

Ministry of Energy Staff Comments on OPG 2017 Q4 Financials

Financials

Page # & paragraph	Description	Suggested revisions/comments
Page 12; Paragraph 4	"On June 1, 2017, the <i>Ontario Fair Hydro Plan Act, 2017</i> (the Fair Hydro Act or the Act) received Royal Assent..."	Comment: Suggest using OFHPA or "the Act" as short form, given that "Fair Hydro Act" is the overarching Act within which the OFHPA is Schedule I. Note that this issue appears in all the documents.
Pg. 64, pp. 1 Pg. 72, pp. 4	Chart	Comment: The chart on page 64 indicates \$8 million in OM&A expenses/revenues from the Trust, plus \$1 million income from subordinated debt interest. Page 72 indicates \$7 million of unbilled revenue from IESO, and that OPG has submitted for OEB review a \$6 million general fee. In addition, the "Fair Hydro Trust" segment on page 44 of the MD&A indicates that \$1 million in OM&A expenses are not recoverable from IESO. It is unclear why \$8 million in revenues is recorded in addition to income from interest, where \$7 million is owing from IESO, and only \$6 million is applied for as the fee. Please clarify these figures.

MDA

Page # & paragraph	Description	Suggested revisions/comments
Page 31; Paragraph 2	"...description of the potential effects of the project on the Nation's spiritual and cultural connection to the land, taking into account the results of the SON Community Process. "	Comment: Please clarify the term "SON Community Process".

Page 44; Paragraph 4.	"...earnings were offset by an allocation of OM&A expenses for labour costs relating to OPG's employees that are not exclusively dedicated to the segment but who provided services to set up the Trust during the year. Pursuant to the general regulation of the Fair Hydro Act, such labour costs are not recoverable as part of OPG's fees for 2017. "	<u>Comment:</u> ENERGY's understanding was that costs associated with FSM activities would be recoverable. In addition, see comment above regarding pages 64 and 72 of the Financials.
Pg. 66; Paragraph 1	"In January 2018, Refurbishment senior management met with the Minister of Energy, Cabinet and Treasury Board to provide an update on the status of the Darlington Refurbishment project and to request a decision to not exercise the Unit 3 off-ramp."	<u>Comment:</u> Consistent with past practice, it is suggested that reference to government approvals be at a high level and avoid mention of specific Treasury Board and Cabinet meetings. <u>Suggested Edit:</u> "In January 2018, Refurbishment senior management met with the Minister of Energy, Cabinet and Treasury Board to provide an update on the status of the Darlington Refurbishment project and to request OPG provided an update to the government on the status of the Darlington Refurbishment project and requested a decision to not exercise the Unit 3 off-ramp."

Press Release

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Page 2; Paragraph 3.	"The Fair Hydro Trust (the Trust) was established in December 2017 in accordance with the <i>Ontario Fair Hydro Act, 2017...</i> "	<u>Comment:</u> Word "Plan" is missing in <i>Ontario Fair Hydro Plan Act, 2017</i>

Annual information Form

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Page 42; Paragraph 3	“...description of the potential effects of the project on the Nation’s spiritual and cultural connection to the land, taking into account the results of the SON Community Process. “	<u>Comment:</u> Please clarify the term “SON Community Process”.
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