

RE: OFHP Bullets for SOC 1:1

From: "Hindmarch-Watson, Tim (CAB)" <tim.hindmarch-watson2@ontario.ca>
To: "Foster, Robert (CAB)" <robert.foster@ontario.ca>
Cc: "Greenberg, Martha (CAB)" <martha.greenberg@ontario.ca>, "Moore, Karen (CAB)" <karen.moore4@ontario.ca>
Date: Tue, 21 Nov 2017 11:22:19 -0500

I understand that Energy DM shared something directly with Steven. Let us know if you are able to share back with us.

Thanks

Tim Hindmarch-Watson
416-325-4618

From: Hindmarch-Watson, Tim (CAB)
Sent: November-21-17 10:59 AM
To: Foster, Robert (CAB)
Cc: Greenberg, Martha (CAB); Moore, Karen (CAB)
Subject: RE: OFHP Bullets for SOC 1:1

This is what MOF sent, but they have said it is a bit complicated and have offered to have a call if need be later on. We can follow up to get more coming out of the DM's meeting if needed.

Essentially comes down to having no precedent for this type of guarantee so it revolves around legal opinions between the OPG, underwriters, and the OFA on the Change of Law agreements and Process Agreements that need to be signed in order to guarantee the financing on any debt, as part of OFHP.

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From: Foster, Robert (CAB)
Sent: November-21-17 10:31 AM
To: Hindmarch-Watson, Tim (CAB)
Cc: Greenberg, Martha (CAB); Moore, Karen (CAB)
Subject: RE: OFHP Bullets for SOC 1:1

[Do we know what any of the actual issues are on the terms for the agreement?](#)

From: Hindmarch-Watson, Tim (CAB)
Sent: November-21-17 10:29 AM
To: Foster, Robert (CAB)
Cc: Greenberg, Martha (CAB); Moore, Karen (CAB)
Subject: OFHP Bullets for SOC 1:1
Importance: High

Hi Rob:

As requested, let me know if you need anything further:

- October 30 - ENERGY received LRC/Cabinet approval of additional regulatory amendments related to implementation of the Fair Hydro plan (i.e., FSM fees structure/OEB oversight, and addressing accounting of carrying costs).

- November 20 - ENERGY received LRC/Cabinet approval of regulatory amendments related to fair hydro implementation required to support OPG going to market in December (i.e., mechanism in the event of a financing entity default and acceleration of debt payments including permitting charges when the FAA is zero or negative, recovery of financing entity carrying costs after May 2021, mechanism for IESO to recover carrying costs associated with LDC security arrangement from the GA).
- ENERGY is tracking to LRC/Cabinet December 11 with a regulatory amendment on Fair Hydro Plan bill presentment for non-Hydro One customers, and to move the OESP to government revenues from the rate base as the variance account is now depleted.
- The Province (MOF, OFA, ENERGY, TBS) is continuing to negotiate the terms of the Change of Law Protection Agreement and related Process Agreement with OPG and the dealers (i.e. underwriters).
 - o A number of new points and proposed revisions have been raised by OPG and the dealers this morning on the draft that the Province sent last Friday Nov 17.
 - o The Province and OPG are looking to resolve as many outstanding issues as possible before OPG's Board reviews the Agreements tomorrow morning.

Tim Hindmarch-Watson

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