CONFIDENTIAL
Until filed with the
Registrar of Regulations

REG2017.0537.e
5-TP

ONTARIO REGULATION

made under the

ONTARIO FAIR HYDRO PLAN ACT, 2017

Amending O. Reg. 206/17

(GENERAL)

1. Paragraph 1 of subsection 5 (1) of Ontario Regulation 206/17 is amended by adding the following subparagraph:

viii. Amounts paid or payable by or on behalf of a financing entity during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5 (2) or (3) of the Act.

2. The Regulation is amended by adding the following section:

IESO to pay, remit amounts re carrying costs of financing entity

9.1 (1) During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall pay and remit to a financing entity any amounts charged to the IESO by the financing entity in respect of carrying costs of the financing entity during the period beginning on June 1, 2017 and ending on July 31, 2021.

(2) For the purposes of determining the amounts to be paid and remitted under subsection (1), the IESO may rely on information provided by a financing entity with respect to the amounts.

(3) The carrying costs of a financing entity for a period of time shall be determined as follows:

1. After eliminating any duplication in the following amounts, calculate the sum of the following amounts:

   i. Funding costs paid or payable during the period.

   ii. Derivative payments required to be made during the period.

iii. Amounts deposited, as required under the governing documents of funding obligations, into accounts other than capital accounts during the period.

iv. Financing entity expenses paid or payable during the period.

v. Tax liabilities payable during the period.

2. After eliminating any duplication in the following amounts, calculate the sum of the following amounts:

i. Amounts withdrawn, as permitted under the governing documents of funding obligations, from accounts other than capital accounts during the period.

ii. Any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements.

iii. Tax refunds received during the period.

3. Subtract the sum calculated under paragraph 2 from the sum calculated under paragraph 1.

(4) The determination of the carrying costs of a financing entity for a period of time shall be made on an accrual basis accounting method.

(5) The IESO may grant security to a financing entity for the purpose of meeting its obligation to pay and remit amounts under this section.

3. Section 16 of the Regulation is amended by adding the following paragraph:

3. Any amounts paid or incurred by the IESO under section 9.1.

Commencement

4. This Regulation comes into force on the day it is filed.