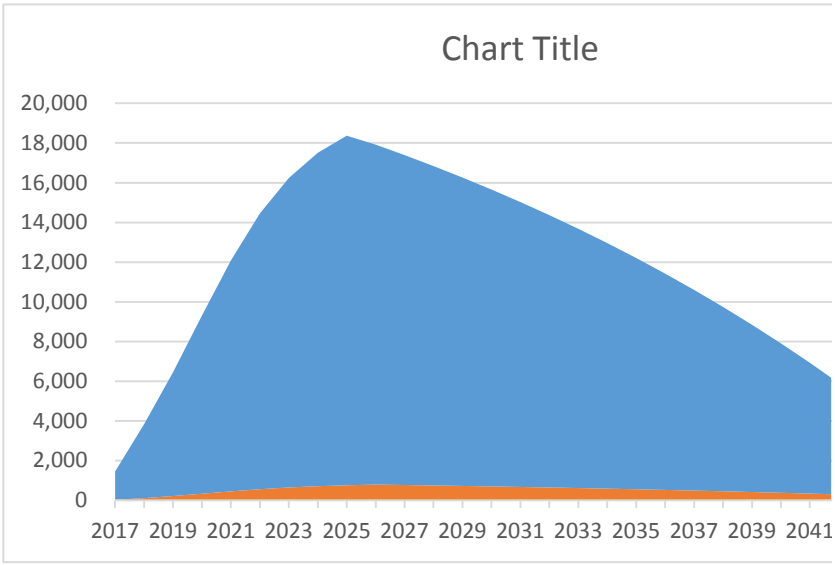

6,000
4,000
2,000
0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 1

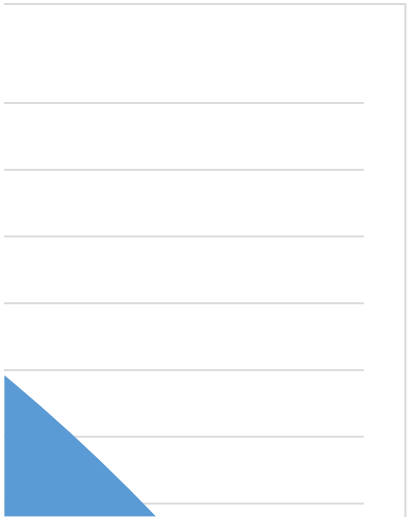
| 2038 | 2039 | 2040 | 2041 | 2042 |
|---|---|---|---|---|
| 2,099 | 1,796 | 1,527 | 1,392 | 1,379 |
| 540 | 475 | 420 | 372 | 326 |
| 11,214 | 9,893 | 8,786 | 7,766 | 6,713 |

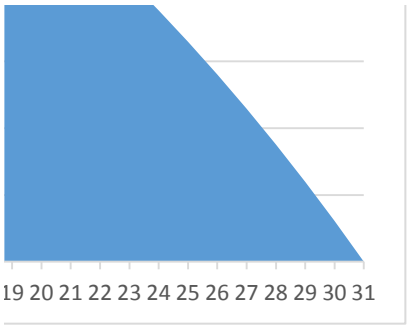
| **2038** | **2039** | **2040** | **2041** | **2042** |
|---|---|---|---|---|
| (2,099) | (1,796) | (1,527) | (1,392) | (1,379) |
| 726 | 663 | 612 | 568 | 526 |
| 13,827 | 12,694 | 11,779 | 10,955 | 10,102 |
| ***2613.03*** | ***2801.15*** | ***2992.70*** | ***3188.61*** | ***3389.25*** |

| **2038** | **2039** | **2040** | **2041** | **2042** |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| -1278 | -1278 | -1278 | -1278 | -1278 |
| 10,110 | 9,287 | 8,427 | 7,529 | 6,590 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 455 | 418 | 379 | 339 | 297 |
| 455 | 418 | 379 | 339 | 297 |
| 10,110 | 9,287 | 8,427 | 7,529 | 6,590 |
| (1,278) | (1,278) | (1,278) | (1,278) | (1,278) |
| 9,287 | 8,427 | 7,529 | 6,590 | 5,609 |



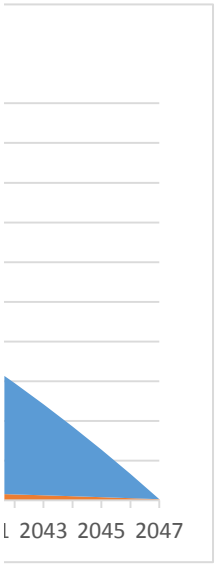

19 20 21 22 23 24 25 26 27 28 29 30 31

| 2043 | 2044 | 2045 | 2046 | 2047 |
|---|---|---|---|---|
| 1,310 | 1,341 | 1,357 | 1,526 | 2,034 |
| 279 | 231 | 179 | 121 | 45 |
| 5,682 | 4,571 | 3,394 | 1,989 | 0 |

| **2043** | **2044** | **2045** | **2046** | **2047** |
|---|---|---|---|---|
| (1,310) | (1,341) | (1,357) | (1,526) | (2,034) |
| 484 | 441 | 395 | 341 | 267 |
| 9,277 | 8,377 | 7,415 | 6,230 | 4,464 |
| ***3594.84*** | ***3805.48*** | ***4021.06*** | ***4241.07*** | ***4463.66*** |

| **2043** | **2044** | **2045** | **2046** | **2047** | **2048** | **2049** |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| -1278 | -1278 | -1278 | -1278 | -1278 | -1278 | -1278 |
| 5,609 | 4,584 | 3,512 | 2,393 | 1,223 | 0 | (1,278) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 252 | 206 | 158 | 108 | 55 | 0 | (57) |
| 252 | 206 | 158 | 108 | 55 | 0 | (57) |
| 5,609 | 4,584 | 3,512 | 2,393 | 1,223 | 0 | (1,278) |
| (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) |
| 4,584 | 3,512 | 2,393 | 1,223 | 0 | (1,278) | (2,613) |



| 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| -1278 | -1278 | -1278 | -1278 | -1278 | -1278 | -1278 | -1278 | -1278 |
| (2,613) | (4,008) | (5,466) | (6,990) | (8,582) | (10,246) | (11,985) | (13,802) | (15,700) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (118) | (180) | (246) | (315) | (386) | (461) | (539) | (621) | (707) |
| (118) | (180) | (246) | (315) | (386) | (461) | (539) | (621) | (707) |
| (2,613) | (4,008) | (5,466) | (6,990) | (8,582) | (10,246) | (11,985) | (13,802) | (15,700) |
| (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) | (1,278) |
| (4,008) | (5,466) | (6,990) | (8,582) | (10,246) | (11,985) | (13,802) | (15,700) | (17,685) |

| 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 |
|---|---|---|---|---|---|---|

| | |
|---|---|
| -1278 | -1278 |
| | |
| (17,685) | (19,758) |
| | |
| | |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| | |
| (796) | (889) |
| | |
| (796) | (889) |
| (17,685) | (19,758) |
| (1,278) | (1,278) |
| | |
| (19,758) | (21,925) |

**Instructions: An updated projection of the annual cost of the refinancing portion of the Fa**

**Please contact Matt Gurham (mgurham@fao-on.org) if assistance is required.**

**Actual and Projected Annual Global Adjustment (GA) Deferral and Repayment Amount Cash Flows**

| *$ millions* |
|---|
| IESO forecast Global Adjustment cost * |
| Global Adjustment payment from ratepayer ** |

* Represents total GA prior to OFHP based on IESO's forecast of total GA for all customers (2017-203
** Represents total OFHP costs recovered from consumers, including deferral of GA and recovery of

**Provincial Actual and Projected Fair Hydro Plan Debt**

| *$ millions* |
|---|
| Amount borrowed/paid-back in given year*** |
| Interest**** ~~on accumulated debt from previous year~~ |
| Accumulated Debt |

***Values represent deferral of GA costs and recovery of principal.
****Interest is calculated based on the average debt balance for the year and a 5 per cent interest ra
This data was used to inform the Minister's letter to OPG.

**OPG Actual and Projected Fair Hydro Plan Debt**

| *$ million* |
|---|
| Amount borrowed/paid-back in given year |
| Interest on accumulated debt from previous year |
| Accumulated Debt |

## Equity Injection Comparisons

Revised Annual Borrowings
Equity Injection (44%)

Revised Equity Injections - Fiscalized
EFB Equity Injection Calculation based on FAA (September 28 2017 Letter)
Variance

## IOD Comparisons

***Revised Equity Injections - Fiscalized***

OEP forecast as of Feb 6, 2018
Interest Rate Forecast

IOD
2017-18
2018-19
2019-20
2020-21
**Total Estimated IOD Impact**

***EFB Equity Injection Calculation based on FAA (September 28 2017 Letter)***

OEP forecast as of Feb 6, 2018
Interest Rate Forecast

IOD
2017-18
2018-19
2019-20
2020-21
**Total Estimated IOD Impact**

**Variance in IOD Impacts**

**ıir Hydro Plan.**

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| 10,078 | 10,144 | 10,801 | 10,576 | 9,671 | 9,471 | 8,733 |
| 8,682 | 7,955 | 8,505 | 8,162 | 7,467 | 7,771 | 7,683 |

:5) which informed the 2017 LTEP, converted by the Ministry from $2017 to $nominal by assuming 2% CPI
principal, interest and fees.

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| -1,448 | -2,322 | -2,553 | -2,808 | -2,740 | -2,363 | -1,819 |
| 52 | 133 | 257 | 394 | 536 | 663 | 769 |
| 1,448 | 3,770 | 6,323 | 9,131 | 11,871 | 14,234 | 16,053 |

ate over the 30-year life of the program, and includes associated fees.

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| 1,448 | 2,322 | 2,553 | 2,808 | 2,740 | 2,363 | 1,819 |
| 637 | 1022 | 1123 | 1235 | 1206 | 1040 | 800 |

| 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|---|
| 893 | 1047 | 1151 | 1228 | 1164 | 980 | 748 |
| 853 | 979 | 1023 | 1035 | 911 | 675 | 402 |
| 40 | 69 | 128 | 193 | 253 | 305 | 346 |

| 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|
| 893 | 1,047 | 1,151 | 1,228 |
| rrowing Rate | OEP | OEP | 20-Year Average |
| 2.4% | 3.4% | 4.0% | 4.4% |
| | | | |
| 11 | 21 | 21 | 21 |
| | 18 | 35 | 35 |
| | | 23 | 46 |
| | | | 27 |
| **11** | **39** | **80** | **130** |
| | | | |
| 853 | 979 | 1,023 | 1,035 |
| rrowing Rate | OEP | OEP | 20-Year Average |
| 2.4% | 3.4% | 4.0% | 4.4% |
| | | | |
| 10 | 20 | 20 | 20 |
| | 16 | 33 | 33 |
| | | 21 | 41 |
| | | | 23 |
| **10** | **37** | **74** | **117** |
| | | | |
| **0** | **2** | **6** | **13** |

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| 9,917 | 8,924 | 9,908 | 10,169 | 10,300 | 9,978 | 9,472 |
| 9,425 | 8,924 | 9,908 | 10,169 | 11,297 | 11,009 | 10,877 |

and extrapolated post-2035 based on the average rate of change between 2026-2035.

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| -1,342 | -907 | -954 | -1,004 | -33 | 0 | 385 |
| 850 | 907 | 954 | 1,004 | 1,030 | 1,031 | 1,021 |
| 17,395 | 18,301 | 19,255 | 20,259 | 20,292 | 20,292 | 19,907 |

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| 1,342 | 907 | 954 | 1,004 | 33 | 0 | -385 |
| 590 | 399 | 420 | 442 | 15 | 0 | -169 |

| 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|---|---|---|---|---|---|---|
| 542 | 404 | 425 | 335 | 11 | -42 | -164 |
| 152 | -51 | -112 | -159 | -270 | -444 | -604 |
| 390 | 455 | 537 | 494 | 281 | 402 | 440 |

| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|
| 8,449 | 8,344 | 7,445 | 6,252 | 4,771 | 4,417 | 4,089 |
| 9,789 | 9,840 | 9,009 | 8,291 | 6,988 | 6,666 | 6,262 |

| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|
| 337 | 515 | 611 | 1,131 | 1,372 | 1,477 | 1,476 |
| 1,003 | 981 | 952 | 908 | 845 | 772 | 697 |
| 19,570 | 19,055 | 18,444 | 17,313 | 15,941 | 14,464 | 12,988 |

| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|---|---|---|---|---|---|---|
| -337 | -515 | -611 | -1,131 | -1,372 | -1,477 | -1,476 |
| -148 | -227 | -269 | -498 | -604 | -650 | -650 |

| 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 |
|---|---|---|---|---|---|---|
| -168 | -237 | -326 | -524 | -615 | -650 | -661 |
| -609 | -664 | -745 | -913 | -977 | -980 | -960 |
| 442 | 427 | 419 | 389 | 362 | 330 | 299 |

| 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 |
|---|---|---|---|---|---|---|
| 3,785 | 3,504 | 3,244 | 3,003 | 2,780 | 2,574 | 2,383 |
| 5,985 | 5,392 | 4,855 | 4,474 | 4,230 | 3,948 | 3,780 |

| 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 |
|---|---|---|---|---|---|---|
| 1,580 | 1,343 | 1,128 | 1,041 | 1,075 | 1,053 | 1,132 |
| 620 | 545 | 483 | 429 | 375 | 321 | 265 |
| 11,408 | 10,065 | 8,937 | 7,895 | 6,821 | 5,768 | 4,636 |

| 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 |
|---|---|---|---|---|---|---|
| -1,580 | -1,343 | -1,128 | -1,041 | -1,075 | -1,053 | -1,132 |
| -695 | -591 | -496 | -458 | -473 | -463 | -498 |

| 2038-39 | 2039-40 | 2040-41 | 2041-42 | 2042-43 | 2043-44 | 2044-45 |
|---|---|---|---|---|---|---|
| -669 | -567 | -487 | -462 | -470 | -472 | -505 |
| -930 | -801 | -695 | -646 | -629 | -608 | -615 |
| 261 | 234 | 208 | 184 | 159 | 137 | 110 |

| 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|
| 2,206 | 2,042 | 1,891 | 1,750 |
| 3,611 | 3,608 | 3,952 | 1,750 |

| 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|
| 1,199 | 1,427 | 2,010 | 0 |
| 206 | 139 | 51 | 0 |
| 3,437 | 2,010 | 0 | 0 |

| 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

| 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|
| -1,199 | -1,427 | -2,010 | 0 |
| -528 | -628 | -885 | 0 |

| 2045-46 | 2046-47 | 2047-48 |
|---|---|---|
| -553 | -692 | -663 |
| -637 | -748 | -675 |
| 85 | 56 | 11 |

**Actual and Projected Annual Global Adjustment (GA) Deferral and Repayme**

| *$ millions* | **2017** | **2018** |
|---|---|---|
| IESO forecast Global A | 10,078 | 10,144 |
| Global Adjustment pay | 8,682 | 7,955 |

* Represents total GA prior to OFHP based on IESO's forecast of total GA for a
** Represents total OFHP costs recovered from consumers, including deferral

| | | |
|---|---|---|
| Deferral | 1,396 | 2,189 |
| | 52 | 133 |
| Annual Borrowings | 1,448 | 2,322 |
| TOTAL | 1,448 | 3,770 |
| | | |
| | 0.03719145 | 0.060789592 |
| | 0.035857845 | 0.035294613 |
| | 0.03719145 | 0.036585899 |
| | 0.0358578446 | 0.0510000000 |
| | 0.0371914498 | 0.0537407798 |
| | 0.0371914498 | 0.0523345305 |
| | | |
| | 5% | |
| | | |
| Recalculation | 1,396 | 2,189 |
| | 52 | 130 |
| | 1,448 | 2,319 |
| | 1,448 | 3,768 |

**nt Amount Cash Flows**

| 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|
| 10,801 | 10,576 | 9,671 | 9,471 |
| 8,505 | 8,162 | 7,467 | 7,771 |

ll customers (2017-2035) which informed the 2017 LTEP, converted by the Ministry from $2017 to $nominal by
of GA and recovery of principal, interest and fees.

| | | | |
|---|---|---|---|
| 2,296 | 2,414 | 2,204 | 1,700 |
| 257 | 394 | 536 | 663 |
| 2,553 | 2,808 | 2,740 | 2,363 |
| 6,323 | 9,131 | 11,871 | 14,234 |
| | | | |
| 0.112122144 | 0.163279846 | 0.242946991 | 0.390032973 |
| 0.040704571 | 0.043159126 | 0.045114332 | 0.046583166 |
| 0.042431736 | 0.045105856 | 0.047245794 | 0.048859181 |
| 0.0510000000 | 0.0510000000 | 0.0510000000 | 0.0508000000 |
| 0.0537407798 | 0.0537407798 | 0.0537407798 | 0.0535187526 |
| 0.0523345305 | 0.0523345305 | 0.0523345305 | 0.0521239483 |
| | 0.050837963 | | |
| | | | |
| 2,296 | 2,414 | 2,204 | 1,700 |
| 252 | 386 | 524 | 651 |
| 2,548 | 2,799 | 2,728 | 2,351 |
| 6,315 | 9,115 | 11,843 | 14,194 |

| 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|
| 8,733 | 9,917 | 8,924 | 9,908 |
| 7,683 | 9,425 | 8,924 | 9,908 |

y assuming 2% CPI and extrapolated post-2035 based on the average rate of change between 2026-2035.

| | | | |
|---|---|---|---|
| 1,050 | 492 | 0 | 0 |
| 769 | 850 | 907 | 954 |
| 1,819 | 1,342 | 907 | 954 |
| 16,053 | 17,395 | 18,301 | 19,255 |
| | | | |
| 0.73265484 | 1.72677531 | #DIV/0! | #DIV/0! |
| 0.047921434 | 0.048841011 | 0.049541642 | 0.049541642 |
| 0.050333487 | 0.051348946 | 0.052123948 | 0.052123948 |
| 0.0508000000 | 0.0508000000 | 0.0508000000 | 0.0508000000 |
| 0.0535187526 | 0.0535187526 | 0.0535187526 | 0.0535187526 |
| 0.0521239483 | 0.0521239483 | 0.0521239483 | 0.0521239483 |
| | | | |
| 1,050 | 492 | 0 | 0 |
| 755 | 833 | 888 | 934 |
| 1,805 | 1,325 | 888 | 934 |
| 15,999 | 17,324 | 18,212 | 19,146 |

| 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|
| 10,169 | 10,300 | 9,978 | 9,472 |
| 10,169 | 11,297 | 11,009 | 10,877 |

| | | | |
|---|---|---|---|
| 0 | -997 | -1,031 | -1,406 |
| 1,004 | 1,030 | 1,031 | 1,021 |
| 1,004 | 33 | 0 | -385 |
| 20,259 | 20,292 | 20,292 | 19,907 |
| | | | |
| #DIV/0! | -1.033303874 | -1 | -0.726329513 |
| | | | |
| 0.052123948 | 0.053472634 | 0.053518753 | 0.054063854 |
| 0.0508000000 | 0.0508000000 | 0.0508000000 | 0.0508000000 |
| 0.0535187526 | 0.0535187526 | 0.0535187526 | 0.0535187526 |
| 0.0521239483 | 0.0521239483 | 0.0521239483 | 0.0521239483 |
| | | | |
| 0 | -997 | -1,031 | -1,406 |
| 982 | 1007 | 1006 | 995 |
| 982 | 10 | -25 | -410 |
| 20,128 | 20,138 | 20,113 | 19,703 |

| 2031 | 2032 | 2033 | 2034 |
|---|---|---|---|
| 8,449 | 8,344 | 7,445 | 6,252 |
| 9,789 | 9,840 | 9,009 | 8,291 |

| | | | |
|---|---|---|---|
| -1,340 | -1,496 | -1,564 | -2,039 |
| 1,003 | 981 | 952 | 908 |
| -337 | -515 | -611 | -1,131 |
| 19,570 | 19,055 | 18,444 | 17,313 |
| | | | |
| -0.748423197 | -0.655724615 | -0.609140601 | |
| | | | |
| 0.054004521 | 0.054281378 | 0.054453742 | 0.055363212 |
| 0.0508000000 | 0.0508000000 | 0.0508000000 | 0.0508000000 |
| 0.0535187526 | 0.0535187526 | 0.0535187526 | 0.0535187526 |
| 0.0521239483 | 0.0521239483 | 0.0521239483 | 0.0521239483 |
| | | | |
| -1,340 | -1,496 | -1,564 | -2,039 |
| 976 | 953 | 924 | 879 |
| -364 | -543 | -640 | -1,160 |
| 19,339 | 18,796 | 18,156 | 16,996 |

| 2035 | 2036 | 2037 | 2038 |
|---|---|---|---|
| 4,771 | 4,417 | 4,089 | 3,785 |
| 6,988 | 6,666 | 6,262 | 5,985 |

| | | | |
|---|---|---|---|
| -2,217 | -2,249 | -2,173 | -2,200 |
| 845 | 772 | 697 | 620 |
| -1,372 | -1,477 | -1,476 | -1,580 |
| 15,941 | 14,464 | 12,988 | 11,408 |

| | | | |
|---|---|---|---|
| 0.055951526 | | | |
| 0.0508000000 | 0.0508000000 | 0.0508000000 | 0.0508000000 |
| 0.0535187526 | 0.0535187526 | 0.0535187526 | 0.0535187526 |
| 0.0521239483 | 0.0521239483 | 0.0521239483 | 0.0521239483 |

| | | | |
|---|---|---|---|
| -2,217 | -2,249 | -2,173 | -2,200 |
| 815 | 742 | 667 | 589 |
| -1,402 | -1,507 | -1,507 | -1,611 |
| 15,594 | 14,087 | 12,580 | 10,968 |

| 2039 | 2040 | 2041 | 2042 |
|---|---|---|---|
| 3,504 | 3,244 | 3,003 | 2,780 |
| 5,392 | 4,855 | 4,474 | 4,230 |

| | | | |
|---|---|---|---|
| -1,888 | -1,611 | -1,471 | -1,450 |
| 545 | 483 | 429 | 375 |
| -1,343 | -1,128 | -1,041 | -1,075 |
| 10,065 | 8,937 | 7,895 | 6,821 |

| | | | |
|---|---|---|---|
| 0.0508000000 | 0.0508000000 | 0.0510000000 | 0.0510000000 |
| 0.0535187526 | 0.0535187526 | 0.0537407798 | 0.0537407798 |
| 0.0521239483 | 0.0521239483 | 0.0523345305 | 0.0523345305 |

| | | | |
|---|---|---|---|
| -1,888 | -1,611 | -1,471 | -1,450 |
| 514 | 451 | 395 | 340 |
| -1,374 | -1,160 | -1,076 | -1,110 |
| 9,595 | 8,434 | 7,358 | 6,249 |

| 2043 | 2044 | 2045 | 2046 |
|---|---|---|---|
| 2,574 | 2,383 | 2,206 | 2,042 |
| 3,948 | 3,780 | 3,611 | 3,608 |

| | | | |
|---|---|---|---|
| -1,374 | -1,397 | -1,405 | -1,565 |
| 321 | 265 | 206 | 139 |
| -1,053 | -1,132 | -1,199 | -1,427 |
| 5,768 | 4,636 | 3,437 | 2,010 |

| | | | |
|---|---|---|---|
| 0.0510000000 | 0.0510000000 | 0.0510000000 | 0.0510000000 |
| 0.0537407798 | 0.0537407798 | 0.0537407798 | 0.0537407798 |
| 0.0523345305 | 0.0523345305 | 0.0523345305 | 0.0523345305 |

| | | | |
|---|---|---|---|
| -1,374 | -1,397 | -1,405 | -1,565 |
| 285 | 229 | 169 | 101 |
| -1,088 | -1,168 | -1,236 | -1,464 |
| 5,160 | 3,992 | 2,756 | 1,291 |

| 2047 | 2048 |
|---|---|
| 1,891 | 1,750 |
| 3,952 | 1,750 |

| | |
|---|---|
| -2,062 | 0 |
| 51 | 0 |
| -2,010 | 0 |
| 0 | 0 |

| | |
|---|---|
| 0.0510000000 | 0.0000000000 |
| 0.0537407798 | 0.0000000000 |
| 0.0523345305 | 0.0000000000 |

| | |
|---|---|
| -2,062 | 0 |
| 13 | -39 |
| -2,048 | -39 |
| -757 | -796 |

**Fiscal Year**

**Provincial Borrowing**

OEP forecast as of Feb 6, 2018

**Interest Rate Forecast**

**IOD**
**2017-18**
**2018-19**
**2019-20**
**2020-21**
**Total Estimated IOD Impact**

| Fiscal Year Equivalent | 2017-18 Interim |
|---|---|
| FY Adjusted Debt Requirement | 1938 |
| Provincial Borrowing Required | 853 |

| 2017-18 Interim | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|
| $M | $M | $M | |
| 853 | 979 | 1,023 | 1,035 |
| Actual Borrowing Rate | OEP | OEP | 20-Year Average |
| 2.4% | 3.4% | 4.0% | 4.4% |
| | | | |
| | | | |
| 10 | 20 | 20 | 20 |
| | 16 | 33 | 33 |
| | | 21 | 41 |
| | | | 23 |
| **10** | **37** | **74** | **117** |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 2224 | 2326 | 2353 |
| 979 | 1023 | 1035 |

**Fiscal Year**

**Change in Provincial Borrowing**

OEP forecast as of Feb. 28

**Interest Rate Forecast**

## IOD from Change in Long-Term Borrowing

**2017-18**

**2018-19**

**2019-20**

**2020-21**

**Total IOD Impact**

Reported to Fiscal last Week

| GA Debt requirement | **2017** |
|---|---|
| Option 1 | 2501 |

| Fiscal Year Equivalent | 2017-18 |
|---|---|
| FY Adjusted Debt Requirement | 2502 |
| Provincial Borrowing Required | 1101 |

| 2017-18 | | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| $M | | $M | $M | |
| | 1,101 | 1,103 | 1,164 | 1,307 |
| | OEP | OEP | 15-Year Average | 15-Year Average |
| | 3.1% | 3.6% | 4.3% | 4.3% |
| | | | | |
| | | | | |
| | 17 | 34 | 34 | 34 |
| | | 20 | 40 | 40 |
| | | | 25 | 50 |
| | | | | 28 |
| | **17.177** | **54.368** | **99.398** | **152.517** |
| | 17 | 55 | 102 | |

| **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|
| 2508 | 2501 | 3075 | 2660 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 2506 | 2644 | 2971 |
| 1103 | 1164 | 1307 |

# GA Financing Model

By changing the inputs, one can model different scenarios for the GA Debt financing.

| | | |
|---|---|---|
| Total Principal ($M) | $ 20,332.32 | |
| Peak Debt ($M) | $ 26,470.43 | |
| Accumulated Interest ($M) | $ 18,910.34 | |
| Max Payment ($M) | $ 2,241.55 | |
| Interest Type | Annualized | Please Select |
| Final Payment made in Year | 2045 | |
| Maximum Payment ($M) | $ (2,241.55) | |
| Payment Periods | 12 | |
| Share of debt & interest | 44% | Can Change Sha |

| | | |
|---|---|---|
| Weighted-average interest rate | 2.39% | 3.24% |
| | | 0 |
| **Change in ratepayer cost** | | -2.79% |
| | **2017** | **2018** |
| IESO GA cost forecast + extrapolation | 12,095 | 11,835 |
| Option 1 - Ratepayer cost | 9,595 | 9,327 |
| | | |
| **GA Debt requirement** | | |
| Option 1 | 2,501 | 2,508 |
| | | |
| Interest | 2.42% | 3.29% |
| | | |
| Debt Beginning of year | 0 | 2,501 |
| Interest on Debt | 0 | 82 |
| Additional GA Drawdown, end of year | 2,501 | 2,508 |
| Debt End of year | 2,501 | 5,091 |
| | | |
| **Fiscalized (44% share) - $M** | **2017-18 Interim** | **2018-19** |
| Interest Cost | 9 | 49 |

Notes

1. Based on Ministry of Energy model and associated assumptions.
2. GA forecast, ratepayer payments, and interest costs subject to change.
3. To forecast the payment of the remaining balance, a cap of $2.242 bn above the true cost of G still accumulating over this period.

Please only change the yellow cells.

re here

| | | | | |
|---|---|---|---|---|
| 3.90% | 4.35% | 4.41% | 4.41% | 4.41% |
| 0 | 0 | 0 | 0 | 0 |
| -2.95% | 0.47% | -10.01% | -0.05% | 0.32% |
| **2019** | **2020** | **2021** | **2022** | **2023** |
| 11,552 | 12,168 | 10,844 | 10,634 | 10,243 |
| 9,051 | 9,094 | 8,184 | 8,180 | 8,206 |
| | | | | |
| 2,501 | 3,075 | 2,660 | 2,454 | 2,038 |
| | | | | |
| 3.97% | 4.44% | 4.50% | 4.50% | 4.50% |
| | | | | |
| 5,091 | 7,794 | 11,214 | 14,379 | 17,480 |
| 202 | 346 | 505 | 647 | 786 |
| 2,501 | 3,075 | 2,660 | 2,454 | 2,038 |
| 7,794 | 11,214 | 14,379 | 17,480 | 20,304 |
| | | | | |
| **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** |
| 105 | 170 | 238 | 300 | 360 |

GA in any given year is applied. Thus, every year a maximum of $2.242 bn is recovered by ratepayers until the debt is p

| | | | | |
|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 0 | 0 | 0 | 0 | 0 |
| 18.73% | -4.38% | 9.88% | 12.11% | 13.81% |
| **2024** | **2025** | **2026** | **2027** | **2028** |
| 11,128 | 10,527 | 10,033 | 11,043 | 10,819 |
| 9,743 | 9,316 | 10,236 | 11,476 | 13,061 |
| | | | | |
| 1,386 | 1,211 | -203 | -433 | -2,242 |
| | | | | |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| | | | | |
| 20,304 | 22,603 | 24,831 | 25,745 | 26,470 |
| 914 | 1017 | 1117 | 1158 | 1191 |
| 1,386 | 1,211 | -203 | -433 | -2,242 |
| 22,603 | 24,831 | 25,745 | 26,470 | 25,420 |
| | | | | |
| **2024-25** | **2025-26** | **2026-27** | **2027-28** | **2028-29** |
| 413 | 458 | 496 | 513 | 519 |

aid down, with interest

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| -6.20% | -2.34% | -8.92% | 1.52% | -5.26% | -4.60% | -20.95% |
| **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** |
| 10,009 | 9,721 | 8,654 | 8,820 | 8,238 | 7,756 | 5,662 |
| 12,250 | 11,963 | 10,896 | 11,061 | 10,480 | 9,998 | 7,904 |
| | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| 25,420 | 24,322 | 23,175 | 21,976 | 20,723 | 19,414 | 18,046 |
| 1144 | 1094 | 1043 | 989 | 932 | 873 | 812 |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 24,322 | 23,175 | 21,976 | 20,723 | 19,414 | 18,046 | 16,616 |
| | | | | | | |
| **2029-30** | **2030-31** | **2031-32** | **2032-33** | **2033-34** | **2034-35** | **2035-36** |
| 498 | 476 | 453 | 429 | 404 | 378 | 350 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| -3.46% | -3.41% | -3.36% | -3.31% | -3.26% | -3.20% | -3.15% |
| **2036** | **2037** | **2038** | **2039** | **2040** | **2041** | **2042** |
| 5,389 | 5,129 | 4,881 | 4,645 | 4,421 | 4,207 | 4,004 |
| 7,630 | 7,370 | 7,122 | 6,887 | 6,662 | 6,449 | 6,246 |
| | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| 16,616 | 15,122 | 13,561 | 11,930 | 10,225 | 8,443 | 6,582 |
| 748 | 680 | 610 | 537 | 460 | 380 | 296 |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | -2,242 |
| 15,122 | 13,561 | 11,930 | 10,225 | 8,443 | 6,582 | 4,636 |
| | | | | | | |
| **2036-37** | **2037-38** | **2038-39** | **2039-40** | **2040-41** | **2041-42** | **2042-43** |
| 322 | 292 | 260 | 228 | 194 | 158 | 121 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| -3.10% | -3.04% | -2.98% | -2.93% | -2.87% | -44.57% | -4.83% | -4.83% |
| **2043** | **2044** | **2045** | **2046** | **2047** | **2048** | **2049** | **2050** |
| 3,811 | 3,627 | 3,451 | 3,285 | 3,126 | 2,975 | 2,831 | 2,695 |
| 6,052 | 5,868 | 5,693 | 5,526 | 5,368 | 2,975 | 2,831 | 2,695 |
| | | | | | | | |
| -2,242 | -2,242 | -2,242 | -2,242 | -2,242 | 0 | 0 | 0 |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| 4,636 | 2,603 | 479 | 0 | 0 | 0 | 0 | 0 |
| 209 | 117 | 22 | 0 | 0 | 0 | 0 | 0 |
| -2,242 | -2,242 | -500 | 0 | 0 | 0 | 0 | 0 |
| 2,603 | 479 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **2043-44** | **2044-45** | **2045-46** | **2046-47** | **2047-48** | **2048-49** | **2049-50** | **2050-51** |
| 82 | 41 | 7 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

| 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 2051-52 | 2052-53 | 2053-54 | 2054-55 | 2055-56 | 2056-57 | 2057-58 | 2058-59 | 2059-60 |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% | 4.41% |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **2060** | **2061** | **2062** | **2063** | **2064** | **2065** | **2066** | **2067** | **2068** |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2060-61** | **2061-62** | **2062-63** | **2063-64** | **2064-65** | **2065-66** | **2066-67** | **2067-68** | **2068-69** |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 4.41% | 4.41% |
|---|---|
| 1 | 1 |

| 2069 | 2070 |
|---|---|
| 0 | 0 |
| 4.50% | 4.50% |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |

| 2069-70 |
|---|
| 0 |

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: Revised Electricity Outlook
**Date:** Friday, October 20, 2017 4:26:41 PM

---

Absolutely….OEP, TBS and OB.

---

**From:** Bruno Amara
**Sent:** Friday, October 20, 2017 4:26 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** FW: Revised Electricity Outlook

As in circulate to our Frost colleagues right?

---

**From:** Ronald Kwan
**Sent:** Friday, October 20, 2017 4:21 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Thanks Bruno.

Please circulate it and get feedback from the various recipients / users.

Ron

---

**From:** Bruno Amara
**Sent:** October-20-17 16:10
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Hi Ron

Thanks for your comments and please see the revised Outlook in response.

We have:

1. adjusted the Hydro One deferred tax benefit risk to reflect 50%. In the same vein we added an adjusted to Hydro One net income to reflect the OEB decision impacts at 50%. Footnotes added for both.

2. Added a positive risk for the H1 Motion to Review. The Motion challenge OEB ruling with the exception of the cap ex ruling.
2. added an estimate for 50.3 for 2017-18 to OEFC On Deck.
    - In regard to 50.3 amounts we are proposing discussing with our Frost colleagues adding in the offsetting expense entry to our Outlook for completeness. I suggested waiting until this discussion to avoid any confusion or changes to the cover sheet (and Summary-ON Deck tab) from what they last saw.
3. Revised the OEFC – Budget to correspond to what OEFC was assuming as of budget.
4. Added footnote as necessary where Hydro One proportionate numbers appear.
5. Updated OPG FHP Trust interest revenue based on revisions from FTD.

For any distribution outside of EFB, we would delete the "Track Changes" worksheet and the "H1 Provincial Allocations" worksheet.

Bruno

---

**From:** Ronald Kwan
**Sent:** Thursday, October 19, 2017 7:05 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: Revised Electricity Outlook

Hi Bruno,

I thought we discussed making an adjustment to the Hydro One deferred tax benefit upfront hit risk to be scaled at a proportionate 50%. It could be footnoted as done this way vs the 70% assumption used for H1 generally, pending the recategorisation from the AO sales and rentals outlook. (As an aside, would it be fair to say that the incremental risk is also less than what is shown because built into the update is the annual impact of the deferred tax benefit decision of the OEB? In that light, for symmetry, should there be a positive risk shown for H1 should it be successful in its OEB Motion to Review?

Also, why not put into the OEFC tab an estimated s.50.3 amount for 17-18?

Also, why does the Budget 2017 tab for OEFC show an excess of revenue over expense of about $0.7bn. I thought it was about $1.1 bn at the time of Budget. You may need to add to the ESDI formula to reverse the IFRS assumption in the OEFC Budget tab -- and then putting in the 50.3 amount in the OEFC on-deck tab would more than offset that (for now, pending other updates, such as for H1).

Also, for clarity, on each worksheet where Hydro One proportionate numbers appear, please add a footnote on that row, as some people may just go to one work sheet, or print one worksheet (and has each worksheet been formatted for easy printing -- can help multiple

users and down the line). This includes the Provision worksheet, where I assume the financing cost for the Hydro One row is based on the 70%, but will go down to under 50% ultimately.

On the OPG FHP Trust interest revenue, is that scaled to the new equity injection projections supplied to FTD so it would match the IOD side? Are we aligned to match FTD's IOD assumptions for borrowing for the equity injection?

Thanks,
Ron

---

**From:** Bruno Amara
**Sent:** October 19, 2017 3:54 PM
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** Revised Electricity Outlook

Hi Ron

Attached is the revised Electricity Sector Outlook (document pw). I want to point out one change on the risk page in particular. In the version we walked you through, I had included an OPG risks reflecting head office sales (currently in Sales and rentals) and the in–year update. You had asked about Lakeview which could have a similar note. Hydro One unpacking could also be included and other reclassification impacts e.g., revenue impact related to IOD savings current in AO numbers. I think that all this may be better handled through the AO unpacking/updating analysis that we worked on with SIFB. When we send the Outlook to our Frost colleagues, we were planning to set up a staff level meeting between EFB, OB, OEP and TBS to review the Outlook and answer questions. We could as an option also use this meeting to review the AO unpacking/updating analysis at the same time if that makes sense. That isn't needed for FES, but may be worth getting people familiar with it now.

Also attached is a draft of some follow-up for OPG in regard to their September monthly report per our discussion.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** Bruno Amara
**To:** Ronald Kwan
**Cc:** John Kim; Shajee Kathirgamanathan
**Subject:** RE: Revised Electricity Outlook
**Date:** Friday, October 20, 2017 4:10:07 PM
**Attachments:** Electricity Sector Outlook (2017 10 20v3).xlsm

---

Hi Ron

Thanks for your comments and please see the revised Outlook in response.

We have:

1. adjusted the Hydro One deferred tax benefit risk to reflect 50%. In the same vein we added an adjusted to Hydro One net income to reflect the OEB decision impacts at 50%. Footnotes added for both.
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Thanks,
Ron

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**From:** Bruno Amara
**Sent:** October 19, 2017 3:54 PM
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** Revised Electricity Outlook

Hi Ron

Attached is the revised Electricity Sector Outlook (document pw). I want to point out one change on the risk page in particular. In the version we walked you through, I had included an OPG risks reflecting head office sales (currently in Sales and rentals) and the in–year update. You had asked about Lakeview which could have a similar note. Hydro One unpacking could also be included and other reclassification impacts e.g., revenue impact related to IOD savings current in AO numbers. I think that all this may be better handled through the AO unpacking/updating analysis that we worked on with SIFB. When we send the Outlook to our Frost colleagues, we were planning to set up a staff level meeting between EFB, OB, OEP and TBS to review the Outlook and answer

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Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 140 | - | - | - |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (140) | - | - | - |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 147 | 720 | 608 | 1,041 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | - | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 447 | 484 | 566 | 612 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 381 | 479 | 531 | 668 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,964** | **2,049** | **2,036** | **2,623** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **727** | **826** | **864** | **1,542** |
| | | | ***check*** | *-* | *-* | *-* | *-* |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | 15 | 0 | 0 | 0 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | (15) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | 0 | 0 | 0 |
| | | | **Total MOF Expense** | **0** | **0** | **0** | **(0)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | 50 | (12) | (17) | (24) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (78) | (38) | (40) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (24) | 3 | (7) | (10) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(47)** | **(87)** | **(62)** | **(74)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(62)** | **(113)** | **(93)** | **(134)** |
| | | | ***check*** | ***-*** | ***0*** | ***(0)*** | ***(0)*** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | |
| 10/20/2017 | 20171020-4 | | |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a h
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Tranmsission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
  Adjust OEB decision/rebasing to ~50% provincial ownership
  Adjust OEB decision/rebasing to ~50% provincial ownership
  Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP

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This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| | | $ Millions | |
|---|---|---|---|
| | | **2016-17** | **2017-18** |
| | | 930 | 789 |
| | File | 915 | 727 |
| | | -15 | -62 |
| | ***check*** | ***0*** | ***0*** |

| **Outlook line affected** | **Expense / Rever** | **Impacts by FY →** | |
|---|---|---|---|
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 |
| N/A | | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) |
| OPG Income | Expense | 0.0 | 0.0 |
| OPG Income | Revenue | (2.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | |
| HOI Income | Revenue | 0.4 | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | |
| Interest on Debt | Expense | (1.7) | |
| HOI Income | Revenue | (39.8) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | |
| | Revenue | - | - |
| | Revenue | - | - |
| | n/a | - | - |
| | | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 |
| | Revenue | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 |
| HOI Income | Revenue | 0.0 | (141.5) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 |
| OPG Income | Revenue | (3.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | |
| HOI Income | Revenue | 7.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | |
| | Revenue | - | - |
| | Revenue | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | |

| | | | |
|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| | Revenue | - | - |
| | | - | - |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) |
| HOI Income | Revenue | (1.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 |
| | Revenue | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | |
| Miscellaneous | Revenue | 14.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | |
| Interest on Debt | Expense | (3.0) | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 |
| | | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 |
| | Revenue | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 |
| | | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) |
| OPG Income | Revenue | 6.0 | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | |
| HOI Income | Revenue | 0.0 | 141.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) |
| | n/a | 0.0 | 0.0 |
| | | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) |
| | Revenue | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) |

| | | | |
|---|---|---|---|
| | | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 |
| ardcoded formula in the cell | n/a | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) |
| Interest on Debt | Expense | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) |
| HOI Income | Revenue | 0.0 | (47.4) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 |
| OPG Income | Revenue | 0.0 | (61.0) |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 |
| OPG Income | Revenue | 0.0 | (21.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 |
| HOI Income | Revenue | 0.0 | (23.6) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 |
| OPG Income | Revenue | 0.0 | 15.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) |
| OPG Income | Revenue | 0.0 | 21.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) |
| HOI Income | Revenue | 0.0 | (23.8) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 |
| n/a | n/a | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) |
| n/a | n/a | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 |
| | | ***0.0*** | ***(0.00)*** |

## Summary of Track Changes Above

| | | |
|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 4.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (4.0) |
| Other (Finance) | (1.0) | 0.0 |
| OPG Income | (5.0) | 55.0 |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 |
| HOI Income | (16.1) | (89.1) |
| Brampton Income | 3.3 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | (23.8) |
| Electricity Debt Retirement Charge | (4.0) | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) |
| Miscellaneous | 14.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 |
| Interest on Debt | (4.7) | (53.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **(72.9)** |
| ***check*** | ***0.0*** | ***(11.2)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Worl*

| | | |
|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | (11.1) |
| Provision for Electricity Sector (MOF) | (8.4) | 11.1 |
| Other (Finance) | 0.0 | 0.0 |
| OPG Income | 0.0 | 4.9 |
| ONFA and other Fair Value Adjustments | 0.0 | 0.0 |
| HOI Income | (0.0) | (16.1) |
| Brampton Income | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 0.0 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 |
| Interest on Debt | (23.4) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **(11.2)** |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 939 | 957 | 1,676 |
| 826 | 864 | 1,542 |
| -113 | -93 | -134 |
| ***0*** | ***0*** | ***0*** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 38.1 | 38.1 | 38.1 |
| (79.1) | (75.1) | (104.1) |
| 0.0 | | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | (0.0) | 0.0 |
| | | |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| (181.4) | (194.9) | (210.6) |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | 0.0 | 0.0 |
| | | |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 181.8 | 195.4 | 211.1 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 5.3 | 5.3 | 5.3 |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| (0.0) | 1.0 | 1.3 |
| 15.0 | 5.0 | 5.0 |
| (8.7) | (10.3) | (12.2) |
| (54.0) | (54.0) | (54.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (27.4) | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (28.9) | (10.1) | (13.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 26.7 | 20.6 | 21.6 |
| | | |
| 0.0 | 0.0 | 0.0 |
| (11.9) | (17.1) | (24.1) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| ***0.00*** | ***(0.00)*** | ***(0.00)*** |

| | | |
|---|---|---|
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (104.6) | (58.3) | (61.2) |
| 0.0 | 0.0 | 0.0 |
| 3.3 | (6.8) | (10.5) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| | | |
| 38.1 | 38.1 | 38.1 |
| (64.1) | (69.1) | (97.8) |
| **(127.4)** | **(96.2)** | **(131.5)** |
| | | |
| ***(14.8)*** | ***(3.6)*** | ***2.5*** |

***ksheet***

| | | |
|---|---|---|
| (0.1) | (0.4) | 0.2 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 11.9 | 17.1 | 24.1 |
| 0.0 | 0.0 | 0.0 |
| (26.7) | (20.6) | (21.6) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | (0.3) |
| 0.0 | 0.0 | 0.0 |
| 0.1 | 0.4 | (0.2) |
| (0.0) | (0.0) | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.1 | 0.1 | 0.1 |
| (0.1) | (0.1) | 0.1 |
| **(14.8)** | **(3.6)** | **2.5** |

**Further Explanation of Change and source of data**

Regular quarterly ONFA Update
Benefit to OEFC under s.50.3: $411M gain, SIFB
Change to OEFC payment for interest costs of Debt for Equity Swap

Revised Provincial Debt Interest related to Hydro One Equity
From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest)
Revised numbers from OEP with 2019-20 Risk
Updated numbers from OPG Q1 2017 FS

Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will update onc

No Change to numbers, just re-inputting data and saving sources
No Change to numbers, just re-inputting data and saving sources
No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impacts
No Change to numbers, just re-inputting data and saving sources
Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF
No Change to numbers, just re-inputting data and saving sources
Only included H1 Net Income - Common Shareholders before. Added preferred shareholder impact as we
Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder
Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG about the BP
Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a weighted avera

Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD.

Based on KPMG analysis, then fiscalization and other adjustments from OPCD.

**[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financial Statemer
Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift this to 2017-1
make decision on shifting when we know 2016-17 status.

No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided another scenario backup/source
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck (from 2016
Adjustment to ESDI to include Hydro One Brampton

Finalizing 2016-17 DRC Based on Draft OEFC AR
Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers to reflect t
2016-17 - Non-ONFA Fair Value Adjustment
Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with OPCD.
Revising Hydro One Amount for consistency with OPCD. Equity Adjustments

Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedicated Earnir
Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals

Updating Miscellaneous to OEFC AR actuals

Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) )

2017-18 - Demand Management Support Costs (no change) - Linking correctly
2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and sources.
No change to numbers. Just re-organized spreadsheet
Revised H1 Brampton Net Income (for GBE Line only)
Revising for OPG's Q3 Finances
Revising OPG's Net Income for latest monthly report

Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other areas to ensure

Updating Risks based on Hydro One Q2 Results Model
Updated two Risk components for the Avista Acquisition.
No significant changes, but used actual amortization liability schedule. Hence the rounding impacts/change
Updating Debt Guarantee for actuals based on OEFC AR
Revising OPG's Net Income for latest monthly report

Linking interest revenue data for 2017-18 to 2020-21
OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings
Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Shares

Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are not hardcodec
Updated PILs to include OPCD public accounts adjustment

increase built into net income was $82m between NI and PILs
Remove $21m from PILs
expense impacts
expense impacts
need to also remove the $21m PILs built into OPG net incme

We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 add up to -$

varinaces include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from 9.09% to 8.

Data Validation:

Options
Revenue (Risks)
OPG
Hydro One
Provision

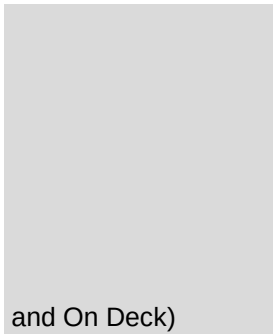
ONFA
Other Data

:e revised numbers are received.

ll.

ıge ownership for 2017-18. Also adjusted future net income attributed to the province.

nts to produce an estimate. May require additional calculations.
18.



and On Deck)

his.

ıgs in Public Accounts.

broadening change and reduction in net income happens concurrently in forecasts.

es.

ɪ directly

82m gain that we wanted to remove.

78% not previously captured.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | 147 | 720 | 608 | 1,041 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 447 | 484 | 566 | 612 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **594** | **1,204** | **1,174** | **1,654** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | (140) | | | |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (594) | (454) | (454) | (454) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(594)** | **(454)** | **(454)** | **(454)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 381 | 479 | 531 | 668 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | 140 | - | - | - |
| Other (Finance) | (7) | (7) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,549** | **737** | **625** | **(15)** | **56** | **261** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **727** | **826** | **864** | **1,542** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | - | *0* | - |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 outlook reflects OPG's latest monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Change Since Budget

**$ Millions**

| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | 50 | (12) | (17) | (24) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br>2017-18 increase mainly due to deferral of Pickering Unit 6 planned outage to Jan 18, deferral of sale of land at Hearn site from Q1 2017 to later in 2017, partially offsdet by lower gropss margin. |
| ONFA and other Fair Value Adjustments | 35 | - | - | - | - | Largely revision to ONFA fair value as of March 31, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (78) | (38) | (40) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects impacts of OEB decision on Hydro One rates, interest expense on Avitsa debentures (in 2017-18 and 2018-19) and update to Hydro One model update based on Hydro One Q2 results. |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(22.9)** | **(90)** | **(55)** | **(64)** | |
| **Other Fees and Licences** | **-** | **-** | **-** | **-** | **-** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | (15) | - | - | - | Changes in the Proviision (ESDI) expense reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| **Total Electricity Expenses of the Province** | **31** | **23** | **38** | **38** | **38** | |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (24) | 3 | (7) | (10) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | Higher than projected at Interim. |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2016-17 higher than projected at Interim.<br>2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | 15 | - | - | - | Changes in the Proviision (ESDI) expense (negative expense or revenue to OEFC) reflect net changes in the outlook for Public Debt Interest, and OPG and HOI net income (excludinging ONFA adjustments). |
| Other (Finance) | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **(63)** | **(62)** | **(61)** | **(76)** | **(108)** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(62)** | **(113)** | **(93)** | **(134)** | |

**Information: Breakdown of change between revenue and expense**

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Revenue Impact | 87 | (47) | (87) | (62) | (74) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 26 | 31 | 60 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | (600) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | (540) | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | (175) | (143) | (151) | (175) |
| Nuclear Liabilities Cash vs. Accrual[9] | (450) | (450) | (450) | (450) |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (251) | | | |
| **Accounting** | | | | |
| Net OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[11] | - | (475) | (500) | (750) |
| **Other Risks** | | | | |
| Avista Acquisition - Termination fee | | (103) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimi**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. The OEB directed a switch to cash-based accounting for years 2014 and 2015. However, the OEB also directed OPG to track the difference between cash based and accrual based accounting in a deferral account, while a generic proceeding is underway for all OEB-regulated electric and gas utilities. OEB September 2017 Report, recommends continuance of variance account which would mitigate this risk. However, the final decision (expected in Fall 2017) will be with the OEB Board.

7. Risk refelects OPG impact if the OEB rate rulings are applied as of the final decision date rather than retroactive to January 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive.

8. Reflects OEB staff report (May 2017) reccomendations with respect to OPG's rate application. (Inlcudes OPG rate application updates).

9. Risk refelects impact of OEB decision that OPG switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB staff report (May 2017) appears to mitigate this risk as it makes no decision and recommends revisiting this issue in 5 years at next OEB application.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. The estimated annual ongoing impact of this is factored into the current outlook. This risk reflects the impact if a decision is made by Hydro One that the impact of the ruling has to be accounted for as an immediate one-time write-down.
Note: Corresponding Positive Revenue Risks would also need to be incorporated for 2018-19 to 2020-21 if this risk is to be recognized. The risk reflect ther roughly 50% proncial ownership pending recategorization from teh AO Sales and Rentals outlook.

11. OPCD provided IFRS impact estimates at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net inc0me outlook. The Risk above reflect the impacts iof IFRS not refelcted in the Budget 2017 fiscal plan.
Table below outlines OPG IFRS Risks versus what is built into the Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan | (400) | 0 | (200) | 0 |
| Additional Risks to be picked up | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| Hydro One Motion to Review OEB Transmission ruling[5] | 40 | 54 | 41 | 43 |
| OEB decision on Hydro One tax recapture (if one-time write-down)[6] | | 6 | 7 | 10 |
| **Other Risks** | | | | |
| ONFA adjustment increase (as of September 2017 Q3)[7] | 171 | | | |

**zation strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. On October 18, 2017, Hydro One filed a Notice of Motion to Review and vary the Decision and Order dated September 28, 2017. Upside risks based on Hydro One's motions to vary the OEB decision.

6. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. The estimated annual ongoing impact of this is factored into the current outlook. This risk reflects the impact if a decision is made by Hydro One that the impact of the ruling has to be accounted for as an immediate one-time write-down.
Note: Corresponding Negative Revenue Risks would also need to be incorporated for 2017-18 if this risk is to be recognized

7. Reflects consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 [and the secondary offering in April 2016], are in the asset optimisation line (Sales and Rentals) and not in the current Outlook file.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 299 | 378 | 411 | 539 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 12 | 13 | 13 | 13 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 381 | 479 | 531 | 668 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 140 | 0 | 0 | 0 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,706 | 1,501 | 1,504 | 1,585 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 7 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,191 | 1,531 | 1,516 | 1,448 | 1,323 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **1,175** | **(15)** | **56** | **261** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,027** | **2,042** | **1,985** | **1,724** |

1

| Payments-in-lieu of tax: | 2015-16 Public Accounts |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 currently does not include the transfer to OEFC, under s. 50.3 of FAA, related to the last Hydro One disposition. This will be included later this fiscal year, and will as a result increase the Exess of Revenue over Expense for 2017-18.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (16) | 12 | 4 | 2 | 2016-17 variance is largely due to method of reporting OPG PILs by OEFC and OPG. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | (8) | (9) | (10) | (12) | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (24) | 3 | (7) | (10) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (385) | - | - | - | Changes to ESDI (offset ny MoF Provision expense) largely reflect combined revisions to OPG and Hydro One net income and revisions to public debt intetest. |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 119 | 6 | (0) | (30) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **88** | **(61)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,027** | **2,042** | **1,985** | **1,724** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 147 | 720 | 608 | 1,041 |
| Hydro One Income[1] | 232 | 501 | 447 | 484 | 566 | 612 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **594** | **1,204** | **1,174** | **1,654** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **140** | **750** | **720** | **1,199** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **140** | **750** | **720** | **1,199** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **140** | **750** | **720** | **1,199** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **140** | | | |

**Notes:**

1. The Hydro One financials above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - October 2017

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 818 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[2] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[3] | | (78.00) | (400) | | (200) | |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **147** | **720** | **608** | **1,041** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **147** | **720** | **608** | **1,041** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.

2. This reflects interest earnings on GA financing costs which are consolidated back to Province

3. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

### OPG PIL - August 2017

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 684 | 855 |
| OPG Net Income (Adjusted before ONFA) | **291** | 299 | 147 | 720 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **299** | **378** |

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - October 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 623 | 666 | 753 | 818 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 589 | 627 | 753 | 818 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 589 | 627 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

| Hydro One Ownership Calculation: | | SOURCE: |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | 1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report. |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | 2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO |
| Over allotment option (2015)[3] | 8,150,000 | 3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | 4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 | |
| | **2.5%** | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** | |

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Public Debt Interest and Section 50.3 payments

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** |

| $ Millions | Actual 2015-16 | Actual 2016-17 | 2017-18 |
|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in Apr
the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the P

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| **154** | **154** | **154** |
| 300 | 300 | 300 |
| **454** | **454** | **454** |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| Current Outlook | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

il 2016. Net estimated fiscal impacts related to rovinces Revenue outlook.

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr
RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf

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RbP\Outlook\08. August\Backup\20170815-8 - 2016-17 Demand Management Support Costs (IEI)\2017 OEFC Ann
RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: Revised Electricity Outlook
**Date:** Friday, October 20, 2017 9:42:05 AM

---

My hope is that ultimately we get to send out the Outlook today.

---

**From:** John Kim
**Sent:** Friday, October 20, 2017 9:39 AM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Let's get a new Outlook version and respond with it. It's never possible to get the Outlook to be perfect.

---

**From:** Bruno Amara
**Sent:** Friday, October 20, 2017 9:19 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

John see my proposed response. I'll just give Darren Ron's feedback and confirm that we can stick in a number.

---

**From:** Ronald Kwan
**Sent:** Thursday, October 19, 2017 7:05 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: Revised Electricity Outlook

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Thanks,
Ron

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**Sent:** October 19, 2017 3:54 PM
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** Revised Electricity Outlook

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Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: Revised Electricity Outlook
**Date:** Friday, October 20, 2017 9:39:14 AM

---

Let's get a new Outlook version and respond with it. It's never possible to get the Outlook to be perfect.

---

**From:** Bruno Amara
**Sent:** Friday, October 20, 2017 9:19 AM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

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Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

| | |
|---|---|
| **From:** | John Kim |
| **To:** | Bruno Amara |
| **Subject:** | RE: Revised Electricity Outlook |
| **Date:** | Thursday, October 19, 2017 9:03:31 PM |

And this updating the interest revenue, I don't agree with…..we've got half-baked stuff and have no certainty about how the IOD/OPG NI impact would be given the equity injection, etc. I have no idea how opening up the IOD/OPG NI is going to be a positive. Also, we have to share the Outlook for the FTD to redo the IOD calculations in entirety [circular, yes, the process]. So I don't think it's a good idea.

---

**From:** John Kim
**Sent:** October-19-17 7:46 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

I have to acknowledge I forgot about the 50% vs. 70%. We should fix that.

As usual these are good catches on Ron's part. I'm a bit embarrassed about the ESDI (IFRS thing) but nobody is perfect.

I have something to say on the s50.3…..it'd be 550mn or so, roughly.

John

---

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**Sent:** October-19-17 7:05 PM
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Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: Revised Electricity Outlook
**Date:** Thursday, October 19, 2017 7:45:41 PM

---

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Email: bruno.amara@ofina.on.ca

**From:** John Kim
**To:** Bruno Amara
**Subject:** RE: Revised Electricity Outlook
**Date:** Friday, October 20, 2017 4:46:07 PM

---

Could we identify the version as ADM Approved or Sent in the folder? Also the same version without PW so we can easily open.

---

**From:** Bruno Amara
**Sent:** Friday, October 20, 2017 4:30 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

OK. I will also note that we will set up a meeting or teleconference next week to discuss.

---

**From:** John Kim
**Sent:** Friday, October 20, 2017 4:27 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Absolutely….OEP, TBS and OB.

---

**From:** Bruno Amara
**Sent:** Friday, October 20, 2017 4:26 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** FW: Revised Electricity Outlook

As in circulate to our Frost colleagues right?

---

**From:** Ronald Kwan
**Sent:** Friday, October 20, 2017 4:21 PM
**To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Thanks Bruno.

Please circulate it and get feedback from the various recipients / users.

Ron

---

**From:** Bruno Amara

**Sent:** October-20-17 16:10
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
**Subject:** RE: Revised Electricity Outlook

Hi Ron

Thanks for your comments and please see the revised Outlook in response.

We have:

1. adjusted the Hydro One deferred tax benefit risk to reflect 50%. In the same vein we added an adjusted to Hydro One net income to reflect the OEB decision impacts at 50%. Footnotes added for both.
2. Added a positive risk for the H1 Motion to Review. The Motion challenge OEB ruling with the exception of the cap ex ruling.
2. added an estimate for 50.3 for 2017-18 to OEFC On Deck.
    - In regard to 50.3 amounts we are proposing discussing with our Frost colleagues adding in the offsetting expense entry to our Outlook for completeness. I suggested waiting until this discussion to avoid any confusion or changes to the cover sheet (and Summary-ON Deck tab) from what they last saw.
3. Revised the OEFC – Budget to correspond to what OEFC was assuming as of budget.
4. Added footnote as necessary where Hydro One proportionate numbers appear.
5. Updated OPG FHP Trust interest revenue based on revisions from FTD.

For any distribution outside of EFB, we would delete the "Track Changes" worksheet and the "H1 Provincial Allocations" worksheet.

Bruno

---

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| | |
|---|---|
| **From:** | Ronald Kwan |
| **To:** | John Kim |
| **Subject:** | RE: Revised Outlook |
| **Date:** | Thursday, January 04, 2018 4:22:14 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 04)_reverse unpacking_Markup.xlsm |

Hi John,

Some comments and edits, primarily to the footnotes on various tabs. It might also be good to add some of the key footnotes to the cover sheet.

One key query is if all the OPG OEB decision impact is shown on the net income line. Does that overstate the impact on ESDI and what the PRRT request would be? Should we be more cautious, and show, say a split of the OEB impact between net income and PILs at a statutory rate? And should we note that the OPG 2018 multi-year business plan has not yet been received, so estimated impacts are preliminary and expected to be updated.

Ron

---

**From:** John Kim
**Sent:** January-04-18 3:59 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi Ron,

It usually gets well into February when they are able to provide the NUG line. I can ask them but I believe next week's FPC is the first cut at updating so it would be good to submit today even without updated NUGs.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, January 04, 2018 3:56 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi John,

Hasn't SPFB been working on updating the NUG expense and recovery lines?

Ron

---

**From:** John Kim
**Sent:** January-04-18 3:08 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Subject:** RE: Revised Outlook

Hi Ron,

Sure, we can note that in the covering email….would you be okay if we send?

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Thursday, January 04, 2018 3:03 PM
**To:** John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: Revised Outlook

Hi,

On the covering email, should the pension and OPEB risk be shifted to the future, pending a future OEB decision on that?

Ron

On Jan 4, 2018, at 1:58 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Hi Ron,
>
> Pls. let me know if you have any comments.
>
> Thanks,
>
> John
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Thursday, January 04, 2018 1:52 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Subject:** Revised Outlook
>
> John
>
> Please see attached. We are formatting the version to send out.
>
> Bruno

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization ~~will be largely~~ is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1$^{st}$ half of 2018)
- Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)
- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

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<Electricity Sector Outlook (2018 01 04)_reverse unpacking.xlsm>

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

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Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

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# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(308)** | **(332)** | **(308)** | **(280)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,755** | **1,428** | **1,391** | **1,702** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **0** | **(1)** | **(1)** | **(1)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(256)** | **(708)** | **(706)** | **(994)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 518 | 204 | 219 |
| | | -15 | -271 | -735 | -738 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| | | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***477.7*** | ***(2.4)*** | ***(23.7)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 305.7 | (14.4) | (103.4) |
| Provision for Electricity Sector (MOF) | (8.4) | (305.7) | 14.4 | 103.4 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 564.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (116.9) | (147.6) | (176.8) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 201.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **477.7** | **(2.4)** | **(23.7)** |

| 2020-21 | |
|---|---|
| 1,676 | |
| 620 | |
| -1,056 | |
| *0* | |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |

***0***

| |
|---|
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***(11.1)*** |

***t***

| |
|---|
| |
| 0.2 |
| 0.0 |
| (311.7) |
| 311.7 |
| 0.0 |
| 135.3 |
| 0.0 |
| (191.5) |
| 0.0 |
| 44.9 |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(11.1)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

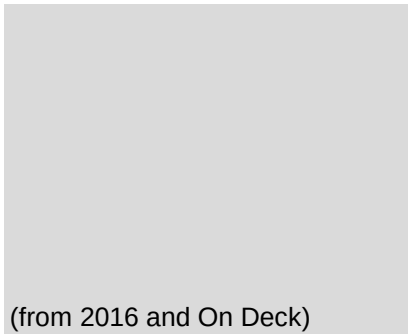
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *0* | *0* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's preliminary **[NTD: Still preliminary?]** 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of **September 2017**.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the ~~**planned**~~ First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is ~~**currently**~~ now assumed to continue ~~end once the DRC ends on a legislated fixed end date of April 1, 2018~~. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects ~~April 23, 2014 announcement~~ that DRC ~~will be~~ eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. The OEB rate decision impacts are all shown in the OPG net income line. Actual impacts are likely to be spread out between net income & PILs. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. ~~2017-18 increase is due mainly to recategorization of the PILs impact of the OPG head office sale from Sales and Rentals.~~ |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (256) | (708) | (706) | (994) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 27 | 32 | 61 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | TBD | TBD | TBD |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. **Previous risk removed** **from 17-18**. OEB September 2017 Report, established accrual method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, decision and order instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed** **with timing impact now reflected in OPG outlook**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed.** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previous risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,467 | 1,488 | 1,579 | 1,863 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,531 | 1,525 | 1,459 | 1,334 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (120) | (7) | 75 | 249 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | 31 | 76 | 87 | 89 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | |
| Over allotment option (2015)[3] | 8,150,000 | |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www.l S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.46%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.
2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO
3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option
4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.46% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.46% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
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| 20171211-1 | | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

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RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** Usman Zahid
**To:** John Kim
**Subject:** RE: sensitive Fair Hydro Trust question
**Date:** Monday, April 30, 2018 11:23:33 AM

---

Hi John, wanted to run this by you before I sent it out.

Please see proposed response email:

Hi Marc,

Do you know what ENERGY is going to use this for, and the timing around the request? If they want to discuss or respond to questions on the impact of FHP on OPG's net income, they should also note that OPG return on equity to the province related to the FHP would offset the Province's cost of borrowing for the equity injection, and the net impact would depend on the spread between the province's cost of borrowing and OPG's interest revenue from the Trust that on-lent equity injection (aside from OPG's 5% financing and spread).

Would ENERGY or OPG be able to share their interest rate assumptions and spread assumptions on the sub debt?

Regards,
Usman

---

**From:** Ronald Kwan
**Sent:** Friday, April 27, 2018 6:03 PM
**To:** John Kim <John.Kim@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** Re: sensitive Fair Hydro Trust question

Hi,

We should ask Energy what their timing is and what they want to use this for.

Qualitatively, we should definitely say that if they want to discuss or respond to questions on the impact of the FHP on OPG's net income, they should also note that the OPG return on equity to the Province related to the FHP would offset the Province's cost of borrowing for the equity injection, and that the net impact on the Province would depend on the spread between the Province's cost of borrowing and OPG's interest revenue from the Trust on that on-leant equity injection (aside from OPG's 5% financing and spread), and OPG's management fees.

We should ask if OPG can share their interest rate assumptions and spread assumptions on the sub-debt.

Ron

---

**From:** John Kim
**Sent:** April 27, 2018 4:22 PM
**To:** Ronald Kwan; Usman Zahid
**Subject:** RE: sensitive Fair Hydro Trust question

Hi Usman,

Adding to Ron's comments, we have debt costs related to the equity injection that needs to be accounted for.

We have OPG's insight into what the income attributed to FHT would be in their business plan.

We can produce this, yes, and in fact working towards it for ESDI reasons but we would need numbers from Risk.

Thanks,

John

---

**From:** Ronald Kwan
**Sent:** Friday, April 27, 2018 3:37 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: sensitive Fair Hydro Trust question

Hi,

While Lubna may not want OPG to get into it, I think we have to cite the borrowing cost on the equity injection. It would be good to know what sub-debt rates OPG assumed on its interest revenues over the life of the Trust.

Ron

---

**From:** Usman Zahid
**Sent:** April 27, 2018 3:25 PM
**To:** John Kim
**Cc:** Ronald Kwan
**Subject:** FW: sensitive Fair Hydro Trust question

Hi John,

Please see question from Energy below.

Regards,
Usman

---

**From:** Pichette, Marc (MOF) [mailto:Marc.Pichette@ontario.ca]
**Sent:** Friday, April 27, 2018 1:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Usman, please see question below from the Ministry of Energy that was sent to my director.

**From:** Whytock, John (ENERGY) <John.Whytock@ontario.ca>
**Date:** Thursday, Apr 26, 2018, 4:45 PM
**To:** LeBlanc, Jenna (MOF) <Jenna.LeBlanc@ontario.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Jenna. I've got a sensitive question for you. Our MO asked what the revenue implications of the Fair Hydro Trust were for OPG, and how much we estimated would return to the provincial coffers.

As you'll see below, OPG has put a number on their own expected revenues, but my policy folks were not in a position to say what it could mean for returns to government.

Is this a number that Finance can produce? More importantly, are you willing to share?

Thanks much

jw

---

**From:** ROWE Jennifer -CORPAFFAIRS [mailto:jennifer.rowe@opg.com]
**Sent:** April-23-18 10:19 AM
**To:** Whytock, John (ENERGY)
**Cc:** KELLY Neal -CORPCOMM
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

John,

Here's a simplified version of what I just sent you:

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the

range of **$4.5 Billion to $4.9 Billion.** The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

Jennifer

---

**From:** LADAK Lubna -TREASURY
**Sent:** Monday, April 23, 2018 10:14 AM
**To:** ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>; KELLY Neal -CORPCOMM <neal.kelly@opg.com>; HARTWICK Ken -FINANCE <ken.hartwick@opg.com>
**Cc:** LEE John -TREASURY <john.s.lee@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of $4.5 Billion to $4.9 Billion.
It is comprised of about $200 M for management fees and $4.3 Billion to $4.7 Billion of interest income.

The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

FYI – I don't know how the Province funds the equity injections. If they borrow the funds, the overall net income impact in their books could be lower. I wouldn't get into this though.

**Lubna Ladak | VP Treasury - FHP| Ontario Power Generation**
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

**From:** Gavin He
**To:** John Kim
**Cc:** Bruno Amara
**Subject:** Re: 2018 estimates
**Date:** Tuesday, May 15, 2018 2:24:43 PM

---

Hi John,

Alex said that they would get back to us on this tomorrow. I will let you know what they came back with.

Regards,
Gavin He

On May 15, 2018, at 14:01, John Kim <John.Kim@ofina.on.ca> wrote:

> Ok, thanks….it's the ESDI computation related to the equity injection is a bit of a battle point. I would stress that to FTD. Without the small precedent, it will become tough to reflect it in 2018-19.
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Tuesday, May 15, 2018 1:37 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Cc:** Gavin He <Gavin.He@ofina.on.ca>
> **Subject:** FW: 2018 estimates
>
> By the way. To confirm that we did get attached from FTD.
>
> ---
>
> **From:** Robert Bozinoski
> **Sent:** Monday, April 30, 2018 2:15 PM
> **To:** Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Subject:** RE: 2018 estimates
>
> Draft OEFC 17-18 interest from Province is $454 million.
>
> ---
>
> **From:** Bruno Amara
> **Sent:** Thursday, April 26, 2018 9:46 AM
> **To:** Robert Bozinoski <Robert.Bozinoski@ofina.on.ca>
> **Cc:** Siva Nathan <Siva.Nathan@ofina.on.ca>; Shemin Meralli <Shemin.Meralli@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>
> **Subject:** RE: 2018 estimates
>
> OK Thanks. If you have the 2017-18 version of attached that would be helpful as well.

Thanks
Bruno

---

**From:** Robert Bozinoski
**Sent:** Thursday, April 26, 2018 8:05 AM
**To:** George Sakura <George.Sakura@ofina.on.ca>
**Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>; Shemin Meralli <Shemin.Meralli@ofina.on.ca>
**Subject:** FW: 2018 estimates

Forwarding your question regarding the Estimates to George.

---

**From:** Bruno Amara
**Sent:** Wednesday, April 25, 2018 3:24 PM
**To:** Robert Bozinoski <Robert.Bozinoski@ofina.on.ca>
**Cc:** Siva Nathan <Siva.Nathan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** 2018 estimates

Hi Rob

We are reviewing the Estimates Briefing Book and I am trying to answer some questions with respect to figures on *Interest on Debt Payable to the OEFC* (see page 140 of attached pdf file). I'm wondering if you can help shed some light. I want to coordinate with you before responding to request for comments to ensure that we are on same page.

The first attached excel file shows numbers from page 140 of attached pdf file vs. figures from our Budget Outlook file. Questions are:

- <!--[if !supportLists]-->• <!--[endif]-->2018-19, should estimate be updated?
- <!--[if !supportLists]-->• <!--[endif]-->2017-18, where did Estimate of $490M come from?

The 2nd excel file has EFB calculations of annual interest costs. Questions are:

- <!--[if !supportLists]-->• <!--[endif]-->2016-17, EFB's estimate was off by $23M, I assume because we were not taking into account timing of debt payment. We revised the calculation which gets pretty close to the actual. I just want to confirm that the actual of $514M the Hydro One IPO affecting only a few months (3) of 2017-17. Note: this doesn't matter for response re: estimates, we just want to understand the calculation of the 2016-17 figure of $514M.
- <!--[if !supportLists]-->• <!--[endif]-->The 2018 estimate, I think is last year's estimate before we factored in the last share sale. Should that figure be updated?

Happy to drop by to discuss, or over phone.

Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** Ronald Kwan
**To:** Bruno Amara
**Cc:** Usman Zahid; John Kim; Gavin He
**Subject:** Re: OPG Revenue
**Date:** Wednesday, November 29, 2017 11:46:35 AM
**Attachments:** OPG 2017 Budget_v4_Markup.xlsx

---

Hi Bruno,

Some suggestions for the spreadsheet. Are the IFRS numbers consistent with what we learned from OB & OPCD on the IFRS numbers subsequent to the 2017 Document?

Ron

---

**From:** Bruno Amara
**Sent:** Thursday, November 23, 2017 5:23 PM
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi Ron

Answer limited to 18-19 and 19-20 per your comment. We added a footnote consistent with our FAO response re, prudence wrt to IFRS assumption in 16-17 and 17-18 etc. Also attached is source from OPG.

Bruno

---

**From:** Ronald Kwan
**Sent:** Thursday, November 23, 2017 3:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

The request also seems to be just for 18-19 and 19-20. Is that right? Why provide more?

Ron

---

**From:** Ronald Kwan
**Sent:** November-23-17 15:30
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>

**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** RE: OPG Revenue

Hi,

Do we know what Energy wants to use them for? And can we point directly to an OPG source document for the numbers, including on the IFRS side, even if not fully picked up?

Ron

---

**From:** Usman Zahid
**Sent:** November-23-17 15:27
**To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
**Subject:** FW: OPG Revenue

Hi Ron,

The Ministry of Energy has reached out requesting OPG revenue numbers built in budget 2017. EFB has prepared the attached table, including the IFRS adjustment built-in for Budget 2017.

They are also considering including the FAO response as part of the explanation. Are you okay with sending this table to Energy, or should we exclude the IFRS adjustment?

Regards,
Usman

---

**From:** Gavin He
**Sent:** Thursday, November 23, 2017 12:05 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
**Subject:** FW: OPG Revenue

Hi Usman,

The Ministry of Energy has reached out to us to acquire the OPG revenue numbers built-in for Budget 2017 for 2018-19 and 2019-20. We have prepared the attached table outlining the information they requested, including the IFRS adjustments built-in for Budget 2017. In addition, we are thinking about attaching the FAO response as part of the explanations to the table as well.

Could you please let us know if Ron is okay with this table going to Energy, or should we exclude the IFRS adjustments?

Thanks,
Gavin He

---

**From:** Young, Graham (ENERGY) [mailto:Graham.Young@ontario.ca]
**Sent:** Thursday, November 23, 2017 9:41 AM
**To:** Gavin He <Gavin.He@ofina.on.ca>
**Cc:** Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>
**Subject:** OPG Revenue

Hi Gavin,

Can you provide me with the OPG revenue numbers used in Budget 2017 for 2018/19 and 2019/20? I'm not able to pull them out of the document because they're aggregated up with other GBE's. Please include net income, GRC, property tax payable and income tax PILS if possible.

Thank you,

**Graham Young**
**Senior Policy Advisor**
Strategic Policy and Analytics Branch
Ontario Ministry of Energy
77 Grenville Street | Toronto, ON
(416) 327-7302 | graham.young@ontario.ca

## Budget 2017 Outlook for OPG

| $ Millions | 2018-19 | 2019-20 |
|---|---|---|
| Ontario Power Generation Inc.[1] | 678 | 726 |
| *GA - OPG Interest Revenue from OPG Trust*[2] | *54* | *99* |
| IFRS Adjustment[3] | - | (200) |
| **Total OPG Net Income** | **732** | **625** |

1. From OPG's 2017-19 Business Plan.

2. Note: Relates only to the portion financed by sub-debt related to the Province's equity injection into OPG. Values estimated by OFA based on an assumed fiscal neutrality between the Province's interest cost on the equity injection and higher OPG interest revenue related to the sub-debt related to the equity injection.

3. Note: IFRS Provincial consolidation adjustments provided by OPG were not fully reflected in Budget 2017, as determined at a centralised level during the fiscal plannning process. IFRS was fully picked up in 2016-17 and 2017-18 reflecting the higher degree of prudence included in the near term period. The out-year impacts, 2018-19 onwards will be assessed, pending receipt of revised IFRS consolidation adjustment estimates at the time of the next Budget and it is expected that these revised estimates will be reflected in the Province's income from OPG/Hydro One.

| | 2018-19 | 2019-20 |
|---|---|---|
| Payments-in-lieu of tax: | | |
| Income Taxes | 135 | 170 |
| GRC: Payable to OEFC | 212 | 218.5 |
| Proxy Property Tax | 19 | 19 |
| **Total OPG PILs** | **366** | **407.5** |

**From:** John Kim
**To:** Bruno Amara
**Subject:** Re: Revised Electricity Outlook
**Date:** Thursday, October 19, 2017 7:07:53 PM

---

Let me have a look at this email before responding. Please let's take time before responding.

Sent from my iPhone

On Oct 19, 2017, at 7:04 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Bruno,
>
> I thought we discussed making an adjustment to the Hydro One deferred tax benefit upfront hit risk to be scaled at a proportionate 50%. It could be footnoted as done this way vs the 70% assumption used for H1 generally, pending the recategorisation from the AO sales and rentals outlook. (As an aside, would it be fair to say that the incremental risk is also less than what is shown because built into the update is the annual impact of the deferred tax benefit decision of the OEB? In that light, for symmetry, should there be a positive risk shown for H1 should it be successful in its OEB Motion to Review?
>
> Also, why not put into the OEFC tab an estimated s.50.3 amount for 17-18?
>
> Also, why does the Budget 2017 tab for OEFC show an excess of revenue over expense of about $0.7bn. I thought it was about $1.1 bn at the time of Budget. You may need to add to the ESDI formula to reverse the IFRS assumption in the OEFC Budget tab -- and then putting in the 50.3 amount in the OEFC on-deck tab would more than offset that (for now, pending other updates, such as for H1).
>
> Also, for clarity, on each worksheet where Hydro One proportionate numbers appear, please add a footnote on that row, as some people may just go to one work sheet, or print one worksheet (and has each worksheet been formatted for easy printing -- can help multiple users and down the line). This includes the Provision worksheet, where I assume the financing cost for the Hydro One row is based on the 70%, but will go down to under 50% ultimately.

On the OPG FHP Trust interest revenue, is that scaled to the new equity injection projections supplied to FTD so it would match the IOD side? Are we aligned to match FTD's IOD assumptions for borrowing for the equity injection?

Thanks,

Ron

---

**From:** Bruno Amara
**Sent:** October 19, 2017 3:54 PM
**To:** Ronald Kwan
**Cc:** John Kim
**Subject:** Revised Electricity Outlook

Hi Ron

Attached is the revised Electricity Sector Outlook (document pw). I want to point out one change on the risk page in particular. In the version we walked you through, I had included an OPG risks reflecting head office sales (currently in Sales and rentals) and the in–year update. You had asked about Lakeview which could have a similar note. Hydro One unpacking could also be included and other reclassification impacts e.g., revenue impact related to IOD savings current in AO numbers. I think that all this may be better handled through the AO unpacking/updating analysis that we worked on with SIFB. When we send the Outlook to our Frost colleagues, we were planning to set up a staff level meeting between EFB, OB, OEP and TBS to review the Outlook and answer questions. We could as an option also use this meeting to review the AO unpacking/updating analysis at the same time if that makes sense. That isn't needed for FES, but may be worth getting people familiar with it now.

Also attached is a draft of some follow-up for OPG in regard to their September monthly report per our discussion.

Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

**From:** Ronald Kwan
**To:** Usman Zahid; John Kim
**Subject:** Re: sensitive Fair Hydro Trust question
**Date:** Friday, April 27, 2018 3:37:24 PM

---

Hi,

While Lubna may not want OPG to get into it, I think we have to cite the borrowing cost on the equity injection. It would be good to know what sub-debt rates OPG assumed on its interest revenues over the life of the Trust.

Ron

---

**From:** Usman Zahid
**Sent:** April 27, 2018 3:25 PM
**To:** John Kim
**Cc:** Ronald Kwan
**Subject:** FW: sensitive Fair Hydro Trust question

Hi John,

Please see question from Energy below.

Regards,
Usman

---

**From:** Pichette, Marc (MOF) [mailto:Marc.Pichette@ontario.ca]
**Sent:** Friday, April 27, 2018 1:32 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Usman, please see question below from the Ministry of Energy that was sent to my director.

**From:** Whytock, John (ENERGY) <John.Whytock@ontario.ca>
**Date:** Thursday, Apr 26, 2018, 4:45 PM
**To:** LeBlanc, Jenna (MOF) <Jenna.LeBlanc@ontario.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Jenna. I've got a sensitive question for you. Our MO asked what the revenue implications of the Fair Hydro Trust were for OPG, and how much we estimated would return to the provincial coffers.

As you'll see below, OPG has put a number on their own expected revenues, but my policy folks were not in a position to say what it could mean for returns to government.

Is this a number that Finance can produce? More importantly, are you willing to share?

Thanks much

jw

---

**From:** ROWE Jennifer -CORPAFFAIRS [mailto:jennifer.rowe@opg.com]
**Sent:** April-23-18 10:19 AM
**To:** Whytock, John (ENERGY)
**Cc:** KELLY Neal -CORPCOMM
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

John,

Here's a simplified version of what I just sent you:

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of **$4.5 Billion to $4.9 Billion.** The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

Jennifer

---

**From:** LADAK Lubna -TREASURY
**Sent:** Monday, April 23, 2018 10:14 AM
**To:** ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>; KELLY Neal -CORPCOMM <neal.kelly@opg.com>; HARTWICK Ken -FINANCE <ken.hartwick@opg.com>
**Cc:** LEE John -TREASURY <john.s.lee@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of $4.5 Billion to $4.9 Billion.
It is comprised of about $200 M for management fees and $4.3 Billion to $4.7 Billion of interest income.

The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

FYI – I don't know how the Province funds the equity injections. If they borrow the funds, the overall net income impact in their books could be lower. I wouldn't get into this though.

**Lubna Ladak | VP Treasury - FHP| Ontario Power Generation**
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

**From:** Ronald Kwan
**To:** John Kim; Usman Zahid
**Subject:** Re: sensitive Fair Hydro Trust question
**Date:** Friday, April 27, 2018 6:03:17 PM

---

Hi,

We should ask Energy what their timing is and what they want to use this for.

Qualitatively, we should definitely say that if they want to discuss or respond to questions on the impact of the FHP on OPG's net income, they should also note that the OPG return on equity to the Province related to the FHP would offset the Province's cost of borrowing for the equity injection, and that the net impact on the Province would depend on the spread between the Province's cost of borrowing and OPG's interest revenue from the Trust on that on-leant equity injection (aside from OPG's 5% financing and spread), and OPG's management fees.

We should ask if OPG can share their interest rate assumptions and spread assumptions on the sub-debt.

Ron

---

**From:** John Kim
**Sent:** April 27, 2018 4:22 PM
**To:** Ronald Kwan; Usman Zahid
**Subject:** RE: sensitive Fair Hydro Trust question

Hi Usman,

Adding to Ron's comments, we have debt costs related to the equity injection that needs to be accounted for.

We have OPG's insight into what the income attributed to FHT would be in their business plan.

We can produce this, yes, and in fact working towards it for ESDI reasons but we would need numbers from Risk.

Thanks,

John

---

**From:** Ronald Kwan

**Sent:** Friday, April 27, 2018 3:37 PM
**To:** Usman Zahid <Usman.Zahid@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
**Subject:** Re: sensitive Fair Hydro Trust question

Hi,

While Lubna may not want OPG to get into it, I think we have to cite the borrowing cost on the equity injection. It would be good to know what sub-debt rates OPG assumed on its interest revenues over the life of the Trust.

Ron

---

**From:** Usman Zahid
**Sent:** April 27, 2018 3:25 PM
**To:** John Kim
**Cc:** Ronald Kwan
**Subject:** FW: sensitive Fair Hydro Trust question

Hi John,

Please see question from Energy below.

Regards,
Usman

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**From:** Pichette, Marc (MOF) [mailto:Marc.Pichette@ontario.ca]
**Sent:** Friday, April 27, 2018 1:32 PM
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**Subject:** FW: sensitive Fair Hydro Trust question

Hi Usman, please see question below from the Ministry of Energy that was sent to my director.

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**Date:** Thursday, Apr 26, 2018, 4:45 PM
**To:** LeBlanc, Jenna (MOF) <Jenna.LeBlanc@ontario.ca>
**Subject:** FW: sensitive Fair Hydro Trust question

Hi Jenna. I've got a sensitive question for you. Our MO asked what the revenue implications of the Fair Hydro Trust were for OPG, and how much we estimated would return to the provincial coffers.

As you'll see below, OPG has put a number on their own expected revenues, but my policy folks were not in a position to say what it could mean for returns to government.

Is this a number that Finance can produce? More importantly, are you willing to share?

Thanks much

jw

---

**From:** ROWE Jennifer -CORPAFFAIRS [mailto:jennifer.rowe@opg.com]
**Sent:** April-23-18 10:19 AM
**To:** Whytock, John (ENERGY)
**Cc:** KELLY Neal -CORPCOMM
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

John,

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Jennifer

---

**From:** LADAK Lubna -TREASURY
**Sent:** Monday, April 23, 2018 10:14 AM
**To:** ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>; KELLY Neal -CORPCOMM <neal.kelly@opg.com>; HARTWICK Ken -FINANCE <ken.hartwick@opg.com>
**Cc:** LEE John -TREASURY <john.s.lee@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>
**Subject:** RE: EXTERNAL – Fair Hydro Trust question

The total amount of income that OPG expects to earn over the life of the Fair Hydro Plan is in the range of $4.5 Billion to $4.9 Billion.
It is comprised of about $200 M for management fees and $4.3 Billion to $4.7 Billion of interest

income.

The actual amount will vary based on the actual debt issued and interest rates.

This is over a period of 30 years (2017 to 2047). The income will be earned gradually, and will peak around 2029/2030.

Since the Province owns OPG, and consolidates OPG into their books, the net income flows back to the Province.

FYI – I don't know how the Province funds the equity injections. If they borrow the funds, the overall net income impact in their books could be lower. I wouldn't get into this though.

**Lubna Ladak | VP Treasury - FHP| Ontario Power Generation**
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

| | |
|---|---|
| **From:** | Bruno Amara |
| **To:** | John Kim |
| **Subject:** | Revised Outlook |
| **Date:** | Thursday, January 04, 2018 1:51:40 PM |
| **Attachments:** | Electricity Sector Outlook (2018 01 04)_reverse unpacking.xlsm |

John

Please see attached. We are formatting the version to send out.

Bruno

Attached is our Electricity update as of January 4, 2018. **Key changes** in the electricity outlook since our previous update include the following.

- The full projected IFRS adjustments are reflected in OPG's net income outlook lowering OPG net income by $475M in 2018-19, $500M in 2019-20 and $750M in 2020-21
- The estimated impact of OEB's Dec. 28, 2017 decision on OPG's rate application is reflected in the Outlook
- Other OPG updates for 2017-18 include moving the positive projected ONFA adjustment (+$171m) into the OPG forecast rather than reflecting as "risk" and reflecting Other positive in-year updates.
- Eliminating some material OPG "reporting" risks (pension and nuclear liability) as a result of OEB's December decision.
- Based on PRRT approval in principal, current update assumes ESDI continues beyond 2017-18. No bottom line impact, but does affect
- The negative impact of the OEB tax decision (about $15M per year) with respect to Hydro One's transmission rate application, which was reflected in the previous electricity outlook has been reversed pending decision on Hydro One's motion to review and appeal. In addition, Hydro One clarified that if the OEB decision is upheld it would be reflected as a one-time write-down rather than an ongoing annual impact. This risk is reflected in the Risk table in the "Revenue (Risks)" tab.
- Other minor updates.

Note. This Electricity Outlook does not reflect re-categorization of Asset Optimization impacts. CEFD will work with OB and OEP to re-categorize these impacts. Re-categorization ~~will be largely~~ is fiscally-neutral.

There is still **information to come** that could change the outlook before the Document. Key information to come includes the following

- OPG's 2018-2020 Business Plan (expected in February) could change OPG's outlook.
- OEB decision on Hydro One's distribution rate application (expected 1$^{st}$ half of 2018)
- Year-end results for OPG and Hydro One
- Monthly results for OPG
- Final ONFA adjustment result for 2017 (late January or February)

- Final Decision on PRRT submission to continue ESDI payments to OEFC beyond 2017-18 (currently approved in principle)
- Final net proceeds from the sale of the Lakeview lands (expected close in March 2018)

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority

Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

# Electricity Sector Outlook
## October 2017

**Disclosure:**

All information contained in this workbook is confidential and commercially sensitive

All projected numbers are estimates and subjected to change

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority.
Please consult with OFA before sharing of information.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

# Electricity Sector Outlook
## Including Line Items for Consolidation

## Electricity Summary - On Deck

| | | | MOF Expense Items (consolidated) | Current Outlook | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | - | - | - |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | - | 14 | 103 | 312 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | - | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (7) | (7) | (7) |
| | | | **Total MOF Expense** | **(308)** | **(332)** | **(308)** | **(280)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | (134) | 137 | (7) | 156 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 171 | - | - | - |
| **Revenue** | **ENE** | **10** | HOI Income | 446 | 474 | 564 | 610 |
| **Revenue** | | **11** | Brampton Income | - | - | - | - |
| **Revenue** | **MOF (OEFC)** | **26** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 282 | 452 | 503 | 635 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | - | - | - |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | - | - | - | - |
| | | | **Total MOF Revenue** | **1,755** | **1,428** | **1,391** | **1,702** |
| | | | **OFA IOD Expense** | | | | |
| | | | Public Debt Interest - Electricity Sector | (454) | (454) | (454) | (454) |
| | | | Interest on Debt | (475) | (438) | (411) | (348) |
| | | | **Total OFA IOD Expense** | **(929)** | **(892)** | **(865)** | **(802)** |
| | | | **Impact on Surplus/Deficit** | **518** | **204** | **219** | **620** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Budget 17

| | For Discussion | | MOF Expense Items (consolidated) | Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **38** | Power Supply Contract Costs | (292) | (325) | (301) | (273) |
| **Expense** | **MOF (OEFC)** | **40** | Demand Management Support Costs | (10) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **41** | Provision for Electricity Sector | 125 | 0 | 0 | 0 |
| **Expense** | **MOF** | **17** | Provision for Electricity Sector | (125) | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **42** | Other (Finance) | (6) | (6) | (6) | (6) |
| | | | **Total MOF Expense** | **(308)** | **(331)** | **(307)** | **(279)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **7** | OPG Income | 97 | 732 | 625 | 1,066 |
| **Revenue** | **ENE** | **8** | OPG - ONFA and other Fair Value Adjustments | 0 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **10** | HOI Income | 520 | 562 | 603 | 652 |
| | | | Brampton Income | | | | |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 405 | 476 | 538 | 679 |
| **Revenue** | **MOF (OEFC)** | **29** | Electricity Debt Retirement Charge | 623 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **30** | Power Supply Contract Recoveries | 292 | 325 | 301 | 273 |
| **Revenue** | **MOF (OEFC)** | **31** | Net Reduction of Power Purchase Contracts | 74 | 41 | 30 | 28 |
| **Revenue** | **MOF (OEFC)** | **34** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **2,011** | **2,136** | **2,098** | **2,697** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | (492) | (492) | (492) | (492) |
| | | **36** | Interest on Debt | (422) | (374) | (342) | (250) |
| | | | **Total OFA IOD Expense** | **(914)** | **(866)** | **(834)** | **(742)** |
| | | | **Impact on Surplus/Deficit** | **789** | **939** | **957** | **1,676** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Electricity Summary - Change

| | | | MOF Expense Items (consolidated) | Variance from Plan | | | |
|---|---|---|---|---|---|---|---|
| **Type** | **Ministry Pickup** | **Line** | **Item** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Expense** | **MOF (OEFC)** | **69** | Power Supply Contract Costs | 0 | 0 | 0 | (0) |
| **Expense** | **MOF (OEFC)** | **71** | Demand Management Support Costs | 0 | 0 | 0 | 0 |
| **Expense** | **MOF (OEFC)** | **72** | Provision for Electricity Sector | (125) | 14 | 103 | 312 |
| **Expense** | **MOF** | **48** | Provision for Electricity Sector | 125 | (14) | (103) | (312) |
| **Expense** | **MOF (OEFC)** | **73** | Other (Finance) | 0 | (1) | (1) | (1) |
| | | | **Total MOF Expense** | **0** | **(1)** | **(1)** | **(1)** |
| | | | **MOF Revenue Items (consolidated)** | | | | |
| **Revenue** | **ENE** | **38** | OPG Income | (231) | (596) | (632) | (909) |
| **Revenue** | **ENE** | **39** | OPG - ONFA and other Fair Value Adjustments | 171 | 0 | 0 | 0 |
| **Revenue** | **ENE** | **41** | HOI Income | (73) | (88) | (39) | (42) |
| | | | Brampton Income | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **25** | Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (123) | (24) | (35) | (43) |
| **Revenue** | **MOF (OEFC)** | **60** | Electricity Debt Retirement Charge | 0 | 0 | 0 | 0 |
| **Revenue** | **MOF (OEFC)** | **61** | Power Supply Contract Recoveries | (0) | (0) | (0) | 0 |
| **Revenue** | **MOF (OEFC)** | **62** | Net Reduction of Power Purchase Contracts | (0) | (0) | (0) | (0) |
| **Revenue** | **MOF (OEFC)** | **65** | Miscellaneous | 0 | 0 | 0 | 0 |
| | | | **Total MOF Revenue** | **(256)** | **(708)** | **(706)** | **(994)** |
| | | | **OFA IOD Expense** | | | | |
| | | **17** | Public Debt Interest - Electricity Sector | 38 | 38 | 38 | 38 |
| | | **36** | Interest on Debt | (53) | (64) | (69) | (98) |
| | | | **Total OFA IOD Expense** | **(15)** | **(26)** | **(31)** | **(60)** |
| | | | **Impact on Surplus/Deficit** | **(271)** | **(735)** | **(738)** | **(1,056)** |
| | | | ***check*** | **-** | **-** | **-** | **-** |

# Track Changes in Surplus/Deficit

| Date | Change ID# | Source | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |

| | | | |
|---|---|---|---|
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| | | | |
| 9/8/2017 | 20170908-2 | Link | OPG |
| 9/11/2017 | | | |
| 9/12/2017 | | | |
| 9/13/2017 | | | |
| 9/21/2017 | | | |
| 9/22/2017 | | | |
| 10/2/2017 | | | Hydro One |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/2/2017 | | | |
| 10/4/2017 | 20171004-1 | | OPG |
| 10/4/2017 | 20171004-2 | | OPG |
| 10/4/2017 | | | |
| 10/4/2017 | | | |
| 10/5/2017 | | | |
| 10/6/2017 | | | |
| 10/7/2017 | | | |
| 10/8/2017 | | | |
| 10/10/2017 | 20171010-1 | | Hydro One |
| 10/10/2017 | | | |
| 10/10/2017 | | | |
| 10/11/2017 | 20171011-1 | | OPG |
| 10/11/2017 | | | |
| 10/11/2017 | | | |
| 10/12/2017 | | | OPG |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/12/2017 | | | |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/18/2017 | 20171018-1 | | Hydro One |
| 10/19/2017 | 20171019-1 | | Revenue (Risks) |
| 10/19/2017 | 20171019-2 | | Revenue (Risks) |
| 10/20/2017 | 20171020-1 | | Revenue (Risks) |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-2 | | |
| 10/20/2017 | 20171020-3 | | Revenue (Risks) |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 10/20/2017 | 20171020-4 | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | | | OPG |
| 11/14/2017 | 20171114-1 | | Hydro One |

| | | |
|---|---|---|
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | 20171114-1 | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/14/2017 | | Hydro One |
| 11/30/2017 | 20171130-1 | Revenue (Risks) |
| 12/8/2017 | | Hydro One |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/11/2017 | 20171211-1 | Other Data |
| 12/22/2017 | 20171222-1 | OPG |
| | | |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | | Hydro One |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-1 | OPG |
| 1/2/2018 | 20180102-2 | OPG |
| 1/2/2018 | 20180102-3 | OPG |
| 1/2/2018 | 20180102-3 | Revenue (Risks) |
| 1/2/2018 | 20180102-4 | Revenue (Risks) |
| 1/2/2018 | 20180102-5 | Revenue (Risks) |
| 1/2/2018 | 20180102-6 | Revenue (Risks) |
| 1/2/2018 | 20180102-7 | Revenue (Risks) |
| 1/2/2018 | 20180102-8 | Revenue (Risks) |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/2/2018 | 20180102-9 | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | OPG |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/3/2018 | | Hydro One |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |
| 1/4/2018 | 20180104-1 | OPG |

**FOR EFB USE ONLY**

**Budget 2017 Outlook**
**Current Outlook**
**Change Since Budget**

**Description of Update**

ONFA Update as of March 31 2017
s. 50.3 Update for 2016-17
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Provincial Interest Costs, DforE
Revised Debt Interest
OPG IFRS Risk in 2019-20
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
Revised OPG 2016-17 Net Income
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change: slight update to assumed Prov share 70.05% from 70%
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
tech change in calc of Hydro One Equity debt interest
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Updating H1 2016-17 Net Income for ESDI
Power Purchase Supply
H1 Model Forecasts - No Fiscal Update Resaving Data
Update Budget 2017 Tabs to reflect fiscal plan
Update OPG forecasted PILS to reflect sources
Update H1 2016-17 CIT
Re-inputting ONFA updates
Updating H1 Net Income to include Pref Shares in 16-17
Updating OPG Income Tax Expense for 2016-17
Updating OPG non-income tax PILs
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018
H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Updating with actual OPG IFRS Adjustment 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
Utilizing H1 IFRS Adjustment for 2016-17
**[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments)
Shifted H1 Brampton 2016-17 NI to the 2017-18
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)
Removed H1 Brampton for 2016-17 (pending finals)

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reclassification
Reclassification
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results

Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Net income corrected for Preferred Shares
Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a hardc
Updated PILs to include OPCD public accounts adjustment
Provision tab fix to pick up Hydro One preferred share net income
Provision tab fix to pick up Hydro One preferred share net income
FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest
FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest
Update to Hydro One PILs from information in Transmission rate application material
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
OEB September 28, 2017 Hydro One decision and order impact - incl. rebasing
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Remove update of gain on sale of head office(assume in Sales and Rentals)
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Debenture Interest Costs - Removing from Revenue (Risks) and adding it ot H1 Model
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Updated OPG Net Income and PILs based on monthly report (August 2017 results)
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Correction to PILs on OPG sheet
Switch to Direct from Model
Switch to Direct from Model
Switch to Direct from Model
Updating ROE Risks
Updating H1 Load Risks based on model output
Updating ONFA Risks for September 2017
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Adjust OEB decision/rebasing to ~50% provincial ownership
Updating OPG
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
OPG IOD impact from GA Financing, FHP
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpacking updated OPG Gain on sale (net income)
Unpack PILs related to HQ gain on sale
Updating IFRS Risk
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
Adjustment for lower Provincial share (from 70.1% to 50.9 2017-18 & 47.4% after)
November 1 and November 7 Hydro One model updates

November 1 and November 7 Hydro One model updates
November 1 and November 7 Hydro One model updates
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Revise Hydro Model to reverse OEB tax decision ongoing annual impact
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Undo allocation adjustment in H1 tab (now that provincial shares are updated)
Updating OPG Revenue Risks from rate application
Update Hydro One PILs (reverses update on line 119 whuich did not account fro Dx side)
Updating Debt Guarantee Fee
Updating OEFC Operating Expense
small changes - linking the net income numbers

Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Updated number of shares sold for First Nations (Dec 2017) sale
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Implemented OEB's Dec 2017 payment amounts decision for OPG (CEFD Analysis)
Updated OPG Net Income (based on their Q3 update, Sep 30, 2017)
Updated OPG ONFA adjustment (up to Sep 30, 2017) in OPG tab (removed it from Risks table)
Removal of OPG ONFA Sep 2017 adjustment in Risks table
Included possible range (-50M to 50M) of impact for future OPG ONFA adjustment in the negative
Removal of negative regulatory risk: "OPG Switch from accrual based to cash based accounting f
Removal of negative regulatory risk: "Timing of OPG Rate Decision" from Risks table
Removal of negative regulatory risk: "OEB Staff Recommendations wrt OPG rate application(May
Removal of negative regulatory risk: "Nuclear Liabilities Cash vs. Accrual" from Risks table
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Allocated 75% of Dec 2017 OEB payment amounts decision (CEFD Analysis) impact to Net Incon
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Reverse AO unpacking for the Interim January distribution
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month
Updated the 2017-18 monthly "OEB Risk - Delay in Effective Date of OPG Rates" to $50M/month

This line show net impact of latest change. READ COMMENT

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

## $ Millions

| | | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| | | 930 | 789 | 939 | 957 |
| | File | 915 | 518 | 204 | 219 |
| | | -15 | -271 | -735 | -738 |
| | *check* | *0* | *0* | *0* | *0* |
| | | **Impacts by FY →** | | | |
| **Outlook line affected** | **Expense / Rever** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 | 0.0 | 0.0 |
| N/A | | 0.0 | 0.0 | 0.0 | 0.0 |
| ? | | 0.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (38.1) | | |
| Public Debt Interest - Electricity Sector | Expense | 0.0 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | Expense | 0.0 | (69.1) | (79.1) | (75.1) |
| OPG Income | Expense | 0.0 | 0.0 | 0.0 | |
| OPG Income | Revenue | (2.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | | | |
| HOI Income | Revenue | 0.4 | | | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | | | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | | | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | | | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | | | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | | | |
| Interest on Debt | Expense | (1.7) | | | |
| HOI Income | Revenue | (39.8) | 0.0 | 0.0 | (0.0) |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | | | |
| | Revenue | - | - | - | - |
| | Revenue | - | - | - | - |
| | n/a | - | - | - | - |
| | | - | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 | 0.0 | 0.0 |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 | 12.0 | 3.5 |
| HOI Income | Revenue | 0.0 | (141.5) | (181.4) | (194.9) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) | | |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 | | |
| OPG Income | Revenue | (3.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | | | |
| HOI Income | Revenue | 7.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | | | |
| | Revenue | - | - | - | - |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | | | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | | | |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| | Revenue | - | - | - | - |
| | | - | - | - | - |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Brampton Income | Revenue | 15.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | | | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | | | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | | | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | | | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | (0.0) | (0.0) | 0.0 | 0.0 |
| HOI Income | Revenue | (1.7) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0) | | |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | | |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | | | |
| Miscellaneous | Revenue | 14.0 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | | | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | | | |
| Interest on Debt | Expense | (3.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 | 0.0 | 0.0 |
| | Revenue | - | - | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) | | |
| OPG Income | Revenue | 6.0 | | | |
| ONFA and other Fair Value Adjustments | Revenue | (6.0) | | | |
| HOI Income | Revenue | 0.0 | 141.9 | 181.8 | 195.4 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 | | |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) | | |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) | (0.1) | (0.1) |
| | Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) | | |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | 5.3 | 5.3 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | (12.4) | | |
| Provision for Electricity Sector (MOF) | Expense | | 12.4 | | |
| oded formula in the cell | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 | | |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) | | |
| Interest on Debt | Expense | (0.0) | 1.0 | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 | 15.0 | 5.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (7.8) | (8.7) | (10.3) |
| HOI Income | Revenue | 0.0 | (47.4) | (54.0) | (54.0) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (47.4) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 47.4 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (61.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (61.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 61.0 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.6) | (27.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.6 | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 15.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (15.0) | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 21.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | 0.0 | (18.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | 21.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | (21.0) | 0.0 | 0.0 |
| HOI Income | Revenue | 0.0 | (23.8) | (28.9) | (10.1) |
| Provision for Electricity Sector (OEFC) | Expense | 0.0 | (23.8) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | 0.0 | 23.8 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 16.1 | 26.7 | 20.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 16.1 | | |
| Provision for Electricity Sector (MOF) | Expense | | (16.1) | | |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | (4.9) | (11.9) | (17.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (4.9) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 4.9 | 0.0 | 0.0 |
| OPG Income | Revenue | | 283.0 | | |
| Provision for Electricity Sector (OEFC) | Expense | | 283.0 | | |
| Provision for Electricity Sector (MOF) | Expense | | (283.0) | | |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 95.0 | | |
| OPG Income | Revenue | | 0.0 | (475.0) | (500.0) |
| HOI Income | Revenue | | (112.6) | (142.1) | (170.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (112.6) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 112.6 | 0.0 | 0.0 |
| HOI Income | Revenue | | (3.3) | (3.0) | (0.1) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | | (3.3) | | |
| Provision for Electricity Sector (MOF) | Expense | | 3.3 | | |
| HOI Income | Revenue | | 14.7 | 14.4 | 12.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 14.7 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (14.7) | 0.0 | 0.0 |
| HOI Income | Revenue | | (16.1) | (26.7) | (20.6) |
| Provision for Electricity Sector (OEFC) | Expense | | (16.1) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 16.1 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | 0.0 | 7.8 | 8.7 | 10.3 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Finance) | | | 0.0 | (1.0) | (1.0) |
| OPG Income | Revenue | | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HOI Income | Revenue | | 0.1 | 0.5 | 0.6 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.1 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | (0.1) | 0.0 | 0.0 |
| OPG Income | Revenue | | (477.1) | (145.2) | (153.1) |
| Provision for Electricity Sector (OEFC) | Expense | | (305.7) | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 305.7 | 0.0 | 0.0 |
| OPG Income | Revenue | | 39.0 | 0.0 | 0.0 |
| OPG - ONFA and other Fair Value Adjustments | Revenue | | 171.5 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| n/a | n/a | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | Revenue | | 119.3 | 36.3 | 38.3 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | (119.3) | (36.3) | (38.3) |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | 0.0 |
| OPG Income | | | (283.0) | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | | | (95.0) | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | | | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | | | 0.0 | 0.0 | 0.0 |
| HOI Income | Revenue | | 116.8 | 147.1 | 176.1 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 0.0 | 80.3 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | 0.0 | (80.3) |
| OPG Income | Revenue | | 37.5 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs), inc | Revenue | | 12.5 | 0.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 0.0 | 14.4 | 23.1 |
| Provision for Electricity Sector (MOF) | Expense | | 0.0 | (14.4) | (23.1) |
| | | | | | |
| | | ***0*** | ***0*** | ***0*** | ***0*** |

## Summary of Track Changes Above

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | (99.0) | 0.0 | 0.0 | 0.0 |
| Demand Management Support Costs | 1.8 | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | (44.4) | 180.9 | 0.0 | 0.0 |
| Provision for Electricity Sector (MOF) | 44.4 | (180.9) | 0.0 | 0.0 |
| Other (Finance) | (1.0) | 0.0 | (1.0) | (1.0) |
| OPG Income | (5.0) | 333.1 | (486.9) | (517.1) |
| ONFA and other Fair Value Adjustments | 35.0 | 0.0 | 0.0 | 0.0 |
| HOI Income | (16.1) | (190.4) | (235.3) | (216.1) |
| Brampton Income | 3.3 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (39.7) | 79.0 | 12.0 | 3.5 |
| Electricity Debt Retirement Charge | (4.0) | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 99.0 | 0.0 | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | 0.1 | (0.1) | (0.1) | (0.1) |
| Miscellaneous | 14.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 1.7 | 38.1 | 38.1 | 38.1 |
| Interest on Debt | (4.7) | (53.1) | (64.1) | (69.1) |
| **Impact on Surplus/Deficit** | **(14.6)** | **206.7** | **(737.3)** | **(761.7)** |
| ***check*** | ***0.0*** | ***477.7*** | ***(2.4)*** | ***(23.7)*** |

## *Check - Summary of Track Changes Above vs. Electricity Summary Change Workshee*

| | | | | |
|---|---|---|---|---|
| Power Supply Contract Costs | 0.0 | (0.4) | (0.1) | (0.4) |
| Demand Management Support Costs | (0.0) | 0.0 | 0.0 | 0.0 |
| Provision for Electricity Sector OEFC) | 8.4 | 305.7 | (14.4) | (103.4) |
| Provision for Electricity Sector (MOF) | (8.4) | (305.7) | 14.4 | 103.4 |
| Other (Finance) | 0.0 | 0.0 | 0.0 | 0.0 |
| OPG Income | 0.0 | 564.3 | 108.9 | 114.8 |
| ONFA and other Fair Value Adjustments | 0.0 | (171.5) | 0.0 | 0.0 |
| HOI Income | (0.0) | (116.9) | (147.6) | (176.8) |
| Brampton Income | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 201.8 | 36.3 | 38.3 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 | 0.1 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.0) | (0.0) | (0.0) | (0.0) |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Debt Interest - Electricity Sector | 23.4 | 0.1 | 0.1 | 0.1 |
| Interest on Debt | (23.4) | (0.1) | (0.1) | (0.1) |
| **Impact on Surplus/Deficit** | **(0.0)** | **477.7** | **(2.4)** | **(23.7)** |

| 2020-21 | |
|---|---|
| 1,676 | |
| 620 | |
| -1,056 | |
| *0* | |

| 2020-21 | Further Explanation of Change and source of data |
|---|---|
| 0.0 | Regular quarterly ONFA Update |
| 0.0 | Benefit to OEFC under s.50.3: $411M gain, SIFB |
| 0.0 | Change to OEFC payment for interest costs of Debt for Equity Swap |
| 38.1 | Revised Provincial Debt Interest related to Hydro One Equity |
| (104.1) | From FTD, revised Debt Interest (net of revisions to Provincial and OPG debt interest) |
| 0.0 | Revised numbers from OEP with 2019-20 Risk |
| 0.0 | Updated numbers from OPG Q1 2017 FS |
| 0.0 | Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No Change to numbers, just re-inputting data and saving sources |
| - | No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impa |
| - | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF |
| 0.0 | No Change to numbers, just re-inputting data and saving sources |
| 0.0 | Only included H1 Net Income - Common Shareholders before. Added preferred shareholder im |
| 0.0 | Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder |
| 1.8 | Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG al |
| (210.6) | Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a wei |
| 0.0 | Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD. |
| 0.0 | Based on KPMG analysis, then fiscalization and other adjustments from OPCD. |
| - | **[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financ |
| 0.0 | Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift th |
| 0.0 | make decision on shifting when we know 2016-17 status. |

| | |
|---|---|
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| - | No change to numbers. Just re-organizing spreadsheet. No backup data. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided another scenario backup/source |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just provided actual backup/source. |
| 0.0 | No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck |
| 0.0 | Adjustment to ESDI to include Hydro One Brampton |
| | |
| | |
| 0.0 | Finalizing 2016-17 DRC Based on Draft OEFC AR |
| 0.0 | Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers |
| 0.0 | 2016-17 - Non-ONFA Fair Value Adjustment |
| 0.0 | Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with |
| 0.0 | Revising Hydro One Amount for consistency with OPCD. Equity Adjustments |
| | |
| 0.0 | Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedic |
| 0.0 | Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals |
| | |
| 0.0 | Updating Miscellaneous to OEFC AR actuals |
| | |
| 0.0 | Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) ) |
| 0.0 | |
| 0.0 | 2017-18 - Demand Management Support Costs (no change) - Linking correctly |
| 0.0 | 2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and s |
| - | No change to numbers. Just re-organized spreadsheet |
| 0.0 | Revised H1 Brampton Net Income (for GBE Line only) |
| 0.0 | Revising for OPG's Q3 Finances |
| 0.0 | Revising OPG's Net Income for latest monthly report |
| | |
| | |
| 211.1 | Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other area |
| | |
| 0.0 | Updating Risks based on Hydro One Q2 Results Model |
| 0.0 | Updated two Risk components for the Avista Acquisition. |
| (0.0) | No significant changes, but used actual amortization liability schedule. Hence the rounding imp |
| 0.0 | Updating Debt Guarantee for actuals based on OEFC AR |
| 0.0 | Revising OPG's Net Income for latest monthly report |

| | |
|---|---|
| 0.0 | Linking interest revenue data for 2017-18 to 2020-21 |
| 0.0 | OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings |
| 5.3 | Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Share |
| | |
| 0.0 | Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are no |
| 0.0 | Updated PILs to include OPCD public accounts adjustment |
| | |
| 1.3 | |
| 5.0 | |
| (12.2) | |
| (54.0) | |
| 0.0 | |
| 0.0 | |
| 0.0 | increase built into net income was $82m between NI and PILs |
| 0.0 | Remove $21m from PILs |
| 0.0 | expense impacts |
| 0.0 | expense impacts |
| 0.0 | need to also remove the $21m PILs built into OPG net incme |
| 0.0 | |
| 0.0 | |
| 0.0 | We removed $21m from PILs above, before having added it in (check is that lines 123 to 130 a |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| (13.0) | variances include: 2017-18 preferred vs common share fix, 2018-19 largely ROE change from |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 21.6 | |
| | |
| 0.0 | |
| (24.1) | |
| 0.0 | |
| 0.0 | **Distribution (October)** |
| | |
| | |
| (750.0) | |
| (185.3) | |
| 0.0 | |
| 0.0 | |
| (2.3) | |

| | |
|---|---|
| 15.2 | |
| 0.0 | |
| 0.0 | |
| (21.6) | |
| 0.0 | |
| 0.0 | |
| 0.0 | Updating OPG Rate application Revenue Risks based on revised calculations |
| 12.2 | |
| 0.0 | |
| (1.0) | Received Revised FTD Forecast |
| 0.3 | |
| | |
| 0.7 | |
| 0.0 | |
| 0.0 | |
| (180.7) | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 0.0 | Removed based on Dec 2017 OEB decision |
| 45.2 | |
| (45.2) | |
| 44.2 | |
| (44.2) | |
| 0.0 | |
| 0.0 | |
| (44.2) | |
| 44.2 | |
| 190.8 | |
| 311.7 | |
| (311.7) | |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |
| 0.0 | Total difference in using $50M/month vs $60M/month for period of 5 months is $50M |

***0***

| |
|---|
| 0.0 |
| 0.0 |
| 0.0 |
| 0.0 |
| (1.0) |
| (774.1) |
| 0.0 |
| (233.7) |
| 0.0 |
| 1.8 |
| 0.0 |
| 0.0 |
| (0.0) |
| 0.0 |
| |
| 38.1 |
| (97.8) |
| **(1,067)** |
| |
| ***(11.1)*** |

***t***

| |
|---|
| |
| 0.2 |
| 0.0 |
| (311.7) |
| 311.7 |
| 0.0 |
| 135.3 |
| 0.0 |
| (191.5) |
| 0.0 |
| 44.9 |
| 0.0 |
| (0.2) |
| 0.0 |
| 0.0 |
| |
| 0.1 |
| 0.1 |
| **(11.1)** |

Data Validation:

Options
Revenue (F
OPG
Hydro One
Provision

ONFA
Other Data

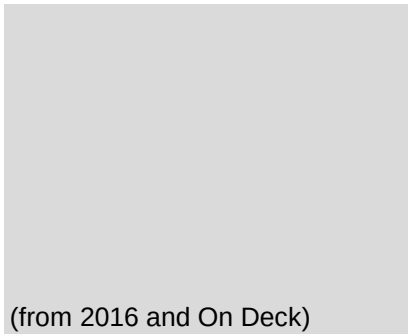
update once revised numbers are received.

acts

ıpact as well.

bout the BP
ghted average ownership for 2017-18. Also adjusted future net income attributed to the province.

ial Statements to produce an estimate. May require additional calculations.
ıis to 2017-18.



(from 2016 and On Deck)

s to reflect this.

OPCD.

:ated Earnings in Public Accounts.

ources.

s to ensure broadening change and reduction in net income happens concurrently in forecasts.

acts/changes.

es

t hardcoded directly

dd up to -$82m gain that we wanted to remove.

9.09% to 8.78% not previously captured.

Risks)

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 304 | 97 | 732 | 625 | 1,066 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 8 | - | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 516 | 520 | 562 | 603 | 652 |
| Brampton Income | 20 | 15 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **842** | **617** | **1,294** | **1,229** | **1,717** |
| **Other Fees and Licences** | **127** | **122** | **102** | **91** | **88** | **81** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (3) | (342) | (125) | | - | - |
| Public Debt Interest - Electricity Sector | (520) | (492) | (492) | (492) | (492) | (492) |
| **Subtotal** | (523) | (834) | (617) | (492) | (492) | (492) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(523)** | **(834)** | **(617)** | **(492)** | **(492)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,228 | 373 | 405 | 476 | 538 | 679 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (91) | (88) | (81) |
| Miscellaneous | 9 | - | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (532) | (422) | (374) | (342) | (250) |
| Power Supply Contract Costs | (875) | (739) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (10) | (10) | - | - | - |
| Provision for Electricity Sector | 3 | 342 | 125 | - | - | - |
| Other (Finance) | (7) | (6) | (6) | (6) | (6) | (6) |
| **Total OEFC Income** | **3,533** | **800** | **687** | **46** | **132** | **370** |
| **Impact on Surplus/(Deficit)** | **3,856** | **930** | **789** | **939** | **957** | **1,676** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's 70% ownership share after the initial IPO in 2015 and the secondary offering in April 2016. At the time of 2017 Budget, net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflects IFRS adjustments fiscal impact decisions that were made centrally.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information. The Hydro One net income outlook above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering as of 2017 Budget were reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, less the interest on the Province's OPG/Hydro One debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

## Electricity Sector Outlook

$ Millions

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 291 | 299 | (134) | 137 | (7) | 156 |
| OPG - ONFA and other Fair Value Adjustments[2] | 172 | 43 | 171 | - | - | - |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - |
| HOI Income[3] | 236 | 500 | 446 | 474 | 564 | 610 |
| Brampton Income | 20 | 18 | - | - | - | - |
| **Total OPG and HOI Income** | **719** | **860** | **484** | **610** | **557** | **766** |
| **Other Fees and Licences (Debt Guarantee fee)** | **127** | **122** | **102** | **99** | **98** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | - | (290) | - | (14) | (103) | (312) |
| Public Debt Interest - Electricity Sector | (520) | (514) | (454) | (454) | (454) | (454) |
| **Subtotal** | (520) | (803) | (454) | (469) | (557) | (766) |
| Public Debt Interest - Impact of ONFA | | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | | | | | | |
| **Total Electricity Expenses of the Province** | **(520)** | **(803)** | **(454)** | **(469)** | **(557)** | **(766)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 3,247 | 334 | 282 | 452 | 503 | 635 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net Reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Other Fees and Licences | (127) | (122) | (102) | (99) | (98) | (91) |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (596) | (513) | (475) | (438) | (411) | (348) |
| Power Supply Contract Costs | (875) | (838) | (292) | (325) | (301) | (273) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | (8) | (8) | (10) | - | - | - |
| Provision for Electricity Sector | - | 290 | - | 14 | 103 | 312 |
| Other (Finance) | (7) | (7) | (6) | (7) | (7) | (7) |
| **Total OEFC Income** | **3,549** | **737** | **386** | **(37)** | **121** | **529** |
| **Impact on Surplus/(Deficit)** | **3,876** | **915** | **518** | **204** | **219** | **620** |
| *variance to OEFC check* | *(156)* | *(454)* | *(550)* | *0* | *0* | *-* |

**Notes:**

1.OPG's 2016-17 outlook reflected its reported earnings. 2017-18 reflects OPG's lates monthly update. 2018 to 2019-20 reflects OPG's preliminary 2017-2019 business plan (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections. OPG net income also reflect projected IFRS adjustments as provided by OPCD at the time of the 2017 Budget.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2016-17 income reflects its projected net income adjusted for the Province's ownership share in Hydro One following the final offering in May 2017 and including the planned First Nations sale in December 2017. 2017-18 to 2020-21 projections are based on CEFD projections using the latest public information.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018. There is currently a PRRT submission to continue ESDI payments to OEFC beyond 2017-18.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **Changes from Budget 2017 as of October 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | (5) | (231) | (596) | (632) | (909) | 2016-17 small decrease due to IFRS adjustment revision and OPG Net Income revision.<br><br>2017-18 due largely to OEB Dec. 28, 2017 rate decision including effective date of June 1, 2017 rather than jan. 1, 2017. Decrease in 2018-19 onward is due mainly to taking on projeceted IFRS adjustment impacts in those years as well as OEB Dec. 28, 2017 rate decision. |
| ONFA and other Fair Value Adjustments | 35 | 171 | - | - | - | Largely revision to ONFA fair value as of September 30, 2017 |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | |
| HOI Income | (16) | (73) | (88) | (39) | (42) | 2016-17 slight decrease from Budget 2017 Interim projection.<br>2017-18 onwards reflects i) impact of OEB Sep. 2017 decision on Hydro One transmission rates and ii) interest expense on Avitsa debentures (in 2017-18 and 2018-19). |
| Brampton Income | 3.3 | | | | | |
| **Total OPG and HOI Income** | **17** | **(133.2)** | **(684)** | **(671)** | **(951)** | |
| **Other Fees and Licences** | **-** | **-** | **8** | **10** | **10** | |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector | 53 | 125 | (14) | (103) | (312) | Changes to the Proviision (ESDI) expense in 2017-18 mainly reflect lower OPG net income due to OEB's Dec. 28, 2017 rate decision and lower Hydro One net income due to OEB's Sep. 2017 transmission rate decision. The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 | 38 | 38 | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to HydroOne's April 2016 offering. Note the impact of the final offering will be refelected in PDI during 2018. |
| **Total Electricity Expenses of the Province** | **31** | **163** | **24** | **(65)** | **(274)** | |

| Electricity Sector Change Since Budget | $ Millions | | | | | |
|---|---|---|---|---|---|---|
| ($million) | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | (40) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to an OPCD Public Accounts PILs adjustment related to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected. 2017-18 increase is due mainly to recategorization of the PILs impact of the OPG head office sale from Sales and Rentals. |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Net Reduction of Power Purchase Contracts | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | (8) | (10) | (10) | |
| Revenue Pool Residual | - | - | - | | - | |
| Miscellaneous | 14 | - | - | - | - | |
| **Expenses** | | | | | | |
| Interest on Debt | 19 | (53) | (64) | (69) | (98) | 2017-18 reflects revised debt interest outlook net of revisions to OEFC interest revenue from OPG and Province. |
| Power Supply Contract Costs | (99) | 0 | 0 | 0 | (0) | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | |
| Demand Management Support Costs | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (53) | (125) | 14 | 103 | 312 | see explanation above for "Provision for Electriocty Sector" (line 17) |
| Other (Finance) | (1.0) | - | (1) | (1) | (1) | |
| **Total OEFC Income** | **(63)** | **(301)** | **(83)** | **(11)** | **160** | |
| | | | | | | |
| **Impact on Surplus/(Deficit)** | **(14.6)** | **(271)** | **(735)** | **(738)** | **(1,056)** | |
| **Information: Breakdown of change between revenue and expense** | | | | | | |
| Total Revenue Impact | 87 | (256) | (708) | (706) | (994) | |
| | | | | | | |
| Total Expenditure impact | 101 | 15 | 27 | 32 | 61 | |

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| 1% decrease in Hydro One actual load[2] | (57) | (59) | (62) | (63) |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (26) | (45) |
| Lower Hydro One Return on Equity (ROE)[4] | (9) | (36) | (38) | (40) |
| **Regulatory** | | | | |
| Hydro One Distribution rate application[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | – | | | |
| Regulatory Risk - Timing of OPG Rate Decision[7] | – | | | |
| OEB Staff Recommendations wrt OPG rate application(May 2017)[8] | – | | | |
| Nuclear Liabilities Cash vs. Accrual[9] | – | | | |
| OEB decision on Hydro One tax recapture (if one-time write-down)[10] | (440) | | | |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks[11] | | — | — | — |
| **Other Risks** | | | | |
| ONFA adjustment decrease[12] | (50) | | | |
| Avista Acquisition - Termination fee | | (49) | | |

**Note: These risks do not reflect the impacts on electricity sector revenue and expense of reclassification of the Asset Optimizati**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% lower than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in business plan along with reduced deemed debt to equity weighting of 55%/45% from the current 51%/49%.

4. Risk range for Hydro One transmission and distribution reflects potential risk of lower ROE by 0.5% vs assumed ROEs in CEFD Hydro One Forecast based on the most recent rate applications and forecasted ROE rates.

5. OEB is expected to make a decision on Hydro One's Distibution rate application for 2018 during the first half of 2018.

6. **Previous risk removed** with timing impact now reflected in OPG outlook. OEB September 2017 Report, established accrual method as default rate setting method to recover Pension and Other Pension Benefits (OPEBs) costs and recommended continuance of variance account tracking the difference between cash vs. accrual basis reporting for Pension and OPEB. OEB December 28, decision and order instructs OPG to submit request to dispose of Pension and OPEB deferral and variance account balances during 2018 for its 2019 payment application.

7. **Previous risk removed**. OEB December 28, decision and order provides an effective date for new rates of June 1, 2017. OPG's business plan assumed OEB decision would be effective as of January 1, 2017. OPG estimated an impact of -$60M for each month for which OEB decsion is not retroactive. The resulting $300M estimated impact has been included in the OPG outlook.

8. **Previous risk removed.** Estimated impact of OEB December 28the decision and order with respect to OPG rates is now reflected on the OPG Outlook.

9. **Previos risk removed.** Risk is related to potential switch to cash-basis accounting for regulated recovery of nuclear payment anmounts. OEB December 28, 2017 Decision and Order has deferred this issue to next OPG rate application in 2021 for 2022 to 2027 period.

10. The OEB's Sep. 28, 2017 ruling on Hydro One's Transmission rate application included direction on sharing, with ratepayers, tax savings related to the Hydro One IPO. Hydro One filed a Motion to Review this decision with the OEB and has also filed a court appeal. Hydro One's 2017 Q3 financial report notes that if the Motion to Review and appeal are unsuccesful teh company would record a one-time write-down of $885 million reflecting the OEB decision. The risk above reflects this risk at teh Province's 49.9% average share allocation for 2017-18. Hydro One noted that timing for the Motion to Review and appeal is uncertain. It expects the OEB Review to start in Q1 but noted that it could run in to Q2.

11. **Previous risk removed.** OPCD provided IFRS impact estimates (largely related to OPG) at the time of Budget 2017. A portion of these were reflected in in OPG's and Hydro One's net income outlook at the time of the 2017. The current Electricity Outlook now reflects this additional IFRS risk. Table below outlines OPG IFRS Risks versus what is built into the 2017 Budget Fiscal Plan.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |
| Risks Built into Fiscal Plan at 2017 Budget | (400) | 0 | (200) | 0 |
| Additional Risks now picked up in this Electricity Outlook | 0 | (475) | (500) | (750) |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| **($ millions)** | **Plan** | | | |
| | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[2] | 57 | 59 | 61 | 63 |
| Higher OPG Return on Equity (ROE)[3] | 6 | 22 | 19 | 33 |
| Higher Hydro One Return on Equity (ROE)[4] | 19 | 69 | 50 | 50 |
| **Regulatory** | | | | |
| **Accounting** | | | | |
| **Other Risks** | | | | |
| ONFA adjustment increase[5] | 50 | | | |

**on strategy or updates to AO strategy.**

1. OPG's market and generation risks related to nuclear reliability similar to the scenarios OPG developed for its sales margins to capture major market risk factors (e.g., natural gas prices, coal prices, foreign exchange, nuclear reliability) in its 2012 business plan. Currently, only the nuclear reliability risk is captured at the current regulated rate for OPG's nuclear generation.

2. Estimated revenue impact if Hydro One load for Transmission and Distribution is 1% higher than projected for all years in CEFD Hydro One Forecast. Based on the assumption a 1% increase in load is directly proportional to a 1% change in revenue requirements.

3. Risk range for OPG reflects potential risk of higher ROE in 2018-2021 (for nuclear base) vs assumed ROE in OPG's 2016 business plan and corresponding rate application. Assumed ROE is 9.85%, respresenting recent in 2010.

4. Risk range for Hydro One transmission and distribution reflects potential risk of higher ROE vs assumed ROEs in the Hydro One CEFD Forecast for 2018-2021. Assumed ROE is 9.85%, representing recent high in 2010.

5. Reflects risk around the consolidation adjustment to OPG net income, whereby the realized portion of gains or losses of OPG's nuclear funds are added or subtracted from OPG net income. Currently $171M positive adjustment is included in the OPG outlook. The ONFA adjustment is expected to be finalized in February 2018.

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of March 2017

**$ Millions**

| | Actual 2015-16 | Interim 2016-17 | Plan 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 302 | 315 | 366 | 408 | 537 |
| Legacy Hydro One (Including Brampton) | 2,929 | 7 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 20 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 44 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Interest : | | | | | | |
| OPG | 173 | 179 | 168 | 153 | 135 | 135 |
| H1 | | | | | | |
| IESO | 2 | 3 | 3 | 3 | 3 | 3 |
| Province | 520 | 492 | 492 | 492 | 492 | 492 |
| Other | 28 | 10 | 5 | 5 | 5 | 5 |
| Total Interest | 723 | 684 | 668 | 653 | 635 | 635 |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 342 | 525 | - | - | - |
| Gain to OEFC under s. 50.3 | 172 | - | - | - | - | - |
| Miscellaneous | 9 | - | - | - | - | - |
| | 6,041 | 2,893 | 2,587 | 1,495 | 1,504 | 1,615 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,090 | 1,027 | 977 | 885 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 10 | 10 | - | - | - |
| Amortization of deferred debt costs | - | - | - | | | |
| Power Supply Contract Costs | 875 | 739 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 91 | 88 | 81 |
| Operating | 7 | 6 | 6 | 6 | 6 | 6 |
| | 2,336 | 2,093 | 1,500 | 1,449 | 1,372 | 1,245 |
| **Excess (Deficiency) of Revenue over Expense** | **3,705** | **800** | **1,087** | **46** | **132** | **370** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | **4,393** | **3,593** | **2,506** | **2,460** | **2,328** | **1,958** |

**Note: All the Hydro One ownership broadening impacts, other than the ownership change from the initial IPO in 2015 and the secondary offering in April 2016, were reflected in Sales and Rentals as of the 2017 Budget.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

## On Deck Outlook as of October 2017

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 859 | 621 | 623 | 0 | 0 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 268 | 224 | 192 | 342 | 373 | 494 |
| Legacy Hydro One (Including Brampton) | 2,929 | 4 | 2 | 2 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | 3 | 25 | 20 | 22 | 23 | 25 |
| MEUs | 27 | 112 | 68 | 86 | 105 | 114 |
| Total PILs & CIT dedicated to OEFC[1] | 3,228 | 364 | 282 | 452 | 503 | 635 |
| Interest : | | | | | | |
| OPG | 173 | 167 | 169 | 179 | 175 | 148 |
| H1 | | | | | | |
| IESO | 2 | 2 | 3 | 3 | 3 | 3 |
| Province | 520 | 514 | 454 | 454 | 454 | 454 |
| Other | 28 | 20 | 20 | 20 | 10 | 10 |
| Total Interest | 723 | 703 | 646 | 656 | 642 | 615 |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Amortization of NUG liability | 172 | 129 | 74 | 41 | 30 | 28 |
| Electricity sector dedicated income | 3 | 302 | 0 | 14 | 103 | 312 |
| Gain to OEFC under s. 50.3[2] | 172 | 411 | 550 | 0 | 0 | 0 |
| Miscellaneous | 9 | 14 | 0 | 0 | 0 | 0 |
| | 6,041 | 3,382 | 2,467 | 1,488 | 1,579 | 1,863 |
| **Expense** | | | | | | |
| Debt interest | 1,319 | 1,216 | 1,121 | 1,094 | 1,053 | 963 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | 8 | 8 | 10 | 0 | 0 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | | | |
| Power Supply Contract Costs | 875 | 838 | 292 | 325 | 301 | 273 |
| Debt Guarantee fee | 127 | 122 | 102 | 99 | 98 | 91 |
| Operating | 7 | 7 | 6 | 7 | 7 | 7 |
| | 2,336 | 2,191 | 1,531 | 1,525 | 1,459 | 1,334 |
| **Excess (Deficiency) of Revenue over Expense** | 3,705 | **1,191** | **936** | **(37)** | **121** | **529** |
| Prior period adjustment | 87 | | | | | |
| **Stranded Debt - Year End** | 4,393 | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** |

1

| **Payments-in-lieu of tax:** | **2015-16 Public Accounts** |
|---|---|
| OPG | 290 |
| Legacy Hydro One (Including Brampton) | 2,941 |
| Hydro One CIT dedicated to OEFC | 0 |
| MEUs | 15 |
| | 3,247 |

2 **2017-18 value preliminary estimate, subject to change.**

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of October 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | (123) | (24) | (35) | (43) | 2016-17 decrease largely due to reconciling between OPCD and OEFC net opening assets. OPG PILs also slightly lower than projected.<br><br>2017-18 and onward decrease is due to estimated impact of OEB Dec. 29=8, 2017 rate decision. |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | Adjustment based on updated information in Hydro One rate application |
| MEUs | 68 | - | - | - | - | Large increase in 2016-17 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | (123) | (24) | (35) | (43) | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | Update to OPG interest outlook (wrt interest on OEFC loan). |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | 2016-17 PDI at ($514m) was slightly larger than ($492m) projected at Interim.<br>2017-18 change reflects revised projections for Provincial debt interest related to Hydro equity. |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | Variance is largely due to retroactive payments that the OEFC made to certain non-utility-generators (NUGs) with former Ontario Hydro power purchase agreement contracts with OEFC. OEFC was required to make these payment following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision. |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | (525) | 14 | 103 | 312 | The decrease in OEFC ESDI in 2017-18 reflects i) the IFRS adjustment of $400 million in 2017-18 that was not reflected in the OEFC ESDI projection at the time of the 2017 Budget (Note the IFRS adjustment was reflected in OPG net income for the 2017 Budget fiscal plan) and ii) the lower OPG and Hydro One net income due to OEB's 2017 rate decisions.<br><br>The projected change in 2019-20 and 2020-21 is due to the continuation of ESDI beyond 2017-18 (approved in principle in the current PRRT). In the 2017 Budget outlook, ESDI was assumed to end after 2017-18. ESDI estimates for 2018-19 and 2018-19 are reduced due to negative balances in 2017-18 and 2018-19, |
| Gain to OEFC under s. 50.3 | 411 | 550 | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | (120) | (7) | 75 | 249 | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | Revised outlook for OEFC debt interest outlook |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | Same as Power supply contract recoveries above. Power supply contract costs are fully recovered by power supply contract recoveries. |
| Debt Guarantee fee | - | - | 8 | 10 | 10 | |
| Operating | 1 | - | 1 | 1 | 1 | |
| | 98 | 31 | 76 | 87 | 89 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **(151)** | **(83)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,266** | **2,303** | **2,182** | **1,653** | |

## Provision for Electricity Sector (Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings)

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | (134) | 137 | (7) | 156 |
| Hydro One Income[1] | 232 | 501 | 446 | 474 | 564 | 610 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **312** | **610** | **557** | **766** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One[1] | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **(142)** | **156** | **103** | **312** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[2]** | | 3 | | | | |
| **Exclude Brampton[3]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **(142)** | **156** | **103** | **312** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | (142) | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | (142) | 142 | 0 | 0 |
| Ending Balance | 0 | 0 | (142) | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **0** | **14** | **103** | **312** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **0** | **14** | **103** | **312** |

**Notes:**

1. The Hydro One financials above currently reflects the Provincial share allocation as the May 2017 final offering.

2. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16 due to timing issues. $3M adjustment rectifies this discrepancy

3. Brampton was excluded from the Ministry of Finance's ESDI allocation.

## Ontario Power Generation



### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17* | *54* | *99* | *153* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - January 2018

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 857 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (283) | | | |
| Unpacking updated OPG Gain on sale (net income) | | | | | | |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (320) | (109) | (115) | (136) |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 12 | 42 | 82 | 128 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[4] | | (78.00) | (400) | | (200) | |
| Update IFRS Risk | | | 0 | (475) | (500) | (750) |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **(134)** | **137** | **(7)** | **156** |
| ONFA Adjustments | 247 | 49 | 171 | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | **171** | | | |
| **OPG Net Income** | **463** | **342** | **37** | **137** | **(7)** | **156** |

### OPG PIL - January 2018

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 723 | 235 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | (134) | 137 |
| OPG Income Tax (PILs) | 92 | 9 | 162 | 135 |
| OEB December 28, 2017 Rate Decision Impact[2] | | | (107) | (36) |
| Tax adjustment for OPG HQ gain on sale[1] | | | (95) | |
| Unpack PILs related to HQ gain on sale | | | | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **192** | **342** |

1. OPG's May 2017 head office facilities sale impacts are re-categorized from Sales and Rentals to OPG net income and PILs in the current Electricity Outlook update.
2. OEB December 28, 2017 estimated rate decision impacts are split between net income and PILs and a 75%/25% basis.
3. This reflects interest earnings on GA financing costs which are consolidated back to Province
4. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan, and table below.

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|
| OPG IFRS Risk | (400) | (475) | (700) | (750) |

| Hydro One Ownership Calculation: | | |
|---|---|---|
| Total number of shares outstanding[1] | 595,000,000 | |
| | | |
| **IPO November 2015** | | |
| Initial Public Offering(2015)[2] | 81,100,000 | |
| Over allotment option (2015)[3] | 8,150,000 | |
| Sales to PWU/SEP Trusts | 5,646,340 | |
| Total | 94,896,340 | |
| | | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** | |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** | |
| | | |
| **Secondary Offering April 2016** | | |
| Secondary Offering (2016) | 72,434,800 | |
| Over allotment option (2016) | 10,865,200 | |
| Total | 83,300,000 | |
| | | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** | |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** | |
| | | |
| **Final Offering May 2017** | | |
| Final Offering (2017) | 120,000,000 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Over allotment option (2017) | - | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Total | 120,000,000 | |
| | | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 | Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by· |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** | |
| | | |
| First Nations Sale, closed on December 29, 2017 | 14,391,012 | Source: http://www.l S:\Users\CEF\Hydro 2018\OEFC\RbP\Outlook\01. January\Backup\20180103-0 - H1 First Nations Sales\ |
| | 2.4% | Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html |
| Province's remaining onwership - post First Nations Sale (#Shares) | 282,412,648 | |
| Province's remaining onwership - post First Nations Sale (%) | **47.46%** | |
| | | |
| **Avista Impact (projected closing date 2nd half of 2018)** | | |
| Contingent Convertible Debenture | $1,540,000,000 | |
| Conversion Price | $21 | |
| Potential Dilution (# Shares) | 71,962,617 | |
| | | |
| Revised Total number of shares outstanding | **666,962,617** | |
| | | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 282,412,648 | |
| Province's remaining onwership - post Avista Aquisition (%) | **42.34%** | |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.
2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO
3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option
4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.46% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **51.0%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing end of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.46% | 6 | 50.0% |
| 42.34% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.9%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.34%** |

Accretive to earnings per share and cash flow for Hydro One in the first full year post closing
above is from Hydro One transaction overview. Check what this means for timing of additional shares and /or earnings.

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Net Income and PILs

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

### Hydro One Income - December 2017
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | | | 645 | 690 | 780 | 845 |
| Debenture Costs Impacts (After Tax) | | | (34) | (39) | | |
| Hydro One Net Income After Tax - Including Adjustments | 670 | 680 | 612 | 651 | 780 | 845 |
| Hydro One - Net Income Attributable to Preferred Shareholders | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

### Hydro One (100% Ownership)
**($ millions)** **$ Millions**

| | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 612 | 651 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

## Public Debt Interest and Section 50.3 payments

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Hydro One Public Debt Interest and Section 50.3 payments** | | | | | | |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening[1] | | (29) | (66) | (66) | (66) | (66) |
| **Province Annual Interest Costs - Hydro One Debt** | **220** | **191** | **154** | **154** | **154** | **154** |
| **Province Annual Interest Cost - OPG Debt** | 300 | 300 | 300 | 300 | 300 | 300 |
| **Total Public Debt Interest** | **520** | **514** | **454** | **454** | **454** | **454** |

**$ Millions**

| | Actual 2015-16 | Actual 2016-17 | Current Outlook 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Gain to OEFC under s. 50.3** | 172 | 411 | 550 | 0 | 0 | 0 |

1. The Hydro One reduction in interest costs above currently reflects a 70.5% Provincial share allocation as of the secondary offering in April 2016. Net estimated fiscal impacts related to the last Hydro One offering are currently reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 | 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 20170501-3 | 2016-17 | 29 | 29 | Reduction in Int | Internal Calculation | |
| 20170501-3 | 2017-18 | 66 | 66 | Reduction in Int | Internal Calculation | |
| 20170501-3 | n/a | 220 | 220 | Annual Interest | Internal Calculation | |

| ID# (Track Cha | Fiscal Year | alue (Hardcode | Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|---|---|---|
| n/a | n/a | 5126 | | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| n/a | n/a | 5.85% | | Annual Interest | OEFC 1999-2000 FS, pg 26 | |
| | | 299.871 | | | | |

OPG's Annual Interest Costs: 300

| | | | | |
|---|---|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 | Provincial interest cost for equity investment in OPG, H1 in 2016-17<br>Monthly Balances Sheet (from FTD)<br>S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1 | |

1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | 102 |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | (102) |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 7 | 7 | 7 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |
| 99 | 98 | 91 |

| | | |
|---|---|---|
| -7 | -7 | -7 |
| (99) | (98) | (91) |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20171211-2 | 2017-18 | 6 | 6 |
| 20171211-2 | 2018-19 | 7 | 7 |
| 20171211-2 | 2019-20 | 7 | 7 |
| 20171211-2 | 2020-21 | 7 | 7 |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |
| | | | |
| 20171211-0 | 2017-18 | 1121 | 1,121 |
| 20171211-0 | 2018-19 | 1094 | 1,094 |
| 20171211-0 | 2019-20 | 1053 | 1,053 |
| 20171211-0 | 2020-21 | 963 | 963 |
| 20171211-1 | 2017-18 | 102 | 102 |
| 20171211-1 | 2018-19 | 99 | 99 |
| 20171211-1 | 2019-20 | 98 | 98 |
| 20171211-1 | 2020-21 | 91 | 91 |
| 20171211-1 | | | |
| 20171211-1 | | | |
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| 20171211-1 | | | |
| 20171211-1 | | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| Revised Operating Expense from FTD Forecast | | |
| | FTD - October PRRT | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
|---|---|---|
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| OEFC Debt Interest Expense (no change, just re-linking) | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Guarantee Fee | FTD - October PRRT | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |

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RbP\Outlook\05. May\Backup\20170501-4 (Revised OPG and Debt Interest)\OEFC revenue forecast for Board -Apr

RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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RbP\Outlook\12. December\Backup\20171211-1 - Interest Numbers from FTD\OEFC forecast PRRT planning_Oct5
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**Colour Codes**

Formulas are in black text

Hard coded numbers are in blue text

References elsewhere are in purple

***Green bold text with or without highlights*** mean updates required

## Policies to follow when making updates to the Outlook

*** To quickly jump to the source numbers for a link, press "**Ctrl + [**"

All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

Add back up materials in a folder with the same numbers as in the 'Track Changes' tab.

If there is a reason for italics, or other colours, or formatting make sure it is clear. Other

Use indents to make things more clear to read

If numbers are taken from another tab they should ONLY be direct links, no calculation,

Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

**From:** John Kim
**To:** Ronald Kwan
**Cc:** Bruno Amara
**Subject:** latest Outlook version
**Date:** Thursday, September 21, 2017 1:52:57 PM
**Attachments:** Electricity Sector Outlook (2017 09 21).xlsm

---

Hi Ron,

As discussed, pls. see attached Outlook version.

S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\09. September

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

# Electricity Sector Outlook

## August 2017

**Disclosure:**

All information contained in this workbook are confidential and commercially sensitive

All projected numbers are estimates and subjected to change, and the focus is on OPG and Hydro One projections

This workbook and all information or analysis contained in it is property of the Ontario Financing Authority,
any disclosure or share of information should be first consulted with the owner.

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

Commercially Sensitive and Confidential Advice to Cabinet for Consideration of Options for Discussion Purposes Only

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References elsewhere are in purple

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All new numbers must be fully sourced, and follow the colour codes above

Most numbers and text are Arial Size 10, unless it is a title

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Electricity Summary - (Budget17/On Deck) - Reflects Public Accounts/Financial Stateme

OEFC - (Budget17/On Deck) - Reflects OEFC Annual Reports

*Due to slight discrepancies between Public Accounts reporting and OEFC Annual Repo

## Outlook Updates Frequency

| Frequency | Description | Tab |
|---|---|---|
| Monthly | OPG Net Income in-year forecast | OPG |
| Monthly | OPG PILs in-year forecast | OPG |
| Quarterly | ONFA Consolidation Adjustment | ONFA |
| Quarterly | OPG Cash vs Accrual Variance Account | Revenue (Risks) |

wise expect it to be cleared

adjustment should be done. Even if its just making a negative to a positive. Perform all the calculations on the sour

ents

orts, the numbers may not be identical

ce tab then bring the number into the next tab. (Eg. Formulas like this become hard to troubleshoot ='Hydro One'!AI

R29+'Hydro One'!AR31+'Hydro One'!AR32 ), let's avoid them.

# Electricity Sector Outlook
## Line Items for Consolidatior

## Electricity Summary - On De

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |
| Revenue | | 11 |
| Revenue | MOF (OEFC) | 26 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

## Electricity Summary - Budge

For Discussion

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 38 |
| Expense | MOF (OEFC) | 40 |
| Expense | MOF (OEFC) | 41 |
| Expense | MOF | 17 |
| Expense | MOF (OEFC) | 42 |

| | | |
|---|---|---|
| Revenue | ENE | 7 |
| Revenue | ENE | 8 |
| Revenue | ENE | 10 |

| | | |
|---|---|---|
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 29 |
| Revenue | MOF (OEFC) | 30 |
| Revenue | MOF (OEFC) | 31 |
| Revenue | MOF (OEFC) | 34 |

| | |
|---|---|
| | 17 |
| | 36 |

# Electricity Summary - Chang

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

FOR EFB USE ONLY

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |

| | | |
|---|---|---|
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

| | |
|---|---|
| | 17 |
| | 36 |

| Type | Ministry Pickup | Line |
|---|---|---|
| Expense | MOF (OEFC) | 69 |
| Expense | MOF (OEFC) | 71 |
| Expense | MOF (OEFC) | 72 |
| Expense | MOF | 48 |
| Expense | MOF (OEFC) | 73 |

| | | |
|---|---|---|
| Revenue | ENE | 38 |
| Revenue | ENE | 39 |
| Revenue | ENE | 41 |
| | | |
| Revenue | MOF (OEFC) | 25 |
| Revenue | MOF (OEFC) | 60 |
| Revenue | MOF (OEFC) | 61 |
| Revenue | MOF (OEFC) | 62 |
| Revenue | MOF (OEFC) | 65 |

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|---|---|
| | 17 |
| | 36 |

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$ Millions

| MOF Expense Items (consolidated) | Actual | | Current |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (838) | (292) | (325) |
| Demand Management Support Costs | (8) | (10) | - |
| Provision for Electricity Sector | 290 | 269 | - |
| Provision for Electricity Sector | (290) | (269) | - |
| Other (Finance) | (7) | (6) | (6) |
| **Total MOF Expense** | **(853)** | **(308)** | **(331)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 299 | 198 | 732 |
| OPG - ONFA and other Fair Value Adjustments | 43 | - | - |
| HOI Income | 500 | 525 | 567 |
| Brampton Income | 18 | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 334 | 407 | 488 |
| Electricity Debt Retirement Charge | 621 | 623 | - |
| Power Supply Contract Recoveries | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 |
| Miscellaneous | 14 | - | - |
| **Total MOF Revenue** | **2,795** | **2,119** | **2,153** |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (514) | (454) | (454) |
| Interest on Debt | (513) | (475) | (438) |
| **Total OFA IOD Expense** | **(1,027)** | **(929)** | **(892)** |
| **Impact on Surplus/Deficit** | **915** | **883** | **930** |
| ***check*** | **-** | **-** | **-** |

# et17

$ Millions

| MOF Expense Items (consolidated) | Interim | | Pl |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (739) | (292) | (325) |
| Demand Management Support Costs | (10) | (10) | 0 |
| Provision for Electricity Sector | 342 | 125 | 0 |
| Provision for Electricity Sector | (342) | (125) | 0 |
| Other (Finance) | (6) | (6) | (6) |
| **Total MOF Expense** | **(755)** | **(308)** | **(331)** |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments | 8 | 0 | 0 |
| HOI Income | 516 | 520 | 562 |
| Brampton Income | 15 | | |

| | | | |
|---|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 373 | 405 | 476 |
| Electricity Debt Retirement Charge | 625 | 623 | 0 |
| Power Supply Contract Recoveries | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 129 | 74 | 41 |
| Miscellaneous | 0 | 0 | 0 |
| **Total MOF Revenue** | **2,709** | **2,011** | **2,136** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (492) | (492) | (492) |
| Interest on Debt | (532) | (422) | (374) |
| **Total OFA IOD Expense** | **(1,024)** | **(914)** | **(866)** |
| | | | |
| **Impact on Surplus/Deficit** | **930** | **789** | **939** |
| | - | - | - |

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| **MOF Expense Items (consolidated)** | **$ Millions** | | |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (99) | 0 | 0 |
| Demand Management Support Costs | 2 | 0 | 0 |
| Provision for Electricity Sector | (53) | 145 | 0 |
| Provision for Electricity Sector | 53 | (145) | 0 |
| Other (Finance) | (1) | 0 | 0 |
| **Total MOF Expense** | **(98)** | **0** | **0** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | (5) | 101 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 35 | 0 | 0 |
| HOI Income | (16) | 6 | 6 |
| Brampton Income | 3 | 0 | 0 |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (40) | 2 | 12 |
| Electricity Debt Retirement Charge | (4) | 0 | 0 |
| Power Supply Contract Recoveries | 99 | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | (0) | (0) |
| Miscellaneous | 14 | 0 | 0 |
| **Total MOF Revenue** | **87** | **108** | **18** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 |
| Interest on Debt | 19 | (53) | (64) |
| **Total OFA IOD Expense** | **(3)** | **(15)** | **(26)** |
| | | | |
| **Impact on Surplus/Deficit** | **(15)** | **94** | **(8)** |
| | *0* | *(0)* | *(0)* |

*Previous Changes Hard-coded*

| **MOF Expense Items (consolidated)** | **$ Millions** | | |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | (99) | 0 | 0 |
| Demand Management Support Costs | 2 | 0 | 0 |
| Provision for Electricity Sector | (53) | 145 | 0 |
| Provision for Electricity Sector | 53 | (145) | 0 |
| Other (Finance) | (1) | 0 | 0 |
| **Total MOF Expense** | **(98)** | **0** | **0** |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | (5) | 101 | 0 |
| OPG - ONFA and other Fair Value Adjustments | 35 | 0 | 0 |
| HOI Income | (16) | 6 | 6 |
| Brampton Income | 3 | 0 | 0 |

| | | | |
|---|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | (40) | 2 | 12 |
| Electricity Debt Retirement Charge | (4) | 0 | 0 |
| Power Supply Contract Recoveries | 99 | (0) | (0) |
| Net Reduction of Power Purchase Contracts | 0 | (0) | (0) |
| Miscellaneous | 14 | 0 | 0 |
| **Total MOF Revenue** | **87** | **108** | **18** |
| | | | |
| **OFA IOD Expense** | | | |
| Public Debt Interest - Electricity Sector | (22) | 38 | 38 |
| Interest on Debt | 19 | (53) | (64) |
| **Total OFA IOD Expense** | **(3)** | **(15)** | **(26)** |
| | | | |
| **Impact on Surplus/Deficit** | **(15)** | **94** | **(8)** |

***Impact of Current Updates***

| **MOF Expense Items (consolidated)** | **$ Millions** | | |
|---|---|---|---|
| **Item** | **2016-17** | **2017-18** | **2018-19** |
| Power Supply Contract Costs | - | - | - |
| Demand Management Support Costs | - | - | - |
| Provision for Electricity Sector | - | - | - |
| Provision for Electricity Sector | - | - | - |
| Other (Finance) | - | - | - |
| **Total MOF Expense** | - | - | - |
| | | | |
| **MOF Revenue Items (consolidated)** | | | |
| OPG Income | - | - | - |
| OPG - ONFA and other Fair Value Adjustments | - | - | - |
| HOI Income | - | - | - |
| Brampton Income | - | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | - | - | - |
| Electricity Debt Retirement Charge | - | - | - |
| Power Supply Contract Recoveries | - | - | - |
| Net Reduction of Power Purchase Contracts | - | - | - |
| Miscellaneous | - | - | - |
| **Total MOF Revenue** | - | - | - |
| | | | |
| **OFA IOD Expense** | - | - | - |
| Public Debt Interest - Electricity Sector | - | - | - |
| Interest on Debt | - | - | - |
| **Total OFA IOD Expense** | - | - | - |
| | | | |
| **Impact on Surplus/Deficit** | - | - | - |

**Outlook**

| 2019-20 | 2020-21 |
|---|---|
| (301) | (273) |
| - | - |
| - | - |
| - | - |
| (6) | (6) |
| **(307)** | **(279)** |
| | |
| 625 | 1,066 |
| - | - |
| 609 | 658 |
| - | - |
| 541 | 681 |
| - | - |
| 301 | 273 |
| 30 | 28 |
| - | - |
| **2,107** | **2,705** |
| | |
| (454) | (454) |
| (411) | (348) |
| **(865)** | **(802)** |
| | |
| **935** | **1,624** |
| - | - |

**an**

| 2019-20 | 2020-21 |
|---|---|
| (301) | (273) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| (6) | (6) |
| **(307)** | **(279)** |
| | |
| 625 | 1,066 |
| 0 | 0 |
| 603 | 652 |

| | |
|---|---|
| 538 | 679 |
| 0 | 0 |
| 301 | 273 |
| 30 | 28 |
| 0 | 0 |
| **2,098** | **2,697** |

| | |
|---|---|
| (492) | (492) |
| (342) | (250) |
| **(834)** | **(742)** |
| | |
| **957** | **1,676** |
| - | - |

| 2019-20 | 2020-21 |
|---|---|
| 0 | (0) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| **0** | **(0)** |

| | |
|---|---|
| 0 | 0 |
| 0 | 0 |
| 6 | 6 |
| 0 | 0 |
| 4 | 2 |
| 0 | 0 |
| (0) | 0 |
| (0) | (0) |
| 0 | 0 |
| **9** | **8** |

| | |
|---|---|
| 38 | 38 |
| (69) | (98) |
| **(31)** | **(60)** |
| | |
| **(22)** | **(52)** |
| ***(0)*** | ***(0)*** |

| 2019-20 | 2020-21 |
|---|---|
| 0 | (0) |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| **0** | **(0)** |
| | |
| 0 | 0 |
| 0 | 0 |
| 6 | 6 |
| 0 | 0 |

| | |
|---|---|
| 4 | 2 |
| 0 | 0 |
| (0) | 0 |
| (0) | (0) |
| 0 | 0 |
| **9** | **8** |
| | |
| 38 | 38 |
| (69) | (98) |
| **(31)** | **(60)** |
| | |
| **(22)** | **(52)** |

| **2019-20** | **2020-21** |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| | |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| | |
| - | - |
| - | - |
| - | - |
| - | - |
| | |
| - | - |

## Electricity Sector Outlook

$ Millions

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of March 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 334 | 817 | 291 | 304 | 97 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 475 | 239 | 172 | 8 | - | - |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | - | - | - | - |
| HOI Income[3] | 786 | 741 | 236 | 516 | 520 | 562 |
| Brampton Income | | | 20 | 15 | - | - |
| **Total OPG and HOI Income** | **1,605** | **1,789** | **719** | **842** | **617** | **1,294** |
| **Other Fees and Licences** | **136** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (599) | (1,038) | (3) | (342) | (125) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) | (492) | (492) | (492) |
| **Subtotal** | (1,119) | (1,558) | (523) | (834) | (617) | (492) |
| Public Debt Interest - Impact of ONFA | - | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | | | | | |
| **Total Electricity Expenses of the Province** | **(1,119)** | **(1,558)** | **(523)** | **(834)** | **(617)** | **(492)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 543 | 180 | 3,228 | 373 | 405 | 476 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 954 | 956 | 859 | 625 | 623 | - |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 243 | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (136) | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 8 | 9 | 9 | - | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (728) | (658) | (596) | (532) | (422) | (374) |
| Power Supply Contract Costs | (1,296) | (950) | (875) | (739) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | | (9) | (8) | (10) | (10) | - |
| Provision for Electricity Sector | 599 | 1,038 | 3 | 342 | 125 | - |
| Other (Finance) | (7) | (6) | (7) | (6) | (6) | (6) |
| **Total OEFC Income** | **1,476** | **1,596** | **3,533** | **800** | **687** | **46** |
| **Impact on Surplus/(Deficit)** | **2,098** | **1,958** | **3,856** | **930** | **789** | **939** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Demand Management Support Costs | | 9 | 8 | 10 | 10 | - |
| Provision for Electricity Sector | (599) | (1,038) | (3) | (342) | (125) | - |
| Other (Finance) | 7 | 6 | 7 | 6 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **704** | **(73)** | **887** | **412** | **183** | **331** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **599** | **1,038** | **3** | **342** | **125** | **-** |

## Electricity Sector Outlook

$ Millions

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|---|---|
| **On Deck Outlook as of August 2017** | | | | | | |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income[1] | 334 | 817 | 291 | 299 | 198 | 732 |
| OPG - ONFA and other Fair Value Adjustments[2] | 475 | 239 | 172 | 43 | - | - |
| Hydro One - Unrealized Gains Adjustment | 10 | (8) | - | - | - | - |
| HOI Income[3] | 786 | 741 | 236 | 500 | 525 | 567 |
| Brampton Income | | | 20 | 18 | - | - |
| **Total OPG and HOI Income** | **1,605** | **1,789** | **719** | **860** | **724** | **1,300** |
| **Other Fees and Licences (Debt Guarantee fee)** | **136** | **131** | **127** | **122** | **102** | **91** |
| **Electricity Expenses of the Province** | | | | | | |
| Provision for Electricity Sector[4] | (599) | (1,038) | - | (290) | (269) | |
| Public Debt Interest - Electricity Sector | (520) | (520) | (520) | (514) | (454) | (454) |
| **Subtotal** | (1,119) | (1,558) | (520) | (803) | (724) | (454) |
| Public Debt Interest - Impact of ONFA | - | | | | | |
| Amortization of Deferred Revenue re profit on sale of H1 notes | - | | | | | |
| **Total Electricity Expenses of the Province** | **(1,119)** | **(1,558)** | **(520)** | **(803)** | **(724)** | **(454)** |
| **OEFC Income** | | | | | | |
| **Taxation Revenue** | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs), including CIT | 543 | 180 | 3,228 | 334 | 407 | 488 |
| **Other Revenue** | | | | | | |
| Electricity Debt Retirement Charge[5] | 954 | 956 | 859 | 621 | 623 | - |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Net Reduction of Power Purchase Contracts | 243 | 217 | 172 | 129 | 74 | 41 |
| Other Fees and Licences | (136) | (131) | (127) | (122) | (102) | (91) |
| Miscellaneous | 8 | 9 | 9 | 14 | - | - |
| **Expenses** | | | | | | |
| Interest on Debt | (728) | (658) | (596) | (513) | (475) | (438) |
| Power Supply Contract Costs | (1,296) | (950) | (875) | (838) | (292) | (325) |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - |
| Demand Management Support Costs[6] | | (9) | (8) | (8) | (10) | - |
| Provision for Electricity Sector | 599 | 1,038 | - | 290 | 269 | - |
| Other (Finance) | (7) | (6) | (7) | (7) | (6) | (6) |
| **Total OEFC Income** | **1,476** | **1,596** | **3,530** | **737** | **781** | **(6)** |
| **Impact on Surplus/(Deficit)** | **2,098** | **1,958** | **3,856** | **915** | **883** | **930** |

**Notes: The Hydro One net income outlook above (2016-17 to 2020-21) reflects the Province's current 70% ownership share, after the initial IPO in 2015 [and the secondary offering in April 2016]. Net estimated fiscal impacts from future Hydro One offerings are reported along with other planned Asset Optimization proceeds under "Sales and Rentals" in the Provinces Revenue outlook.**

**Notes:**

1.OPG's 2015-16 outlook reflected its reported earnings. 2016-17 outlook reflected OPG's November monthly update. Out-years reflect OPG's preliminary 2017-19 business plan and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based business plan projections and as fiscalized by CEFD staff.

2. Provincial consolidation adjustments for unrealized earnings on the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated funds, as of the end of December 2016.

3. Hydro One 2015-16 income reflects its reported net income, adjusted for Hydro One IPO impacts. 2016-17 to 2020-21 projections are based on CEFD projections based on latest public information and modelling, including its 2015-17 distribution rate decision, adjustments to forecast ROEs based on current interest rate outlook and estimated Hydro One IPO and secondary share offering impacts.

4. Provision for electricity sector reflects OPG and Hydro One reported net income, excluding provincial ONFA consolidation adjustments, minus the interest on debt payable ~~costs~~ to OEFC. The provision is currently assumed to end once the DRC ends on a legislated fixed end date of April 1, 2018.

5. Reflects April 23, 2014 announcement that DRC will be eliminated for residential users, after December 31, 2015. The end date of DRC for remaining users is legislated to be on April 1, 2018. Estimates are subject to change based on actual consumption.

6. Offset by incremental Debt Retirement Charge revenues related to the Industrial Electricity Incentive program.

| Expenses | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Demand Management Support Costs | | 9 | 8 | 8 | 10 | - |
| Provision for Electricity Sector | (599) | (1,038) | - | (290) | (269) | - |
| Other (Finance) | 7 | 6 | 7 | 7 | 6 | 6 |
| **SUBTOTAL - OEFC Consolidation** | **704** | **(73)** | **890** | **563** | **38** | **331** |
| **Provision for Electricity Sector (Dedicated Earnings)** | **599** | **1,038** | **-** | **290** | **269** | **-** |

## Electricity Sector Change Since Budget

$ Millions

| ($million) | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|---|
| **Changes from Budget 2017 as of August 2017** | | | | | | | *to update* |
| **Income from Investment in Government Business Enterprises** | | | | | | | |
| OPG Income | - | (5) | 101 | - | - | - | Slight decline mostly due to IFRS adjustment and revision of OPG Net Income.<br><br>Increase in OPG net income in 17-18 mainly due to higher nuclear generation caused by strong performance at Pickering from early completion of planned outages, higher generation and lower OM&A expenses related to the deferral of the Pickering Unit 6, lower OM&A expenses from labour savings and lower project spending. |
| ONFA and other Fair Value Adjustments | - | 35 | - | - | - | - | Update based on fair market value as at march 31, 2017. |
| Hydro One - Unrealized Gains Adjustment | - | - | - | - | - | - | |
| HOI Income | 20 | (16) | 6 | 6 | 6 | 6 | 2016-17 slight decrease fom Budget. 2017-18 onwards, update to model. |
| Brampton Income | | 3.3 | | | | | |
| **Total OPG and HOI Income** | **-** | 17 | 106.692 | 6 | 6 | 6 | |
| **Other Fees and Licences** | **-** | - | - | - | - | - | |
| **Electricity Expenses of the Province** | | | | | | | |
| Provision for Electricity Sector | 3 | 53 | (145) | - | - | - | iance in 2017-18 primarily due to OPG's higher Net Income explained by higher generation and lower OM&A expenses related to the deferral of the Pickering Unit 6, along with lower OM&A expenses from labour savings and lower project spending. |
| Public Debt Interest - Electricity Sector | - | (22) | 38 | 38 | 38 | 38 | |
| **Total Electricity Expenses of the Province** | **3** | 31 | (107) | 38 | 38 | 38 | |
| **OEFC Income** | | | | | | | |
| **Taxation Revenue** | | | | | | | |
| Electricity Payments-in-Lieu of Taxes (PILs) | - | (40) | 2 | 12 | 4 | 2 | 2016-17 decrease mostly due to due to lower Net Income of Hydro One. |
| **Other Revenue** | | | | | | | |
| Electricity Debt Retirement Charge | - | (4) | - | - | - | - | |
| Power Supply Contract Recoveries | - | 99 | (0) | (0) | (0) | 0 | The declines in volumes, payments and rates in 2017-18 and 2018-19 compared to the earlier forecast are due to the termination and suspension of several NUG PPAs for curtailments. |
| Net Reduction of Power Purchase Contracts | - | 0.1 | (0) | (0) | (0) | (0) | |
| Other Fees and Licences | - | - | - | - | - | - | |
| Revenue Pool Residual | - | - | - | - | | - | |
| Miscellaneous | - | 14 | - | - | - | - | |
| **Expenses** | | | | | | | |
| Interest on Debt | - | 19 | (53) | (64) | (69) | (98) | 2016-17 decrease in Interest on Debt mainly due to |
| Power Supply Contract Costs | - | (99) | 0 | 0 | 0 | (0) | OEFC's costs totalled $838 million and recovered OPG support contract costs of $2 million related to the settlement of a property tax assessment. |
| Electricity Consumer Price Protection Fund | - | - | - | - | - | - | |
| Demand Management Support Costs | - | 1.8 | - | - | - | - | |
| Provision for Electricity Sector | (3) | (53) | 145 | - | - | - | |
| Other (Finance) | - | (1.0) | - | - | - | - | |
| **Total OEFC Income** | **(3)** | (63) | 94 | (52) | (66) | (96) | |
| **Impact on Surplus/(Deficit)** | **-** | (14.58) | 94 | (8) | (22) | (52) | |
| **Total revenue Impact** | **-** | **87** | **108** | **18** | | **8** | |
| Total revenue Impact - less power supply contract recoverie | - | (12) | 109 | 18 | | 8 | |
| **Total Expenditure impact** | **-** | **101** | **15** | **26** | | **60** | |

(3.00)

## Electricity Sector Outlook (PSAB)

| Negative Revenue Risks | $ Millions | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (-1.6 TWh)[1] | (120) | (120) | (120) | (120) |
| ONFA Funds Return Risk[2] | (95) | (100) | (105) | (110) |
| ~~Ministry of Energy's price mitigation initiative - OPG operational efficiencies[9]~~ | ~~(240)~~ | ~~(240)~~ | ~~(240)~~ | ~~(180)~~ |
| Lower OPG's Equity weighting & Return on Equity (ROE)[3] | (12) | (20) | (25) | (43) |
| Lower Hydro One Return on Equity (ROE)[4] | (10) | (39) | (41) | (43) |
| **Regulatory** | | | | |
| Hydro One Tx rate application - OEB staff report[5] | (50) | (50) | (50) | (50) |
| OPG Switch from accrual based to cash based accounting for pension and OPEB[6] | (533) | | | |
| Regulatory Risk - Timing of Rate Decision[7] | (480) | | | |
| ~~OPG Submission Update (Dec 2016)~~ | ~~(61)~~ | ~~(46)~~ | ~~(49)~~ | ~~(61)~~ |
| OEB Staff Recommendations to the Board (May 2017)[8] | (175) | (143) | (151) | (175) |
| Nuclear Liabilities Cash vs. Accrual[9] | (450) | (450) | (450) | (450) |
| **Accounting** | | | | |
| OPG IFRS Consolidation Risks - Scenario 1b: 15 year historical, update discount rate each year.[10] | - | (475) | (500) | (750) |
| **Other Risks** | | | | |
| H1 Quarterly Update | 0 | (0) | (0) | (0) |
| Avista Acquisition - Termination fee | (103) | | | |
| Avista Acquisition - 1 year of Debenture Interest Costs | (62) | | | |

## Electricity Sector Outlook (PSAB)

| Positive Revenue Risks | | | | |
|---|---|---|---|---|
| ($ millions) | Plan | | | |
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Generic** | | | | |
| OPG Generation Risk: Nuclear Reliability (+1.1 TWh)[1] | 85 | 85 | 85 | 85 |
| 1% increase in Hydro One actual load[3] | 15 | 15 | 15 | 15 |
| **Regulatory** | | | | |
| Positive OPG regulatory risk - Motion to Review[2] | - | - | - | - |
| Higher Hydro One Return on Equity (ROE)[4] | 15 | 60 | 65 | 65 |
| Higher OPG Return on Equity (ROE)[5] | 6 | 25 | 30 | 55 |
| ~~Revenue risk if Scenario 2 IFRS Consolidation risk.[6]~~ | ~~#REF!~~ | ~~#REF!~~ | ~~#REF!~~ | |
| | ~~#REF!~~ | ~~#REF!~~ | ~~#REF!~~ | ~~220~~ |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of March 2017

$ Millions

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Interim 2016-17 | 2017-18 | Pl 2018-19 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 954 | 956 | 859 | 625 | 623 | - |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 407 | 53 | 268 | 302 | 315 | 366 |
| Legacy Hydro One (Including Brampton) | 98 | 95 | 2,929 | 7 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | | 3 | 20 | 20 | 22 |
| MEUs | 38 | 32 | 27 | 44 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 543 | 180 | 3,228 | 373 | 405 | 476 |
| Interest : | | | | | | |
| OPG | 187 | 191 | 173 | 179 | 168 | 153 |
| H1 | | | | | | |
| IESO | 2 | 3 | 2 | 3 | 3 | 3 |
| Province | 520 | 520 | 520 | 492 | 492 | 492 |
| Other | 10 | 13 | 28 | 10 | 5 | 5 |
| Total Interest | 719 | 727 | 723 | 684 | 668 | 653 |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Amortization of NUG liability | 243 | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 599 | 1,038 | 3 | 342 | 125 | - |
| Gain to OEFC under s. 50.3 | | - | 172 | - | - | - |
| Miscellaneous | 8 | 9 | 9 | - | - | - |
| | 4,362 | 4,077 | 6,041 | 2,893 | 2,187 | 1,495 |
| **Expense** | | | | | | |
| Debt interest | 1,447 | 1,385 | 1,319 | 1,216 | 1,090 | 1,027 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | | 9 | 8 | 10 | 10 | - |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 739 | 292 | 325 |
| Debt Guarantee fee | 136 | 131 | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 7 | 6 | 6 | 6 |
| | 2,886 | 2,481 | 2,336 | 2,093 | 1,500 | 1,449 |
| **Excess (Deficiency) of Revenue over Expense** | **1,476** | **1,596** | **3,705** | **800** | **687** | **46** |
| Prior period adjustment | | | 87 | | | |
| **Stranded Debt - Year End** | **9,781** | **8,185** | **4,393** | **3,593** | **2,906** | **2,860** |
| | 728 | 658 | 596 | 532 | 422 | 374 |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION
## On Deck Outlook as of August 2017

$ Millions

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | 2017-18 | Current 2018-19 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Revenue Pool Residual | | | | | | |
| Debt Retirement Charge | 954 | 956 | 859 | 621 | 623 | 0 |
| Payments-in-lieu of tax: | | | | | | |
| OPG | 407 | 53 | 268 | 224 | 317 | 378 |
| Legacy Hydro One (Including Brampton) | 98 | 95 | 2,929 | 4 | 2 | 2 |
| Hydro One CIT dedicated to OEFC | | | 3 | 25 | 20 | 22 |
| MEUs | 38 | 32 | 27 | 112 | 68 | 86 |
| Total PILs & CIT dedicated to OEFC[1] | 543 | 180 | 3,228 | 364 | 407 | 488 |
| Interest : | | | | | | |
| OPG | 187 | 191 | 173 | 167 | 169 | 179 |
| H1 | | | | | | |
| IESO | 2 | 3 | 2 | 2 | 3 | 3 |
| Province | 520 | 520 | 520 | 514 | 454 | 454 |
| Other | 10 | 13 | 28 | 20 | 20 | 20 |
| Total Interest | 719 | 727 | 723 | 703 | 646 | 656 |
| Power Supply Contract Recoveries | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Amortization of NUG liability | 243 | 217 | 172 | 129 | 74 | 41 |
| Electricity sector dedicated income | 599 | 1,038 | 3 | 302 | 269 | 0 |
| Gain to OEFC under s. 50.3 | | 0 | 172 | 411 | 0 | 0 |
| Miscellaneous | 8 | 9 | 9 | 14 | 0 | 0 |
| | 4,362 | 4,077 | 6,041 | 3,382 | 2,311 | 1,510 |
| **Expense** | | | | | | |
| Debt interest | 1,447 | 1,385 | 1,319 | 1,216 | 1,121 | 1,094 |
| Interest on nuclear risk funding | | | | | | |
| Demand Management Support Costs | | 9 | 8 | 8 | 10 | 0 |
| Amortization of deferred debt costs | 0 | 0 | 0 | 0 | 0 | |
| Power Supply Contract Costs | 1,296 | 950 | 875 | 838 | 292 | 325 |
| Debt Guarantee fee | 136 | 131 | 127 | 122 | 102 | 91 |
| Operating | 7 | 6 | 7 | 7 | 6 | 6 |
| | 2,886 | 2,481 | 2,336 | 2,191 | 1,531 | 1,516 |
| **Excess (Deficiency) of Revenue over Expense** | **1,476** | **1,596** | **3,705** | **1,191** | **781** | **(6)** |
| Prior period adjustment | | | 87 | | | |
| **Stranded Debt - Year End** | **9,781** | **8,185** | **4,393** | **3,202** | **2,421** | **2,428** |
| | 728 | 658 | 596 | | | |

## ONTARIO ELECTRICITY FINANCIAL CORPORATION

**Changes from Budget 2017 as of August 2017** **$ Millions**

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Explanation of Change |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Debt Retirement Charge | (4) | - | - | - | - | Updatedwith December 2016 Ontario Planning Outlook forecast Scenario A |
| Payments-in-lieu of tax: | | | | | | |
| OPG | (78) | 2 | 12 | 4 | 2 | |
| Legacy Hydro One (Including Brampton) | (3) | - | - | - | - | |
| Hydro One CIT dedicated to OEFC | 5 | - | - | - | - | |
| MEUs | 68 | - | - | - | - | Large increase in 2016-2017 from $80M payment during transfer of H01 Brampton to new consolidated MEU Alectra. |
| Total PILs | (9) | 2 | 12 | 4 | 2 | |
| Interest : | | | | | | |
| OPG | (12) | 1 | 26 | 40 | 13 | |
| H1 | - | - | - | - | - | |
| IESO | (1) | - | - | - | - | |
| Province | 22 | (38) | (38) | (38) | (38) | |
| Other | 10 | 15 | 15 | 5 | 5 | |
| Total Interest | 19 | (22) | 3 | 7 | (20) | |
| Power Supply Contract Recoveries | 99 | (0) | (0) | (0) | 0 | |
| Amortization of NUG liability | 0 | (0) | (0) | (0) | (0) | |
| Electricity sector dedicated income | (41) | 145 | - | - | - | |
| Gain to OEFC under s. 50.3 | 411 | - | - | - | - | |
| Miscellaneous | 14 | - | - | - | - | |
| | 489 | 124 | 15 | 10 | (18) | |
| **Expense** | | | | | | |
| Debt interest | - | 31 | 67 | 76 | 78 | |
| Interest on nuclear risk funding | - | - | - | - | - | |
| Demand Management Support Costs | (2) | - | - | - | - | |
| Amortization of deferred debt costs | - | - | - | - | - | |
| Power Supply Contract Costs | 99 | (0) | (0) | (0) | 0 | |
| Debt Guarantee fee | - | - | - | - | - | |
| Operating | 1 | - | - | - | - | |
| | 98 | 31 | 67 | 76 | 78 | |
| **Excess (Deficiency) of Revenue over Expense** | **391** | **94** | **(52)** | | | |
| **Stranded Debt - Year End** | **3,202** | **2,421** | **2,428** | **2,361** | **2,087** | |

## Provision for Electricity Sector

(Dedicated Electricity Earnings/Electricity Sector Dedicated Earnings) **$ Millions**

| | Actual | Current Outlook | | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| **Income from Investment in Government Business Enterprises** | | | | | | |
| OPG Income | 291 | 299 | 198 | 732 | 625 | 1,066 |
| Hydro One Income | 232 | 501 | 525 | 567 | 609 | 658 |
| Hydro One Brampton (if applied separately) | | 15 | | | | |
| **Total Income** | **523** | **815** | **724** | **1,300** | **1,234** | **1,723** |
| **Public Debt Interest - Electricity Sector** | | | | | | |
| OPG | | | (300) | (300) | (300) | (300) |
| Hydro One | | | (154) | (154) | (154) | (154) |
| **Public Debt Interest - Electricity Sector (OEFC Interest revenue)** | **(520)** | **(514)** | **(454)** | **(454)** | **(454)** | **(454)** |
| **MOF Provision Expense (before adjustments)** | **3** | **302** | **269** | **846** | **780** | **1,269** |
| **Other Adjustments** | | | | | | |
| **Prior-year Adjustment[1]** | | 3 | | | | |
| **Exclude Brampton[2]** | | (15) | | | | |
| **MOF Provision Expense (after other adjustments)** | **0** | **290** | **269** | **846** | **780** | **1,269** |
| **Cumulative Shortfall Adjustment** | | | | | | |
| Opening Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| Deduction / (Addition) | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| **Dedicated Electricity Earnings (all adjustments) (Public Accounts)** | **0** | **290** | **269** | **846** | **780** | **1,269** |
| **Electricity Sector Dedicated Income (OEFC Annual Report)** | **3** | **302** | **269** | | | |

**Notes:**

1. 2016-17 Adjustment was due to the discrepancy between the numbers in MOF expense in PA 2015-16 and OEFC Financials in 2015-16. $3M Serves to the rectify this discrepancy
2. Brampton was excluded from the Ministry of Finance's ESDI allocation.

| Source Details | Source (Link) |
|---|---|
| OEFC 1999-2000 FS, pg 24 | |
| OEFC 1999-2000 FS, pg 26 | |
| Monthly Balances Shee | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf |
| 2015-16 Public Accoun | S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\08. August\Backup\20170817-1 - Provision for Electricity Sector\PA 2015-16 - Vol 1.pdf |

## Ontario Power Generation

### OPG Income - Budget 2017

$ Millions

| | Actual | Interim | Plan | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 | 625 | 1,066 |
| *OPG Net Income After Tax* | *291* | *379* | *480* | *678* | *726* | *913* |
| *Extraordinary Gains* | - | - | - | - | - | - |
| *GA - OPG Trust Interest Revenue* | | | *17.2* | *54.4* | *99.4* | *152.5* |
| OPG IFRS consolidation risk picked up in Fiscal Plan | | (75) | (400) | | (200) | |
| ONFA and other Fair Value Adjustments | (75) | 8 | | | | |
| *ONFA Adjustments* | - | 8 | | | | |
| *Other Fair Value Adjustments* | (75) | | | | | |

### OPG PIL - Budget 2017

$ Millions

| | Actual | Interim | | Pl |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Net Income Before Tax | 383 | 396 | 572 | 867 |
| Net Income After Tax (Adjusted) | 291 | 304 | 97 | 732 |
| Income Taxes | 92 | 92 | 92 | 135 |
| GRC: Payable to OEFC | 198 | 196 | 205 | 212 |
| Proxy Property Tax | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **306** | **302** | **315** | **366** |

### OPG Income - August 2017

$ Millions

| | Actual | Actual | Current Outlook | | | |
|---|---|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| OPG Net Income | 291 | 377 | 803 | 678 | 726 | 913 |
| Adjustment for OPG HQ gain on sale[1] | | | (222) | | | |
| Extraordinary Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| GA Financing - OPG Trust Interest Revenue[3] | | | 17 | 54 | 99 | 153 |
| OPG IFRS consolidation risk reflected in Fiscal Plan[2] | | (78.00) | (400) | | (200) | |
| OPG Net Income (Adjusted before ONFA) | **291** | **299** | **198** | **732** | **625** | **1,066** |
| ONFA Adjustments | 247 | 49 | | | | |
| Other Fair Value Adjustments | (75) | (6) | | | | |
| ONFA and other Fair Value Adjustments | **172** | **43** | | | | |
| **OPG Net Income** | **463** | **342** | **198** | **732** | **625** | **1,066** |

### OPG PIL - August 2017

$ Millions

| | Actual | Actual | | Current |
|---|---|---|---|---|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Income Before Tax | 383 | 308 | 666 | 867 |
| OPG Net Income (Adjusted before ONFA) | 291 | 299 | 198 | 732 |
| OPG Income Tax (PILs) | 92 | 9 | 159 | 135 |
| Tax adjustment for OPG HQ gain on sale[1] | | | (74) | |
| GRC: Payable to OEFC | 198 | 201 | 214 | 224 |
| Proxy Property Tax to OEFC | 16 | 14 | 18 | 19 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total OPG PILs** | **306** | **224** | **317** | **378** |

1. As part of Asset Optimization Plan the projected proceeds are currently reported in OEP/MoF Sales and Rentals line. To be re-categorized after the transaction is completed and in coordination with OEP and SIFB.
2. See Risks tab for IFRS impacts that were not reflected in Fiscal Plan
3. This reflects interest earnings on GA financing costs which are consolidated back to Province (check wording)

378
(296)

## Hydro One Net Income and PILs

**Hydro One Income - Budget 2017**
**($ millions)**

| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639.0 | 792 | 786 | 741 | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | | | | | | | -23 | | 4 | 10 | -8 | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

**Hydro One PIL - Budget 2017**
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |
| **Total** | **134** | **162** | **183** | **207** |

**Hydro One Income - August 2017**
**($ millions)**

| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 391 | 386 | 346 | 377 | 382 | 504 | 504 | 452 | 407 | 530 | 463 | 634 | 639 | 792 | 786 | 741 | 670 | 680 | 725 | 784 | 844 | 913 |
| Hydro One - Net Income Attributable to Preferred Shareholders | | | | | | | | | | | | | | | | | 15 | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | | | | | | | (23) | | 4 | 10 | (8) | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

**Hydro One (100% Ownership)**
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Net Income After Tax - Common Shares | 670 | 680 | 725 | 784 |
| Net Income After Tax - Preferred Shares | 15 | 18 | | |
| Income Taxes PILs | 132 | 160 | 181 | 205 |
| Proxy Property Tax | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 |

| Hydro One Ownership Calculation: | |
|---|---|
| Total number of shares outstanding[1] | 595,000,000 |
| | |
| **IPO November 2015** | |
| Initial Public Offering(2015)[2] | 81,100,000 |
| Over allotment option (2015)[3] | 8,150,000 |
| Sales to PWU/SEP Trusts | 5,646,340 |
| Total | 94,896,340 |
| | |
| Province's remaining ownership, Nov 2015 (# Shares) | **500,103,660** |
| Province's remaining ownership, Nov 2015 (%) | **84.05%** |
| | |
| **Secondary Offering April 2016** | |
| Secondary Offering (2016) | 72,434,800 |
| Over allotment option (2016) | 10,865,200 |
| Total | 83,300,000 |
| | |
| Province's remaining ownership, Apr 2016 (# Shares) | **416,803,660** |
| Province's remaining ownership, Apr 2016 (%) | **70.05%** |
| | |
| **Final Offering May 2017** | |
| Final Offering (2017) | 120,000,000 |
| Over allotment option (2017) | - |
| Total | 120,000,000 |
| | |
| Province's remaining ownership, May 8, 2017 (# Shares) | 296,803,660 |
| Province's remaining ownership, May 8, 2017 (%) | **49.88%** |
| | |
| **First Nations Sale, Assumed closing for December 31, 2017** | 14,875,000 |
| | **2.5%** |
| Province's remaining onwership - post First Nations Sale (#Shares) | 281,928,660 |
| Province's remaining onwership - post First Nations Sale (%) | **47.38%** |
| | |
| **Avista Impact (projected closing date 2nd half of 2018)** | |
| Contingent Convertible Debenture | $1,540,000,000 |
| Conversion Price | $21 |
| Potential Dilution (# Shares) | 71,962,617 |
| | |
| Revised Total number of shares outstanding | **666,962,617** |
| | |
| Province's remaining onwership - post Avista Acquisition (#Shares) | 281,928,660 |
| Province's remaining onwership - post Avista Aquisition (%) | **42.27%** |

**SOURCE:**

1. Hydro One Ltd Annual Report 2015, pg 94 of PDF, pg 92 of the Report.

2. From news release: http://hydroone.mediaroom.com/2015-11-05-Hydro-One-Limited-Announces-Closing-of-IPO

3. From news release: http://hydroone.mediaroom.com/2015-11-12-Hydro-One-Limited-Announces-Closing-of-IPO-Over-Allotment-Option

4. Hydro One Ltd. Q2 Report, pg 1 http://www.hydroone.com/InvestorRelations/FinancialReporting/Documents/Hydro%20One%20Ltd%20Second%20Qu

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: http://hydroone.mediaroom.com/2017-05-17-Hydro-One-Limited-Announces-Closing-of-Secondary-Offering-of-Common-Shares-by·

Source: https://news.ontario.ca/mei/en/2017/05/ontario-raises-28-billion-from-final-hydro-one-share-offering.html

| Ownership Percentage in 2017-18 Fiscal Year | Number of Months | Percentage of Year |
|---|---|---|
| 70.05% | 1 | 8.3% |
| 49.88% | 8 | 66.7% |
| 47.38% | 3 | 25.0% |
| | 12 | |
| Average 2017-18 FY Ownership: | **50.9%** | |

| Ownership Percentage in 2018-19 Fiscal Year (assume Avista closing Send of September 2018) | Number of Months | Percentage of Year |
|---|---|---|
| 47.38% | 6 | 50.0% |
| 42.27% | 6 | 50.0% |
| | 12 | |
| Average 2018-19 FY Ownership: | **44.8%** | |

| Ownership Percentage in 2019-20 Fiscal Year Onwards |
|---|
| **42.27%** |

ıarter%202016%20Results.pdf

-the-Province-of-Ontario
-the-Province-of-Ontario

-the-Province-of-Ontario

## Hydro One Public Debt Interest and Section 50.3 payments

| | $ Millions | | |
|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** |
| Government Annual Interest Costs - Hydro One | 220 | 220 | 220 |
| Reduction in Interest Costs due to Broadening | | (29) | (66) |
| Government Annual Interest Costs - Hydro One | 220 | 191 | 154 |
| **Gain to OEFC under s. 50.3** | 172 | 411 | 0 |

## OPG Public Debt Interest

| | $ Millions | | |
|---|---|---|---|
| | **2015-16** | **2016-17** | **2017-18** |
| OPG | 300 | 300 | 300 |
| **Total Public Debt Interest** | 520 | 514 | 454 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 220 | 220 | 220 |
| (66) | (66) | (66) |
| 154 | 154 | 154 |
| 0 | 0 | 0 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| 20170501-2 | 2016-17 | 411,152,733 |
| 20170501-3 | 2016-17 | 29 |
| 20170501-3 | 2017-18 | 66 |
| 20170501-3 | n/a | 220 |

| ID# (Track Cha | Fiscal Year | alue (Hardcode |
|---|---|---|
| n/a | n/a | 5126 |
| n/a | n/a | 5.85% |
| | | 299.871 |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 300 | 300 | 300 |
| 454 | 454 | 454 |

OPG's Annual Interest Costs:

| | | |
|---|---|---|
| 20170713-1 | 2016-17 | -513,768,361 |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| 411,152,733 | s 50.3 Gain for | Calculation provided by SIFB | |
| 29 | Reduction in Int | Internal Calculation | |
| 66 | Reduction in Int | Internal Calculation | |
| 220 | Annual Interest | Internal Calculation | |

| Value (Linked) | Description | Source Details | Source (Link) |
|---|---|---|---|
| | ($M) Provinces | OEFC 1999-2000 FS, pg 24 | |
| | Annual Interest | OEFC 1999-2000 FS, pg 26 | |

300

Provincial interest cost for equity investment in OPG, H1 in 2016-17
Monthly Balances Sheet (from FTD)
S:\Users\CEF\Hydro 2017\OEFC\RbP\Outlook\07. July\Backup\20170713-1\interest from Province.pdf

**PROVINCIAL CONSOLIDATION ADJUSTMENTS**
**Ontario Nuclear Funds Agreement**

***Adjustment for Change in OPG Reported Net Income***

**Adjustment for DSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Adjustment for UFSF Unrealized Earnings**

Unrealized Earnings as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

Bruce Variance Account Adjustment
OPG Net Income Adjustment

**Unrealized Earnings -- Fiscal YTD**

***Adjustment for Change in Due to Province***

**Adjustment for DSF Due to Province**
Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Adjustment for UFSF Due to Province**

Due to Province (cost basis) as at beginning of year
Unrealized Earnings as at fiscal year end / latest quarter

**Change in Due to Province -- Fiscal YTD**

**Provincial Consolidation Adjustment**

## Other Data

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Debt Retirement Charge | 621 | 0 |

| | 2016-17 | 2017-18 |
|---|---|---|
| Power Supply Contract Recoveries | 838 | 292 |

| | 2016-17 | 2017-18 |
|---|---|---|
| **Interest** | | |
| OPG | 167 | 169 |
| IESO | 2 | 3 |
| Other (Net) | 20 | 20 |
| **Expense** | | |
| Debt interest | 1216 | 1121 |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| MEU - PIL Income Tax | 109.8 | |
| MEU - PIL Property Tax | 0.6 | |
| MEU - GRC | 1.2 | |
| TOTAL MEU PILs | 111.6 | |

| | Actual 2016-17 | 2017-18 |
|---|---|---|
| Miscellaneous/Other (OEFC FS) | 14 | |
| Demand Management Support Costs (IEI) | 8 | 10 |
| Operating [Expense] | 7 | 6 |
| Interest on nuclear risk funding | - | - |
| Amortization of deferred debt costs | - | - |
| Amortization of NUG liability | 129 | 74 |
| Debt Guarantee Fee | 122 | |

| | | |
|---|---|---|
| **Expense (Electrictiy Summary Tab)** | | |
| Other (Finance) | -7 | -6 |
| Demand Management Support Costs (IEI) | -8 | -10 |
| Debt Guarantee Fee | (122) | |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 0 | 0 | 0 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 325 | 301 | 273 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 179 | 175 | 148 |
| 3 | 3 | 3 |
| 20 | 10 | 10 |
| 1094 | 1053 | 963 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |

| Plan | | |
|---|---|---|
| 2018-19 | 2019-20 | 2020-21 |
| 6 | 6 | 6 |
| - | - | - |
| - | - | - |
| 41 | 30 | 28 |

-6 -6 -6

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170510-2 | 2016-17 | $ 739,216,115 | |
| 20170510-2 | 2017-18 | $ 291,629,707 | |
| 20170510-2 | 2018-19 | $ 324,906,017 | |
| 20170510-2 | 2019-20 | $ 300,648,570 | |
| 20170510-2 | 2020-21 | $ 273,240,858 | |
| | | | |
| 20170501-4 | 2016-17 | 179 | 179 |
| 20170501-4 | 2017-18 | 169 | 169 |
| 20170501-4 | 2018-19 | 179 | 179 |
| 20170501-4 | 2019-20 | 175 | 175 |
| 20170501-4 | 2020-21 | 148 | 148 |
| | | | |
| 20170501-5 | 2016-17 | 1216 | 1,216 |
| 20170501-5 | 2017-18 | 1121 | 1,121 |
| 20170501-5 | 2018-19 | 1094 | 1,094 |
| 20170501-5 | 2019-20 | 1053 | 1,053 |
| 20170501-5 | 2020-21 | 963 | 963 |
| | | | |
| 20170731-3 | 2016-17 | 621 | |
| | | | |
| 20170811-1 | 2016-17 | 109.8 | |
| 20170811-1 | 2016-17 | 0.6 | |
| 20170811-1 | 2016-17 | 1.2 | |
| | | | |
| 20170815-5 | 2016-17 | $ 838,000,000 | |
| 20170815-6 | 2016-17 | $ 14,000,000 | |
| | | | |
| 20170815-8 | 2016-17 | 8 | |
| 20170815-9 | 2017-18 | 10 | |
| 20170815-10 | 2016-17 | 7 | |
| 20170815-10 | 2017-18 | 6 | |
| 20170815-10 | 2018-19 | 6 | |
| 20170815-10 | 2019-20 | 6 | |
| 20170815-10 | 2020-21 | 6 | |
| | | | |
| 20170815-7 | 2016-17 | 167 | |
| 20170815-7 | 2016-17 | 2 | |
| 20170815-7 | 2016-17 | 20 | |
| 20170815-7 | | | |

| ID# (Track Changes | Fiscal Year | Value (Hardcoded) | Value (Linked) |
|---|---|---|---|
| 20170905-1 | 2016-17 | 129 | 129 |
| 20170905-1 | 2017-18 | 74 | 74 |
| 20170905-1 | 2018-19 | 41 | 41 |
| 20170905-1 | 2019-20 | 30 | 30 |
| 20170905-1 | 2020-21 | 28 | 28 |
| | | | |
| 20170905-2 | 2016-17 | 122 | |
| 20170906-1 | 2017-18 | 3 | 3 |
| 20170906-1 | 2018-19 | 3 | 3 |
| 20170906-1 | 2019-20 | 3 | 3 |
| 20170906-1 | 2020-21 | 3 | 3 |
| 20170906-1 | 2017-18 | 20 | 5 |
| 20170906-1 | 2018-19 | 20 | 5 |
| 20170906-1 | 2019-20 | 10 | 5 |
| 20170906-1 | 2020-21 | 10 | 5 |

| Description | Source Details | Source (Link) |
|---|---|---|
| The table below contains an updated preliminary N | SPFB Estimates, Email | |
| • The tables below provides both last year's submission for NUG costs by CEFD and this year's estimates (both of which exclude HST) based on the most recent NUG model. | SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN<br>SPFB Estimates, BN | |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OPG - Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Interest | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating DRC from OEFC AR (Drafts) | 2017 OEFC DRAFT FS | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Income Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - PIL Property Tax | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| MEU - GRC | PILs Summary providec | S:\Users\CEF\Hydro 2017\OEFC\I |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to actuals | 2017 OEFC AR | 2017 OEFC Annual Report - Engli |
| Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC 2017-18 IEI/Demand Management Support | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - Updating to Actuals | 2017 OEFC AR | S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Operating Expense - No source available. Just brought the information to this tab. | | |
| OPG Interest Revenue - Actuals 2016-17 | Provided from FTD | S:\Users\CEF\Hydro 2017\OEFC\I |
| IESO Interest Revenue - Actuals 2016-17 | | |
| Other (Net) Interest Revenue - Actuals 2016-17 | | |

| Description | Source Details | Source (Link) |
| --- | --- | --- |
| Sourcing the NUG liability amortization schedule. | Amortization Schedule. Tab: Summary Fiscal Impact | S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I<br>S:\Users\CEF\Hydro 2017\OEFC\I |
| OEFC Debt Gurantee Fee - Updating to Actuals | 2017 OEFC AR (pg 13 ( | \\ofina.on.ca\ofadfs\Users\CEF\Hy |
| IESO Interest Revenue Plan | OEFC Revenue Forecast for Board - April 2017 | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |
| Other Interest Revenue Plan | | \\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy<br>\\ofina.on.ca\ofadfs\Users\CEF\Hy |

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RbP\Outlook\07. July\Backup\20170731-3 - DRC Update\2017 OEFC Annual Report - English - DRAFT.PDF

RbP\Outlook\08. August\Backup\20170811-1 - Updating PILs for 2016-17\OEFC 2016-17 Pils summary.pdf
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RbP\Outlook\08. August\Backup\20170815-9 - 2017-18 Demand Management Support Costs (IEI)\OEFC revenue f
RbP\Outlook\08. August\Backup\20170815-10 - 2016-17 Operating (Expense)\2017 OEFC Annual Report - English

RbP\Outlook\08. August\Backup\20170815-7 - 2016-17 Updated Interest on Debt Revenue\RE_ Revised OEFC Deb

RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down
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RbP\Outlook\09. September\Backup\20170905-1 - Amortization of NUG Liability\NUG liability_estimated draw down

dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170905-2 - 2016-17 Debt Guarantee Fee\2017 OEFC Annu
dro 2017\OEFC\RbP\Outlook\09. September\Backup\20170906-1 - OEFC Revenue Forecast for Board
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| Date | Change ID# | Source in File | Tab |
|---|---|---|---|
| 5/1/2017 | 20170501-1 | Link | ONFA |
| 5/1/2017 | 20170501-2 | Link | Hydro One |
| 5/1/2017 | 20170501-3 | Link | Hydro One |
| 5/1/2017 | 20170501-4 | Link | Other Data |
| 5/2/2017 | 20170502-1 | Link | OPG |
| 5/9/2017 | 20170509-1 | Link | OPG |
| 5/10/2017 | 20170510-1 | Link | Hydro One |
| 5/10/2017 | 20170510-2 | Link | Other Data |
| 5/12/2017 | 20170512-1 | Link | Hydro One |
| 5/15/2017 | 20170515-1 | Link? | |
| 5/15/2017 | 20170515-2 | Link | OPG |
| 5/17/2017 | 20170517-1 | Link | Hydro One |
| 5/17/2017 | 20170517-2 | Link | ONFA |
| 5/17/2017 | 20170517-3 | | |
| 5/18/2017 | 20170518-1 | Link | OPG |
| 5/18/2017 | 20170518-2 | Link | OPG |
| 5/18/2017 | 20170518-3 | | |
| 6/15/2017 | 20170615-1 | Link | OPG |
| 6/22/2017 | 20170622-1 | Link | Hydro One |
| 6/22/2017 | 20170622-2 | Link | Hydro One |
| 6/26/2017 | 20170626-1 | | |
| 6/29/2017 | 20170629-1 | | |

| | | | |
|---|---|---|---|
| 7/6/2017 | 20170706-1 | | |
| 7/11/2017 | 20170711-1 | | |
| 7/13/2017 | 20170713-1 | Link | Provision |
| 7/17/2017 | 20170717-1 | Link | Revenue (Risks) |
| 7/24/2017 | 20170724-1 | Link | Revenue (Risks) |
| 7/25/2017 | 20170725-1 | Link | Revenue (Risks) |
| 7/26/2017 | 20170726-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-1 | Link | Revenue (Risks) |
| 7/27/2017 | 20170727-2 | Link | Revenue (Risks) |
| 7/31/2017 | 20170731-1 | | |
| 7/31/2017 | 20170731-2 | Link | Hydro One |
| 7/31/2017 | 20170731-3 | Link | Other Data |
| 8/11/2017 | 20170811-1 | Link | OPG |
| 8/15/2017 | 20170815-1 | | |
| 8/15/2017 | 20170815-2 | | |
| 8/15/2017 | 20170815-3 | | |
| 8/15/2017 | 20170815-4 | | |
| 8/15/2017 | 20170815-5 | | Other Data |
| 8/15/2017 | 20170815-6 | | Other Data |
| 8/15/2017 | 20170815-7 | | Other Data |
| 8/15/2017 | 20170815-8 | | Other Data |
| 8/15/2017 | 20170815-9 | | Other Data |
| 8/15/2017 | 20170815-10 | | Other Data |
| 8/17/2017 | 20170817-1 | Link | Provision |
| 8/17/2017 | 20170817-2 | Link | Hydro One |
| 8/18/2017 | 20170818-1 | Link | Revenue (Risks) |
| 8/22/2017 | 20170822-1 | Link | OPG |
| 8/25/2017 | 20170825-1 | | Hydro One |
| 8/29/2017 | 20170829-1 | | Revenue (Risks) |
| 8/31/2017 | 20170831-1 | | Revenue (Risks) |
| 9/5/2017 | 20170905-1 | | Other Data |
| 9/5/2017 | 20170905-2 | | Other Data |
| 9/5/2017 | 20170905-3 | Link | OPG |
| 9/6/2017 | 20170906-1 | Link | Other Data |
| 9/6/2017 | 20170906-2 | Link | Revenue (Risks) |

| | | | |
|---|---|---|---|
| 9/8/2017 | 20170908-1 | Link | Hydro One |
| 9/8/2017 | 20170908-2 | Link | OPG |

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408
117

# Track Changes in Surplus/Deficit

| |
|---|
| **Budget 2017 Outlook** |
| **Current Outlook** |
| **Change Since Budget** |

| **Description of Update** |
|---|
| ONFA Update as of March 31 2017 |
| s. 50.3 Update for 2016-17 |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Provincial Interest Costs, DforE |
| Revised Debt Interest |
| OPG IFRS Risk in 2019-20 |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| Revised OPG 2016-17 Net Income |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change: slight update to assumed Prov share 70.05% from 70% |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| tech change in calc of Hydro One Equity debt interest |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Updating H1 2016-17 Net Income for ESDI |
| Power Purchase Supply |
| H1 Model Forecasts - No Fiscal Update Resaving Data |
| Update Budget 2017 Tabs to reflect fiscal plan |
| Update OPG forecasted PILS to reflect sources |
| Update H1 2016-17 CIT |
| Re-inputting ONFA updates |
| Updating H1 Net Income to include Pref Shares in 16-17 |
| Updating OPG Income Tax Expense for 2016-17 |
| Updating OPG non-income tax PILs |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2017 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2018 |
| H1 Final Offering - Net Income Impacts and expected First Nations Sale at Dec 31, 2019 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Updating with actual OPG IFRS Adjustment 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| Utilizing H1 IFRS Adjustment for 2016-17 |
| **[NOT APPLIED]** Updating H1 Brampton (Interim Adjustments) |
| Shifted H1 Brampton 2016-17 NI to the 2017-18 |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |
| Removed H1 Brampton for 2016-17 (pending finals) |

add prior-year adjustment for 2016-17

add prior-year adjustment for 2016-18
Reconfigured calculation of ESDI and MOF ESDI Expense
Reconfigured calculation of OPG 2017-18 Net Income
Backup for the Provincial Interest cost
Linking source for Revenue Risks Tab
New source for Revenue Risks Tab
Revenue Risks Tab - ROE Risks
Updating OEB Risk for OPG
OEB Staff Report - H1 Tx - Revenue Risks
OPG Pensions - Cash vs Accrual Deferral Accounts
Updating Links in Electricity Summary Change and OEFC Change
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton
Preliminary estimate for Hydro One Brampton

Updating DRC for Actuals 2016-17 (Based on draft FS)
Updating PILs for 2016-17 Baced on Actuals
OPG: Non-ONFA Fair Value Adjustment
Round all Hydro One ownership assumptions to two decimal places
H1 Equity Adjustment rounding.
Round all Hydro One ownership assumptions to two decimal places
Round all Hydro One ownership assumptions to two decimal places
Revising source of ESDI, Dedicated Electricity Earnings
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Update Power Supply Recoveries to actuals
2016-17 - Updating Miscellaneous OEFC Revenue to Actuals
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Adj: Exclude Bramton $15m add prior year adjustment +$3M
Public Accts: Updated IESO debt interest Interest On Debt, 2016-17
Public Accts: 2016-17 - Demand Management Support Costs Update
2017-18 - Demand Management Support Costs (no change)
Public Accts: 2016-17 - Updating Operating Expense in OEFC
Sourcing Provision for Electricity Sector from Actual Public Accounts
Revised 2016-17 Brampton Amount for Public Accounts
OPG Pensions - Cash vs Accrual Deferral Accounts (Revenue Risks Tab)
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
OPG Net Income and PILs for June Results
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Reverting H1 Ownership change (undoing 20170518-3)
Updating Risks based on Hydro One Q2 Results Model
Avista Acquisition Risks
NUG Amortization Liability (sourcing amortization schedule)
2016-17 Actuals - Debt Guarantee Fee
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
OPG Net Income and PILs for July Results
Interest Revenue for IESO and "Other"
OPG Revenue Risks from OEB Filings

| |
|---|
| Net income corrected for Preferred Shares |
| Net income corrected for Preferred Shares |
| Net income corrected for Preferred Shares |
| Made link edits to OPG sheet so that the "Net Income Before Tax" 2017-18 number is not a h |
| Updated PILs to include OPCD public accounts adjustment |
| Provision tab fix to pick up Hydro One preferred share net income |
| Provision tab fix to pick up Hydro One preferred share net income |
| FTD Update to OEFC Outlook (Sep 19, 2017) OPG Interest |
| FTD Update to OEFC Outlook (Sep 19, 2017) Other Interest |

Update impact: copy and paste as values above

| |
|---|
| Expense |
| Expense |
| Expense |
| Expense |
| Expense |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |
| Revenue |

$ Millions

| | | 2016-17 | 2017-18 |
|---|---|---|---|
| | | 930 | 789 |
| | File | 915 | 883 |
| | | -15 | 94 |
| | ***check*** | ***0*** | ***0*** |

| **Outlook line affected** | **Expense / Rever** | **Impacts by FY →** | |
|---|---|---|---|
| ONFA and other Fair Value Adjustments | Revenue | 41.0 | 0.0 |
| N/A | | 0.0 | 0.0 |
| ? | | 0.000 | 0.000 |
| Provision for Electricity Sector (OEFC) | Expense | | 38.083 |
| Provision for Electricity Sector (MOF) | Expense | | (38.083) |
| Public Debt Interest - Electricity Sector | Expense | 0.000 | 38.083 |
| Interest on Debt | Expense | 0.0 | (69.1) |
| OPG Income | Expense | 0.0 | 0.0 |
| OPG Income | Revenue | (2.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(2.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 2.0 | |
| HOI Income | Revenue | 0.4 | |
| Provision for Electricity Sector (OEFC) | Expense | 0.4 | |
| Provision for Electricity Sector (MOF) | Expense | (0.4) | |
| Public Debt Interest - Electricity Sector | Expense | 1.7 | |
| Provision for Electricity Sector (OEFC) | Expense | (1.7) | |
| Provision for Electricity Sector (MOF) | Expense | 1.7 | |
| Interest on Debt | Expense | (1.7) | |
| HOI Income | Revenue | (39.8) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(39.8)** | |
| Provision for Electricity Sector (MOF) | Expense | 39.8 | |
| | Revenue | - | - |
| | Revenue | - | - |
| | n/a | - | - |
| | | - | - |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 4.7 | 0.0 |
| | Revenue | 0.0 | 0.0 |
| HOI Income | Revenue | 18.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 7.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | 8.0 | 9.0 |
| HOI Income | Revenue | 0.0 | (141.5) |
| Provision for Electricity Sector (OEFC) | Expense | | (141.5) |
| Provision for Electricity Sector (MOF) | Expense | | 141.5 |
| OPG Income | Revenue | (3.0) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(3.0)** | |
| Provision for Electricity Sector (MOF) | Expense | 3.0 | |
| HOI Income | Revenue | 7.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **7.0** | |
| Provision for Electricity Sector (MOF) | Expense | (7.0) | |
| | Revenue | - | - |
| | Revenue | 0.0 | 0.0 |
| Brampton Income | Revenue | (14.7) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **(14.7)** | |
| Provision for Electricity Sector (MOF) | Expense | 14.7 | |

| | | | |
|---|---|---|---|
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| | Revenue | - | - |
| | | - | - |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| | n/a | 0.0000 | 0.0000 |
| Brampton Income | Revenue | 15.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | **15.0** | |
| Provision for Electricity Sector (MOF) | Expense | (15.0) | |
| Provision for Electricity Sector (OEFC) | Expense | 3.2 | |
| Provision for Electricity Sector (MOF) | Expense | (3.2) | |
| Electricity Debt Retirement Charge | Revenue | (4.0) | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (29.0) | 0.0 |
| OPG Income | Revenue | (6.0) | 0.0 |
| HOI Income | Revenue | (0.0070) | (0.0006) |
| HOI Income | Revenue | (1.6700) | 0.0000 |
| Provision for Electricity Sector (OEFC) | Expense | | (0.0006) |
| Provision for Electricity Sector (MOF) | Expense | | 0.0006 |
| | Revenue | 0.0000 | 0.0000 |
| Power Supply Contract Recoveries | Revenue | 99.0 | 0.0 |
| Power Supply Contract Costs | Expense | (99.0) | |
| Miscellaneous | Revenue | 14.0 | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | (12.0) | |
| Provision for Electricity Sector (MOF) | Expense | 12.0 | |
| Interest on Debt | Expense | (3.0) | 0.0 |
| Demand Management Support Costs | Expense | 1.8 | 0.0 |
| | | 0.0 | 0.0 |
| Other (Finance) | Expense | (1.0) | 0.0 |
| | Revenue | - | - |
| Brampton Income | Revenue | 3.0 | 0.0 |
| | | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 85.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (6.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **85.0** |
| Provision for Electricity Sector (MOF) | Expense | | (85.0) |
| HOI Income | Revenue | 0.0 | 141.9 |
| Provision for Electricity Sector (OEFC) | Expense | | 141.9 |
| Provision for Electricity Sector (MOF) | Expense | | (141.9) |
| | n/a | 0.0 | 0.0 |
| | | 0.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | Revenue | 0.1 | (0.1) |
| | Revenue | 0.0 | 0.0 |
| OPG Income | Revenue | 0.0 | 16.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | | (1.0) |
| Provision for Electricity Sector (OEFC) | Expense | | **16.0** |
| Provision for Electricity Sector (MOF) | Expense | | (16.0) |
| | | 0.0 | 0.0 |
| | n/a | 0.0 | 0.0 |

| | | | |
|---|---|---|---|
| HOI Income | Revenue | 0.0 | 5.3 |
| Provision for Electricity Sector (OEFC) | Expense | | **12.4** |
| Provision for Electricity Sector (MOF) | Expense | | (12.4) |
| ardcoded formula in the cell | n/a | 0.0 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | Revenue | (30.4) | 0.0 |
| Provision for Electricity Sector (OEFC) | Expense | | 17.8 |
| Provision for Electricity Sector (MOF) | Expense | | (17.8) |
| Interest on Debt | Expense | (0.0) | 1.0 |
| Interest on Debt | Expense | 0.0 | 15.0 |
| | | 0.000 | 0.000 |

| | | | |
|---|---|---|---|
| **Summary of Changes To date** | | | |
| Power Supply Contract Costs | | (99.0) | 0.0 |
| Demand Management Support Costs | | 1.8 | 0.0 |
| Provision for Electricity Sector OEFC) | | **(44.4)** | **169.7** |
| Provision for Electricity Sector (MOF) | | 44.4 | (169.7) |
| Other (Finance) | | (1.0) | 0.0 |
| OPG Income | | (11.0) | 101.0 |
| ONFA and other Fair Value Adjustments | | 41.0 | 0.0 |
| HOI Income | | (16.1) | 5.7 |
| Brampton Income | | 3.3 | 0.0 |
| Electricity Payments-in-Lieu of Taxes (PILs) | | (39.7) | 2.0 |
| Electricity Debt Retirement Charge | | (4.0) | 0.0 |
| Power Supply Contract Recoveries | | 99.0 | 0.0 |
| Net Reduction of Power Purchase Contracts | | 0.05 | (0.08) |
| Miscellaneous | | **14.0** | **0.0** |
| Public Debt Interest - Electricity Sector | | 0.0 | 38.1 |
| Interest on Debt | | (3.0) | (53.1) |
| | | **-14.58** | **93.62** |
| | *check* | *0.00* | *0.00* |

| | | | |
|---|---|---|---|
| **Summary of Changes To date** | | | |
| Power Supply Contract Costs | | 0.0 | (0.4) |
| Demand Management Support Costs | | (0.0) | 0.0 |
| Provision for Electricity Sector OEFC) | | **8.4** | **25.0** |
| Provision for Electricity Sector (MOF) | | (8.4) | (25.0) |
| Other (Finance) | | 0.0 | 0.0 |
| OPG Income | | (6.0) | 0.0 |
| ONFA and other Fair Value Adjustments | | 6.0 | 0.0 |
| HOI Income | | (0.0) | 0.0 |
| Brampton Income | | 0.0 | 0.0 |

| | | |
|---|---|---|
| Electricity Payments-in-Lieu of Taxes (PILs) | (0.0) | 0.0 |
| Electricity Debt Retirement Charge | 0.0 | 0.0 |
| Power Supply Contract Recoveries | 0.0 | 0.4 |
| Net Reduction of Power Purchase Contracts | (0.00) | (0.00) |
| Miscellaneous | **0.0** | **0.0** |
| | | |
| Public Debt Interest - Electricity Sector | 21.7 | 0.1 |
| Interest on Debt | (21.7) | (0.1) |
| | **0.00** | **0.00** |

| 2018-19 | 2019-20 | 2020-21 |
|---|---|---|
| 939 | 957 | 1,676 |
| 930 | 935 | 1,624 |
| -8 | -22 | -52 |
| ***0*** | ***0*** | ***0*** |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.000 | 0.000 | 0.000 |
| | | |
| 38.083 | 38.083 | 38.083 |
| (79.1) | (75.1) | (104.1) |
| 0.0 | | 0.0 |
| 0.0 | 0.0 | 0.0 |
| | | |
| 0.0 | (0.0) | 0.0 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| (181.4) | (194.9) | (210.6) |
| | | |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| - | - | - |
| - | - | - |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0000 | 0.0000 | 0.0000 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| - | - | - |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 181.8 | 195.4 | 211.1 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.1) | (0.1) | (0.0) |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 5.3 | 5.3 | 5.3 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.0) | 1.0 | 1.3 |
| 15.0 | 5.0 | 5.0 |
| 0.000 | 0.000 | 0.000 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| **0.0** | **0.0** | **0.0** |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 5.7 | 5.8 | 5.8 |
| 0.0 | 0.0 | 0.0 |
| 12.0 | 3.5 | 1.8 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| (0.10) | (0.06) | (0.03) |
| **0.0** | **0.0** | **0.0** |
| 38.1 | 38.1 | 38.1 |
| (64.1) | (69.1) | (97.8) |
| **-8.38** | **-21.81** | **-52.24** |
| *0.00* | *0.00* | *0.00* |
| (0.1) | (0.4) | 0.2 |
| 0.0 | 0.0 | 0.0 |
| **0.0** | **0.0** | **0.0** |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | (0.0) |
| 0.0 | 0.0 | 0.0 |

| | | |
|---|---|---|
| 0.0 | 0.0 | (0.3) |
| 0.0 | 0.0 | 0.0 |
| 0.1 | 0.4 | (0.2) |
| (0.00) | (0.00) | 0.00 |
| **0.0** | **0.0** | **0.0** |
| | | |
| 0.1 | 0.1 | 0.1 |
| (0.1) | (0.1) | 0.1 |
| **0.00** | **0.00** | **0.00** |

**Further Explanation of Change and source of data**

Regular quarterly ONFA Update
Benefit to OEFC under s.50.3: $411M gain, SIFB
Change to OEFC payment for interest costs of Debt for Equity Swap

From FTD, revised Debt Interest (updated in 5/4/2017)
Revised numbers from OEP with 2019-20 Risk
Updated numbers from OPG Q1 2017 FS

Updating H1 Net Income for actuals. Note does not update Brampton Income at this point. Will update onc

No Change to numbers, just re-inputting data and saving sources
No Change to numbers, just re-inputting data and saving sources
No change to fiscal impact numbers. Deleting Budget 2016 and adding Budget 2017 fiscal impacts
No Change to numbers, just re-inputting data and saving sources
Updated with CIT Numbers received from H1 as part of s.91.2 MB20 allocation from MOF
No Change to numbers, just re-inputting data and saving sources
Only included H1 Net Income - Common Shareholders before. Added preferred shareholder impact as we
Updating OPG Income Tax Expense with info from OPG Monthly Presentation to Shareholder
Updating OPG GRC payable to OEFC and Proxy Property Tax from Answer back from OPG about the BP
Based on H1 final offering and expected First Nations Sale by the end of 2017 (CY), with a weighted avera

Based on EY analysis, and then applying fiscalization. Confirmation also received from OPCD.

Based on KPMG analysis, then fiscalization and other adjustments from OPCD.

**[NOT APPLIED, CALCULATIONS AND DATA LEFT ON THE FILE]** Used Brampton's Financial Stateme
Don't expect finalized 2016-17 data to become available in time for ESDI allocation. Will shift this to 2017-
make decision on shifting when we know 2016-17 status.

No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just re-organizing spreadsheet. No backup data.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided another scenario backup/source
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just provided actual backup/source.
No change to numbers. Just updated the links to refer ot the delta between 2017 and On Deck (from 2016
Adjustment to ESDI to include Hydro One Brampton

Finalizing 2016-17 DRC Based on Draft OEFC AR
Received actual PILs amounts from FTD with breakdown of source. Updated 2016-17 numbers to reflect t
2016-17 - Non-ONFA Fair Value Adjustment
Round Hydro One ownership assumptions to 70.05% two decimal places to be consistent with OPCD.
Revising Hydro One Amount for consistency with OPCD. Equity Adjustments

Updated Provision tab. Made two separate Provision amounts for ESDI in OEFC AR and Dedicated Earnir
Updating Power Supply Recoveries to Public Accounts/OEFC AR actuals

Updating Miscellaneous to OEFC AR actuals

Updated 2016-17 Interest on Debt (IESO, OPG, Other (Net) )

2017-18 - Demand Management Support Costs (no change) - Linking correctly
2016-17 - Updating Operating Expense in OEFC and corresponding changes elsewhere and sources.
No change to numbers. Just re-organized spreadsheet
Revised H1 Brampton Net Income (for GBE Line only)
Revising for OPG's Q3 Finances
Revising OPG's Net Income for latest monthly report

Reverting ownership back to 70.05% from change 20170518-3. Will coordinate with other areas to ensure

Updating Risks based on Hydro One Q2 Results Model
Updated two Risk components for the Avista Acquisition.
No significant changes, but used actual amortization liability schedule. Hence the rounding impacts/change
Updating Debt Guarantee for actuals based on OEFC AR
Revising OPG's Net Income for latest monthly report

Linking interest revenue data for 2017-18 to 2020-21
OPG Revenue Risks from: OEB Staff Submission and OPG Updated Filings

Corrected Net income for 100% ownership in preferred shares and 70.05% in Commons Shares

Updated the formula in the cell for 2017-18 Net Income Before Tax so that the numbers are not hardcodec
Updated PILs to include OPCD public accounts adjustment

Data Validation:

- Options
- Revenue (Risks)
- OPG
- Hydro One
- Provision

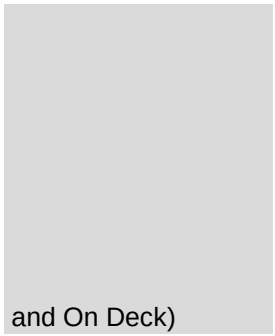
- ONFA
- Other Data

:e revised numbers are received.

ll.

ıge ownership for 2017-18. Also adjusted future net income attributed to the province.

nts to produce an estimate. May require additional calculations.
18.



and On Deck)

his.

ıgs in Public Accounts.

broadening change and reduction in net income happens concurrently in forecasts.

ɐs.

d directly

## Electricity Sector Outlook (PSAB)

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Approved Revenue Outlook as of Budget 2016** | | | | | | |
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises[1] | 719 | 842 | 617 | 1,294 | 1,229 | 1,717 |
| Taxation Revenue | | | | | | |
| Electricity Payments-in-Lieu of Taxes | 3,228 | 373 | 405 | 476 | 538 | 679 |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 625 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 739 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts[2] | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | - | - | - | - | - |
| **Total Electricity Revenue[3]** | 5,862 | 2,709 | 2,011 | 2,136 | 2,098 | 2,697 |

**Notes:**

1. Includes provincial consolidation adjustments for OPG's nuclear funds

2. Reflects the effective elimination of above-market NUG liability over a number of years starting January 1, 2005 (on a predetermined schedule).

3. Total reflects revenues from OPG, Hydro One, OEFC and PILS from MEUs, and excludes OPA and IESO and OEB.

## Revenue Items On Deck - Changes Compared to Budget 2016

| ($ millions) | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| OPG August 2017 Financial Outlook[1] | 0 | (83) | 103 | 12 | 4 | 2 |
| ONFA and other Fair Value Accounting Adjustments[2] | (119) | (336) | (480) | (678) | (726) | (913) |
| Hydro One August 2017 Financial Outlook Update[3] | 20 | (23) | (12) | (12) | (12) | (12) |
| MEUs PILs | 0 | 68 | 0 | 0 | 0 | 0 |
| Other OEFC FS / Public Accounts Updates | | | | | | |
| Electricity Debt Retirement Charge | 0 | (4) | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 14 | 0 | 0 | 0 | 0 |
| ; | 0 | 99 | (0) | (0) | (0) | 0 |
| **Total Revenue Items On Deck** | (99) | (266) | (389) | (678) | (735) | (923) |

**Notes:**

1. OPG's 2015-16 outlook reflected its reported earnings. Out-years reflect OPG's 2017-19 business plan, November monthly update, and long-term outlook to 2019-20 (as fiscalized by OPG). 2020-21 estimates are based on OPG's calendar year-based long-term projections from the November business plan and fiscalized by CEFD staff. OPG Business Plan projections are also adjusted to remove amounts related to asset optimisation amounts (for real estate sales, to avoid double-counting) that are reflected in the fiscal plan under sales and rentals.

1. OPG Net Income is also adjusted for assumed equity return on Provincial equity injection to partially finance the Global Adjustment deferral -- designed to match FTD estimated IOD to finance the equity injection. See OPG Worksheet for annual breakdown.

2. Reflects provincial adjustment as at December 31, 2016, for net unrealized earnings in the decommissioning and used fuel segregated funds net of Bruce variance account and change in Due to the Province on the decommissioning and used fuel segregated fund. Adjustment for 2014-15 also includes non-ONFA financial instruments.

3. Reflects CEFD forecasts based on latest available public information and modelling. Reflects an 70% Provincial share ownership, with impacts of future share sales incorporated into the asset optimisation projection in Other Non-Tax Revenues, Sales and Rentals

5. Reflects retroactive payment to applicant NUGs under the Global Adjustment lawsuit, based on payment in October 2016. Reflect updated forecast from 2016-17 to 2020-21, with the latest forecast from February 2017.

| On Deck Revenue Outlook as of August 2017 | Budget 2015-16 | 2016-17 | 2017-18 | Plan 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| **Electricity Revenues** | | | | | | |
| Income from Investment in Government Business Enterprises | 719 | 860 | 724 | 1,300 | 1,234 | 1,723 |
| Taxation Revenue | 3,228 | 334 | 407 | 488 | 541 | 681 |
| Electricity Payments-in-Lieu of Taxes | | | | | | |
| Other Revenue | | | | | | |
| Electricity Debt Retirement Charge | 859 | 621 | 623 | - | - | - |
| Power Supply Contract Recoveries | 875 | 838 | 292 | 325 | 301 | 273 |
| Net reduction of Power Purchase Contracts | 172 | 129 | 74 | 41 | 30 | 28 |
| Miscellaneous | 9 | 14 | - | - | - | - |
| **Total Electricity Revenue** | 5,862 | 2,795 | 2,119 | 2,153 | 2,107 | 2,705 |
| **Check Calculation:** | | | | | | |
| Revenue | 5,763 | 2,443 | 1,622 | 1,458 | 1,363 | 1,774 |
| Expense | 2,006 | 1,779 | 1,253 | 1,238 | 1,178 | 1,087 |
| Net | 3,757 | 664 | 369 | 220 | 185 | 687 |
| Electricity Summary - On Deck | 3,856 | 957 | 626 | 728 | 728 | 1,401 |
| | 99 | 293 | 257 | 509 | 543 | 714 |

| ($ millions) | 2016-17 Changes | | |
|---|---|---|---|
| **Revenue Items On Deck - Changes Compared to Budget** | **Net Income** | **PILs** | **Total** |
| OPG August 2017 Financial Outlook | (5) | 224 | 219 |
| ONFA and other Fair Value Accounting Adjustments | (336) | | (336) |
| Hydro One August2017 Financial Outlook | (24) | - | (24) |
| MEU PILs | | 80 | 80 |
| | (365) | 304 | (62) |

**NEW HYDRO ONE AND RELATED WORKSHEETS DEVELOPED - CAN DELETE THIS AT SOME POINT.**

## Hydro One

### Hydro One Income - Budget 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 737 | 742 | 802 | 862 | 931 |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2016-17 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One PIL - Budget 2017
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax | 786 | 741 | 685 | 737 | 742 | 802 |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **95** | **134** | **162** | **183** | **207** |

### Hydro One Income - August 2017
**($ millions)**

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Hydro One Net Income After Tax | 685 | 680 | 725 | 784 | 844 | 913 |
| Hydro One - Net Income Attributable to Preferred Shareh | | 18 | | | | |
| Hydro One - Unrealized Gains Adjustment | | | | | | |

2017-18 to 2020-21 from CEFD Hydro One 2016 model.

### Hydro One (100% Ownership)
**($ millions)**

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|---|
| Net Income After Tax - Common Shar | 786 | 741 | 685 | 680 | 725 | 784 |
| Net Income After Tax - Preferred Shares | | | | 18 | | |
| Income Taxes PILs | 101 | 92 | 132 | 160 | 181 | 205 |
| Proxy Property Tax | (3) | 3 | 2 | 2 | 2 | 2 |
| Ontario Capital Tax | 0 | 0 | 0 | 0 | 0 | 0 |