Message

**From**: Joyce Poon [/O=IMO/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=A33671BA35BF4C68AF8390300630DD76]
**Sent**: 2017-03-23 12:47:00 PM
**To**: Jeannette Briggs [/O=IMO/OU=MSX1/cn=Recipients/cn=Jeannette Briggs]
**CC**: George Pessione [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=George Pessione22e]; Michael Lyle [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Michael Lyle5aa]
**Subject**: FW: GA refinancing
**Attachments**: GA Financing - 170307.xlsm

Hi Jeannette,

Please find attached the spreadsheet MOE shared with us on their calculations for GA financing.

Based on discussion with them they also provided me the following information regarding the spreadsheet:

1. **Tax-basing of social programs.** For the GA financing calculation included in the cabinet submission and the associated numbers in the spreadsheet I sent to you, we only considered the tax-basing of RRRP and OESP for the first 4 years. We now understand that the intention is that RRRP and OESP will continue to be funded from the tax base indefinitely. If the tax-basing reductions are considered throughout the forecast horizon then less money will need to be borrowed in the 2022-2027 period to achieve the 6.5% year-over-year increase in residential bills and, hence, requiring lower bill increases in 2028-2047 in order to pay off the debt by 2048. We are in discussions with those leading the tax-basing initiative regarding the possibility of reconciling this in our GA financing calculations.
2. **25% reduction in bills in 2017.** The 25% reduction in the residential bill in 2017 is measured relative to the IESO bill forecast after tax but *without* the 8% rebate. That is, the 8% rebate is considered part of the Fair Hydro Plan so, to estimate the impact of the FHP, we need to compare to a bill without the 8% rebate. The confusion you and I had on the phone was that we were comparing the adjusted bill to the IESO bill with the rebate, not without. The breakdown of costs and comparison between adjusted and non-adjusted bill for 2017 is shown in column D on the 'Near-term Impact Summary' tab.
3. **Estimate of RPP-eligible consumption volume.** Our estimate of 72 TWh was based on the volume of OCEB-eligible consumption in 2015 as reported by each LDC (consumption volumes were reported before applying the cap on volume that was eligible for OCEB). We used this estimation since the class of customers eligible for OCEB is the same as the class of customers for whom the GA financing savings/payments will apply.

I told Tim and Justin at the MOE if we discovered that the RPP eligible consumption volume is significantly different from their analysis I would inform them, so if your people can confirm this RPP eligible consumption volume that would be great.

In addition as I mentioned to you on the phone, I am currently drafting up Planning's understanding of the MOE analysis for the Ontario Fair Hydro Plan, and also the risks associated with pegging anything to this high level forecast.

Cheer,
Joyce

P.S. If you have any further questions and concerns, please just give me a call.

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**From:** Christie, Tim (ENERGY) [mailto:Tim.Christie@ontario.ca]
**Sent:** March 08, 2017 11:18 AM
**To:** Ceiran Bishop; Joyce Poon
**Cc:** Malecki, Justin (ENERGY); Cayley, Daniel (ENERGY); Bergman, Mark (ENERGY); Ho, Larissa (ENERGY)
**Subject:** GA refinancing

Ceiran and Joyce, attached is a spreadsheet detailing our calculations for GA refinancing. A few points to note:

1) These figures are illustrative of a potential repayment schedule. Until legislation and regulations are passed we will not know how much flexibility OPG would have in deciding payback terms. I would say the first 4 years are relatively locked in, but the remainder is speculative.
2) This is not public information, so please don't share outside your organizations and limit internal circulation as much as possible.

If you have any questions please contact Justin directly. His number is 416-325-9372.

Tim