OPG Financial Projections

From: Ronald Kwan <ronald.kwan@ofina.on.ca>
To: "Thompson, Scott (MOF)" <scott.thompson@ontario.ca>
Cc: "Mayman, Gadi (OFA)" <gadi.mayman@ofina.on.ca>, "Kennedy, Nancy (MOF)" <nancy.kennedy@ontario.ca>, "Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>, "Lewis, Brian (MOF)" <brian.lewis@ontario.ca>, "Nelms, Scott (ENERGY)" <scott.nelms@ontario.ca>
Date: Fri, 10 Feb 2017 18:22:24 -0500
Attachments: OPG 2017 Business Plan Summary v13_PW.docx (39.42 kB)

Hi Scott,

For your background information, staff did a note on OPG`s 2017-2019 Business Plan that discusses variances, pressures and risks

The projected financial results are quite similar to the ones from OPG`s 2016-2018 business plan that we received last spring and sent you a BN on at that time.

However, as you`ll recall, what was built into the Budget 2016 fiscal plan for OPG was based on OPG`s **2015** Business Plan, since we did not get an approved OPG 2016 multi-year business plan until after numbers lock last year, which was early due to the early budget.

The attached, therefore, shows the comparison to what was in the 2016 Budget fiscal plan for OPG net income and income tax PILs compared to this year's 2017-2019 OPG Business Plan.

I understand that at this point the current fiscal planning roll-ups have not yet incorporated updates wrt to OPG's current business plan and in-year 2016-17 updates, so the variances in the attached would be pressures at this point.

Note too that the 17-18 shown numbers are adjusted, as OPG's BP numbers include revenues from the sale of its head office properties in 17-18 and those impacts are included in the fiscal plan with the asset optimisation numbers (under sales and rentals I believe), not in the GBE and PILs numbers.

As you may also be aware, Scott N's team is working on the OPG business plan concurrence materials, and staff have provided his staff with these comparative numbers I understand. I'm not sure if there will be any changes arising from that concurrence process, but, in any case, OPG planning numbers are always subject to further risks, such as risks on the current OPG rate application before the OEB, as well as operational risks and risks on returns on the ONFA funds.

In the meantime, I thought this might be helpful background.

Internal PW.

Happy to discuss.

Ron
