RE: OFA facility for IESO

From: "Donaldson, Mark (TBS)" <mark.donaldson@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Wed, 06 Dec 2017 10:48:58 -0500

Will do. Thanks.

From: Veinot, Cindy (TBS)
Sent: December 6, 2017 10:48 AM
To: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>
Subject: RE: OFA facility for IESO

That was not my understanding, but I have not seen any documentation on the "interest during the moratorium issue", so I'm only going by discussions at the Thursday morning meetings.

Suggest John Kim or you follow up with Susan Nicolson at IESO.

Thanks,

From: Donaldson, Mark (TBS)
Sent: December 6, 2017 10:45 AM
To: Veinot, Cindy (TBS)
Subject: FW: OFA facility for IESO

Hi Cindy ,

Payments to OPG Trust for interest and fees – was the source of funds identified as outlined below initially (using the OFA credit facility)? I thought there was a timing issue, but that fees and interest charged by the OPG Trust to the IESO would be acquired by the Trust through subsequent purchases of the regulatory asset (these costs would form part of the regulatory asset as incurred) . This note suggests that the IESO will have an accumulating unsold regulatory asset for these costs and a debt to the OFA over the moratorium period.

Was that your understanding?

Mark

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: December 5, 2017 6:21 PM
To: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>
Cc: Kathirgamanathan,Shajee (OFA) <Shajee.Kathirgamanathan@ofina.on.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: OFA facility for IESO

Hi Mark,

As part of the Fair Hydro Plan, we have become aware that the IESO is intending to use the OFA's $2 billion credit facility to pay for the interest costs and fees associated with the Fair Hydro plan during the moratorium period.

Would your team have been aware of this? We would like your comments specifically on the potential for fiscal impact given that the IESO would be borrowing to pay for these interest costs and fees.

We have developed an internal briefing note (still draft) to outline this issue, and would appreciate comments from your area, particularly on the 'Fiscal Impact' section.

Happy to chat further or have my staff reach out to yours to flush out the details.

John

Y. John Kim
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