Energy Feb. 21

February-21-17

8:00 AM

25% gets $32B in debt

Debt will be on books

Question is whether it is consolidated

Issues

Highly visible

May fail

Level of risk - if government controls OPG trust

Refinancing not smoothing

Like refinancing the balance on your credit card

2 Risks

Constitutionality

Re-Financing more than underlying assets can justify

Option 3 could do this better

Accounting

IESO regulatory asset (before even goes to OPG trust)

When LDCs pay IESO and IESO pays PG more, that difference is fiscal hit

PSAB doesn't have regulatory asset concept (but every other standard does)

So creating an asset using framework

AG will say doesn't meet definition of asset

Think we can survive that with the assessments from KPMG, etc

Could get a panel to review this???

OPG trust consolidation

Does it get consolidated with OPG or with gov

More direction we give it, more likely it is consolidated with government and not OPG