

RE: FAA Letter to OPG

From: "Schlaepfer, Martin (ENERGY)" <martin.schlaepfer@ontario.ca>
To: "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Cc: "Imbrogno, Serge (ENERGY)" <serge.imbrogno@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Baker, Carys (ENERGY)" <carys.baker@ontario.ca>
Date: Mon, 25 Sep 2017 13:20:20 -0400
Attachments: 170919 Fair Allocation Letter (2) (5) One Schedule Draft_Three Options (....docx (36.14 kB); 170912 BN FAA Letter to OPG.DOCX (34.67 kB)

Hi Andrew,

Attached are the most current drafts of the note and letter.

There is no formal deadline and the board meeting is not an imperative for us. However, we would like to move this forward for approval as soon as possible, as this is required for OPG to go to market this fall.

Thanks,
Martin

From: Teliszewsky, Andrew (ENERGY)
Sent: September 24, 2017 11:41 AM
To: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>
Subject: Re: FAA Letter to OPG

Good Afternoon:

Sorry - having some version control issues - can you send me the most current draft please?

Also - do we have a deadline (ie. OPG Board Meeting later this week) that staff are wanting final / signed / sent letter, please?

Many thanks, in advance.

Andrew Teliszewsky
416-327-3550

From: Schlaepfer, Martin (ENERGY)
Sent: Sunday, September 24, 2017 10:58 AM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: Re: FAA Letter to OPG

Hi Andrew,

Yes, OPG needs this letter to finalize the financing and related work, so we need to make these assumptions at a point in time.

Also, yes we are looking for MO concurrence, as well as the Minister's signature on the letter.

Let us know if you have any further questions or if you are good with the recommended approach and we can prepare the letter for signature.

Thanks,
Martin

From: Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>
Sent: Saturday, September 23, 2017 2:41 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: Re: FAA Letter to OPG

Good Afternoon:

Just having a bit of challenge following this chain. Our letter presumes an outcome of rating agency work, before it has been concluded / finalized, etc. (plus all those other details)?

Is that correct? Suppose we have no choice but to make some (albeit important) assumptions.

Finally, for greater clarity, for finalization of this text, you are looking for MO concurrence, right?

Many thanks, in advance.

Andrew

i Andrew,

We have sent our FAA model to OPG, and they have populated it with their estimates of fees and financing costs. We met with them last Friday morning to discuss, and we are now aligned on methodology and figures, including the recommended option. However, there are still some outstanding issues that may impact fees and financing costs. We are currently assuming that:

- * Debt is AAA rated
- * Lenders have priority access to GA cash flow during the moratorium period
- * Interest cost is paid over the term of the bond

- * Maturity date will align with the FAA
- * Provincial Protection Agreement includes coverage of the subordinated debt

With those assumptions and final approval of the text of the letter we are ready to send.

Thanks,
Martin

From: Teliszewsky, Andrew (ENERGY)
Sent: September 21, 2017 4:31 AM
To: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>
Subject: Re: FAA Letter to OPG

Good Morning:

Thanks for this - in terms of the recommended options - what is the status of the negotiation / cross-walk of all of this between ESP and OPG, please?

Many thanks, in advance.

Atel/

Andrew Teliszewsky

Chief of Staff | Office of Hon. Glenn Thibeault
Ministry of Energy
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416-327-3550 (o)
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On Sep 20, 2017, at 6:58 PM, Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca> wrote:

Hi Andrew,

Attached is a draft of the Fair Allocation Amounts (FAA) letter to OPG, as well as a briefing note outlining 3 approaches regarding how FAA and Readjustments Amounts are included in the letter. The current draft of the letter includes schedules for each of the 3 options.

We are recommending option 3.

Let us know if you have any questions or concerns and how you would like to proceed.

Thanks,
Martin

<170919 Fair Allocation Letter (2) (5) One Schedule Draft_Three Options (....docx)>

<170912 BN FAA Letter to OPG.DOCX>

