RE: IFRS US GAAP differences

From:	Ronald Kwan <ronald.kwan@ofina.on.ca>
To:	"Lewis, Brian (MOF)" <brian.lewis@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc:	"Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>
Date:	Mon, 17 Jul 2017 14:20:59 -0400
Attachments:	RE_ 16-17 Updates_ 17-18 Developments _ Risks_`.msg (60.93 kB); RE_ Energy IFRS analysis.msg (68.61 kB); FW_ OPG IFRS numbers..msg (49.66 kB)

Hi Brian, Cindy,

Sure. I believe last week's internal update spreadsheet provided to OEP (see attached) was based on 16-17 IFRS numbers provided to staff here from OPCD staff in mid to latter part of June (also as attached). If there was a subsequent update, staff would be happy to work that in. Staff had also been seeking updates for the out-years, so if those are now available (per Cindy's email numbers), staff can work those in too.

The file provided to OEP also showed what we understood was included in the 2017 Budget's fiscal plan for out-year IFRS adjustments. Perhaps Tim's staff can verify what IFRS adjustments were built in, leading to the then, e.g., $25M risk in 17-18 (now zero, per Cindy's email below, if I'm reading it correctly) and e.g., $475M risk for 19-20 at the time of the Budget (or updated to $500M, per Cindy's numbers below, as well as an update to 18-19).

Ron

From: Lewis, Brian (MOF) [mailto:Brian.Lewis@Ontario.ca]
Sent: July-17-17 12:57
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tim Schuurman (MOF) <Tim.Schuurman@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: FW: IFRS US GAAP differences

Hi Ron,

There are questions coming out of today's fiscal joint DM briefing on the IFRS consolidation #s. I was citing some figures on the latest spreadsheet your area sent around. Could you connect with Cindy on the numbers?

Brian

From: Veinot, Cindy (TBS)
Sent: July 17, 2017 12:54 PM
To: Lewis, Brian (MOF); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: IFRS US GAAP differences

What are you using $475 for? Can you confirm back what you have included in the budget for 2017-18, 2018-19 and 2019-20.

Thanks,

From: Lewis, Brian (MOF)
Sent: July 17, 2017 12:53 PM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: IFRS US GAAP differences

It came from OFA \ CEFD …. Perhaps they had a different starting point. Currently the figure we're using in 475.

I'll connect with them and they can let you know where the 675 came from.

From: Veinot, Cindy (TBS)
Sent: July 17, 2017 12:42 PM
To: Lewis, Brian (MOF); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: IFRS US GAAP differences

Hi Brian -- The numbers we have did not move in that way – the changes from the original estimates to the updated estimates received at the end of March 31, 2017, along with the updated expense [in brackets] were:

2016-17 – no change [$75M]
2017-18 – reduction of $25M [$400M]
2018-19 – reduction of $50M [$475M]
2019-20 – increase of $25M [$700M]

So I'm still not sure what change you are referring to. Where is the difference of -675 to -475 come from?

Thanks,

Cindy

From: Lewis, Brian (MOF)
Sent: July 17, 2017 11:26 AM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: IFRS US GAAP differences

It was the update we got before the Budget and was incorporated into the Budget, which moved the adjustment
from -675 to -475. The point being that the last update had reduced the adjustment, but it remains a material pressure.

From: Veinot, Cindy (TBS)
Sent: July 17, 2017 11:19 AM
To: Lewis, Brian (MOF); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: Re: IFRS US GAAP differences

Assuming you are talking about the out years. The next update will be for the budget.

Please confirm re the update you were referring to.

Thanks

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lewis, Brian (MOF)
Sent: Monday, July 17, 2017 11:11 AM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: IFRS US GAAP differences

Let me look into it.

When will the numbers be updated?

From: Veinot, Cindy (TBS)
Sent: July 17, 2017 10:26 AM
To: Lewis, Brian (MOF); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: IFRS US GAAP differences

Hi Brian,

You mentioned that you had updated numbers at the meeting this morning. Could you clarify what you are referring to. We don't have any updated numbers, except that we have confirmation that the difference for 2016-17 is as estimated at the budget.

Thanks,

Cindy

Sent from my BlackBerry 10 smartphone on the Rogers network.
