

Fw: Rate Mitigation Implementation Meeting - October 12, 2017

From: "Moore, Karen (CAB)" <"o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=moore, karen (cab)339">
To: "Teare, Rebecca (CAB)" <rebecca.teare2@ontario.ca>
Date: Thu, 12 Oct 2017 10:41:56 -0400
Attachments: Agenda_Weekly Rate Mitig Implmentation Group_ Oct 11.docx (29.1 kB); 2017-09-27 Consolidated - OFHP Matrix - Week of October 9_Clean (2).docx (100.53 kB); 2017 Outstanding Business Issues - Week of Oct 9_Clean.docx (19.08 kB)

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October 12, 2017
8:34 AM

Subject	Fw: Rate Mitigation Implementation Meeting - October 12, 2017
From	Foster, Robert (CAB)
To	Moore, Karen (CAB)
Cc	Young, Samantha (CAB)
Sent	October 11, 2017 11:09 PM
Attachments	<<2017 Outstanding Business Issues - Week of Oct 9_Clean.docx>> <<Agenda_Weekly Rate Mitig Implmentation Group_ Oct 11.docx>> <<2017-09-27 Consolidated - OFHP Matrix - Week of October 9_Clean (2).docx>>

Enjoy! ;)

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, October 11, 2017 8:24 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY); Chander, Sunita (ENERGY); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS); Michael Boll
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)

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Hi everyone,

Please find attached the material for discussion tomorrow.

Thanks,
Martin

1. IESO responsible for letter of credit and carrying costs associated (500k to \$1m)

- Do they do this through their operating budget or amend regulation to build it into GA
- IESO position is that it should go in the market like all the other costs, too risky to put into the operating budget
- Will include in the package for Monday's LRC (hasn't been drafted??)

Letter of credit to backstop LDCs in the event of default may not be enough; additional security on primacy of payment during moratorium period

- Underwriters want to get paid first, currently the generators would be paid first.

OPG securitization 4.5%

- Unclear whether this is a regulatory change or not
- Energy to look at technicalities of the change

Interest payments during moratorium (inflationary cap period?)

- Drafting complete on this
- CAO needs accounting analysis on that
- Atel wants to see the draft

Fees regulation (OPG management fee?)

- With the drafters; more complex than originally anticipated
- Role for OEB, comfort zone on basis points for OPG and keeping commercial integrity alive
 - o 7.5 basis points that would be revisited in a few years (OPG wants 10 basis points)
 - o OEB wanted 5 basis points

OPG wants to be in the market by end of November

- DBS and Moody's doing the ratings; DBS has issued methodology for comment for one month; starting to send them things to get going on analysis

IESO billing system may result in them sitting with a regulatory asset at year end (December), are currently analyzing this. Looking for alternatives.

2. Report

IESO to speak with KPMG

Products for weekend review by this group (TBS specifically asked)

Questions from Atel on questions we are getting at estimates

- FN delivery credit
- \$4B
- OPG's role (higher level)
- IESO may be called back in to answer a question they deferred

Sense from MOF is that she is ready to go to print, regardless of any other information energy provides

3.