

2017 Document: Preliminary Fiscal Planning Scenarios

Current Planning Scenario

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

Scenario 1: Moderate Increase to Revenue Forecast

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

Scenario 2: Aggressive Increase to Revenue Forecast, Additional Savings Target, Inclusion of Scalable Priority Initiatives

				Avg. Ann Growth 2016-17 to 2019-20	Avg. Ann Growth 2017-18 to 2019-20
\$ Millions	2017-18	2018-19	2019-20		
Current Revenue	140,195	142,535	145,335	3.0%	1.8%
Incl. High Yield Assumptions	1,937	2,628	1,320		
Aggressive Revenue Forecast	1,000	1,500	1,500		
Total Revenue	141,195	144,035	146,835	3.3%	2.0%
Program Spending					
Approved In Principle Outlook	127,166	131,305	134,391	2.9%	2.8%
Incl. Current Year-end Savings	(1,200)	(1,225)	(1,275)		
Additional Savings Target	-	(1,000)	(1,000)		
Scalable Priority Initiatives	900	900	900		
Additional Electricity Cost Relief	738	828	906		
Total Program Spending	128,804	132,033	135,197	3.1%	2.5%
Current Interest on Debt	11,700	12,400	12,600		
Total Expense	140,504	144,433	147,797	3.2%	2.6%
Current Reserve	700	800	1,000		
Planning Surplus/Deficit	(9)	(1,198)	(1,963)		
Fiscal Anchor	-	-	-		
Fiscal Room/(Hole)	(9)	(1,198)	(1,963)		
Other Potential Changes					
Lower OPG Revenues	(173)	(42)	84		
Preliminary Pension Forecast Update	518	522	308		
Potential OMA Mandate Impact	377	616	742		
Remaining Scalable Initiatives	-	552	853		
Additional Electricity (GA Smoothing)	2,534	2,668	2,942		
Acceptance of Federal CHT Offer	(134)	96	424		
Additional IOD Savings	(128)	(366)	(419)		
Total Other Potential Changes	3,608	3,939	3,918		
Revised Fiscal Room/(Hole)	(3,616)	(5,137)	(5,881)		

Additional Revenue Measures

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

Federal Revenue Strategy

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

Additional Expense Measures

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

Prudence

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

- Further Interest on Debt Savings

Other Impacts With No Estimates, Info to Come

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

- Potential improvement to gap
- Potential improvement or deterioration to gap
- Potential deterioration to gap