Communication MEMO – Quiet Period for FHP 2018 Activities

Quiet Period Proposal

- On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (OFHP). Effective July 1, 2017, OFHP has lowered electricity bills by 25 per cent on average for residential electricity customers and will hold increases to the rate of inflation for four years.

- The reduction reflects a number of initiatives, including refinancing a portion of the Global Adjustment (GA) in order to ensure electricity system costs are fairly allocated across present and future generations of electricity consumers.

- Ontario Power Generation (OPG) was identified as the Financial Services Manager responsible for managing debt obligations under the GA refinancing structure. OPG is expected to launch marketing activities for the first offering of debt in the capital markets on January 22, 2018 and to close on February 12, 2018.

- The Offering Memorandum prepared in connection with the offering contains language that contemplates that information contained in that document (as well as all associated disclosure documents) be treated with a high level of confidentiality. This document provides a recommended approach to communications in relation to the offering which is currently underway.

- Given the sensitivity associated with OPG activities during the next few weeks and in an abundance of caution, a "quiet period" is being proposed as a recommended practice. Refraining from making public statements or engaging with the public, the media including social media or the investment community regarding the offering during that time will help ensure investment decisions are made based on the disclosure documentation and any advice provided by the investor's own professional advisors.

- Communications during this quiet period that might be seen as promoting the offering or encouraging or facilitating media coverage should be avoided. Commenting on the offering, or responding to any adverse commentary, should be undertaken carefully.

- Accordingly, any communications by the Government regarding the Fair Hydro Trust including the GA refinancing aspects of the Fair Hydro program must be carefully reviewed and coordinated by the Ministry of Energy and Ministry of Finance. For greater clarity this does not restrict the government from talking about the policy rationale and ratepayer benefits of the OFHP more broadly.