Good Afternoon

I wanted to just provide a bit of additional context as we consider this item today.

For many of us, the Ontario Fair Hydro Plan was announced in March and then implemented on bills in July. But for a dedicated team inside Government, the Ontario Financing Authority, the IESO and OPG the work has continued on a weekly basis since our Government's announcement back in late winter.

As you will recall, the "smoothing" of the Global Adjustment over time – the process that we have described as refinancing a mortgage over a longer period of time – remains a complex financial transaction that has not yet really begun.

To effect this transaction, Ontario Power Generation will be creating a subsidiary Trust that will acquire this debt from the Independent Electricity System Operator (IESO).

While each of us (and all residential ratepayers) began to pay 25% less on Canada Day, the Trust has not yet acquired the investment asset (ie. The debt) from the IESO.

To be able to make this acquisition, the OPG Trust vehicle needs to have its structures reviewed by external credit rating agencies. AND as part of that credit rating agency review, the item before us today – a "Provincial Protection and Assurances Agreement" is a necessary input.

To be clear – we always knew this was coming : this Agreement was always contemplated as part of the transaction process and was detailed during our February and March Cabinet Submissions which created the Ontario Fair Hydro Plan. In fact, we wrote it into the Legislation that was passed last Spring.

As has been described, this Agreement is necessary to cover off "high impact, low probability events".

The Agreement would only kick in should three dramatic events occur : a change in Legislation; an adverse court ruling and a reorganization of the IESO that prevents their effective management of the Global Adjustment.

The credit rating agencies and dealers (banks) that would be helping to fund the borrowing that OPG Trust needs to enact in order to buy the debt from IESO require this Agreement to provide assurances that – in worst case scenario – bond holders would be able to recover their loans.

Practically speaking, it's an administrative release valve should some future Government choose to sunset the Ontario Fair Hydro Plan after 10 years instead of the full 30.

In terms of next steps, this Agreement will proceed to the Ontario Power Generation Board of Directors as part of the final package that they need to approve before starting the credit rating process. Before the end of the year, OPG Trust will borrow in the Canadian bond market sufficient resources to acquire the regulatory shortfall that IESO is presently shouldering.

From an accounting perspective, it is very important for all of this to occur before the end of the calendar year (31 December 2017) to ensure that the Ontario Fair Hydro Plan continues on course.

In the future, the Ministry of Energy has been asked to report back to Treasury Board with an broader assessment of financial and accounting risks; and we look forward to that conversation.

Thank you and we'd be pleased to take any questions on this item.