Re: FAA Letter to OPG

From: "Imbrogno, Serge (ENERGY)" <"/o=govon/ou=ontario public sector - iserv ems/cn=recipients/cn=imbrognose">
To: "Schlaepfer, Martin (ENERGY)" <martin.schlaepfer@ontario.ca>
Date: Fri, 22 Sep 2017 11:56:11 -0400

Looks good. Thanks

Sent from my iPad

On Sep 22, 2017, at 11:52 AM, Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca> wrote:

Hi Deputy,

Please see below. Yesterday Andrew asked in terms of the recommended options - what is the status of the discussion with OPG. Below is a proposed response from ESP.

Ok to share with MO?

Thanks,

Martin

Hi 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) <Andrew.Teliszewsky@ontario.ca>

Sent: Thursday, September 21, 2017 4:30 AM

To: Schlaepfer, Martin (ENERGY)

Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)

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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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>