Consolidated Feedback on

Special Report – The Fair Hydro Plan: Concerns About Fiscal Transparency, Accountability and Value for Money

Section #	Page #	Ministry/Agency Source	Comments	Supporting Evidence Attached? Y/N
	Several	OPG	Label – There is no OPG Trust entity rather it is the Fair Hydro Plan Trust. This should be changed.	
	8	OPG	Factual matter – report states the FHP will be finalized and completed by 2045. Believe the correct end date is 2047	
	7	OPG	Implication in several sections that the FHP roll out results in a "less transparent" process. With the financing plan, similar to several jurisdictions in the U.S., and a form or securitization that is commonly used in the financial markets the impact of the plan will be transparent. Credit rating agencies, securities regulators and the public at large get full information and full reporting of the impacts of the FHP that are visible and specific.	
	9 3 11	OPG	Basis to create "legislated asset" and comparison to Ontario Hydro Stranded Debt. There is a key difference: STRANDED DEBT – was recognition of an existing over valuation of Ontario Hydro assets that, upon the company's break up and recapitalization, reflecting fair values at the time, had no future value to electricity consumers FHP Asset – represents the additional payment by customers today that will benefit future customers. The FHP is a way to smooth those payments streams out to ensure ratepayers are fairly paying their fair share of current and future assets.	
	12	OPG	Related to the above argument on the value / existence of an asset – The "substance over form" The government differentiated the reductions in consumers' electricity bills that are being borne by the tax base as a whole (HST elimination, certain programs to help rural customers) from those that have a long term benefit (the 17% referenced in the AG report). By establishing the deferral amounts off today's bill and charging it to future consumers, that is providing substance by ensuring future ratepayers pay their share of system costs at the right time.	
	13	OPG	The role of the OEB, and its mandate, is provided by the Ministry of Energy. It is not uncommon for government policy, through Regulations, to provide the ground rules over which the OEB is to preside. That is the case with the FHP itself as the Act and the various regulations provide the direction and processes over which the OEB is to exercise oversight, review and make conclusions on submissions brought forward (rates to charge certain customer classes, basis of interest and appropriateness of fees charged to ensure they are benchmarked and reasonable, etc.).	
	2	OPG	References a provincial guarantee. It is more appropriate to indicate limited guarantee. The support provided has specific	

Appendix			conditions rather than a full guarantee.	