Program Notes	Questions
Strategic Asset Management (Key Decision #1)	• What is the status of the FN actual Conferred Benefit? Timing? Conferred benefit would be booked when the transaction closes which is currently tracking for end of the year. We’ve been working with TBS and they’ve requested two (2) days’ notice before closing so they can file the regulation that permits this. • What is the status of the FN cash contribution? Timing? Same timing as above. • Is it likely MNO agreement would mirror FN regarding the Province making a loan to MNO to purchase shares? Share purchase price would be at market, or below market share price? No, current discussions with MNO suggest an all cash transaction. • What is the likely timing of MNO report back to TB/MBC? TBD but likely Q3, subject to successful negotiation. • Beyond MNO, any other Indigenous engagement regarding Hydro One ownership? No • What is the final number achieved vs the target of $9 billion in gross proceeds and other revenue benefits from broadening the ownership of Hydro One. Approximately $9.6 billion, subject to finalizing transaction costs for the May 2017 offering. ○ How does the following relate to the bullet above: ▪ The Province may recognize a dilution gain from Hydro One’s $1.54 billion convertible debenture offering announced on July 19, 2017 with proceeds being used to finance its acquisition of Avista. It doesn’t – proceeds from the Province’s share sales are dedicated to the Trillium Trust. This gain relates to Hydro One’s proposed acquisition and the resulting impact on our ownership position.
Electricity Rate Mitigation – Request for 19 permanent FTEs (Key Decision #2)	• Where will the 19 FTEs be located? Any in downtown Toronto? FTEs would be located in downtown Toronto. The Ministry will work with IO to accommodate these new staff within the existing enterprise-wide approved space baseline.

<table>
<tr><th>Program Notes</th><th>Questions</th></tr>
<tr><td>Ontario Rebate for Electricity Consumers Program
(Part of Key Decision #2)</td><td>Noting - The 8% rebate was automatically added to every eligible consumer’s bill beginning January 1, 2017. Reimburses LDCs.

• Table in program note for historical eligible customer consumption doesn’t explain the consumption # is measuring….please clarify the table and the key observations.
The measurement unit for the “Historical Analysis of OREC Eligible Customer Consumption” table is terawatt hours (TWh).

• Please explain the Historical Analysis table – It shows OREC actuals from Jan 2017 to Aug 2017 (8 months) at $533.9M, the revamped ENERGY estimate annualized at $633M for the same time period, and its connection to the revised fiscal year OREC TP amount of $860M.
    ○ Are the numbers suggesting additional flexibility with OREC, than what has been identified (as offsets elsewhere in Energy), except for $5M in 2020-21) being given up/not as offset.
Anticipated savings from OREC are being used to offset expenditures increases due to Smart Grid Fund, International Energy Development Fund, and the FTE Request. See chart below for a summary of the changes:

<table>
<tr><th>Summary of Changes (OREC) ($ millions)</th><th>2018-19</th><th>2019-20</th><th>2020-21</th></tr>
<tr><td>Preliminary Allocation</td><td>882.0</td><td>882.0</td><td>895.0</td></tr>
<tr><td>Revised Forecast (revised October 2017)</td><td>860.0</td><td>861.0</td><td>871.0</td></tr>
<tr><td>+ Surplus / - Deficit</td><td>22.0</td><td>21.0</td><td>24.0</td></tr>
<tr><td>Less: Smart Grid Fund Offset</td><td>(20.0)</td><td>(18.0)</td><td>(15.0)</td></tr>
<tr><td>Less: International Energy Development Fund Offset</td><td>-</td><td>(3.0)</td><td>(4.0)</td></tr>
<tr><td>Less: FTEs Request for Fair Hydro Plan Offset</td><td>(2.0)</td><td>-</td><td>-</td></tr>
<tr><td>Remaining Balance (OREC)</td><td>0.0</td><td>0.0</td><td>5.0</td></tr>
</table></td></tr>
<tr><td>FTEs MicroGird & EV</td><td>• Two dockets each with 1.5 FTEs #55347, #55351
• Appears to be two separate requests 1.5 FTEs for EV, 1.5FTEs for Microgrid.
    ○ Orbit titles for both say Microgrid Technology for Diesel Reduction</td></tr>
</table>

Program Notes	Questions
	Correct. The Ministry is requesting 1.5 FTEs for the Microgrid Program as well as 1.5 FTEs for the EV Program. They will be sharing 1 FTE to do the financials. The corresponding dockets D0055347 and D0055351 have slightly different titles: • D0055347- Energy: Microgrid Technology Diesel Reduction & GGRA FTE Request – **Microgrid Implementation Costs** • D0055351 - Energy: Microgrid Technology for Diesel Reduction & GGRA FTE Request – **EV FTE Request** The reason they have similar names is because we did one program note for both requests as the EV program was already approved as part of our preliminary allocation. No note was needed for EVs so we decide to put the EV FTE request into the Microgrid Note. Both FTE requests will be offset from GGRA. • Approvals are time-limited, the FTE ask is for permanent not temporary FTEs, please clarify? The Ministry anticipates that the GGRA funds will continue into the long-term past the current end dates of the Microgrid and EV programs. The Ministry would like to ensure that there are enough resources to support both programs and potentially any new ones that may get approved.
Capital Assets	• Can you please provide information on IESO's proposed capital asset acquisitions? Over the next 10 years, IESO's capital assets are proposed to increase by ~$180M. What is IESO's purchasing for this money? Of the $176M in gross additions: (a) $156M is related to the capital implementation costs of the Market Renewal program (i.e., $146M for information technology and $10M for equipment); and (b) $20M is related to the upgrade of the Smart Metering meter data management system (i.e., all information technology). • To confirm: Will these infrastructure costs be recoverable from the rate base? The full $176M will be recovered from the rate base.