Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Provincial Protection and Assurance Agreement	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• MOF / ENE to finalize Protection Agreement based on Term Sheet approved by TB/CAB. **Timing:** In advance of OPG Board Meeting on November 13, 2017
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / ENE to determine required monthly process and sign-off mechanism **Timing:** October for internal provincial mechanism
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation (currently with MOF for review) **Timing:** Fall for regulation
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Fall
OPG Management Fees / OPG Fees and Interest Recovery	• OPG is allowed to charge a management fee for its services, which will account for the amount of debt issued, OPG performance, fees charged for comparable services, and ensure OPG operates on a commercial basis. • OPG accounting advice that interest and fees must be	• Amendments to Ontario Regulation 206/17 (General) • Amendments to O. Reg. 206/17 (General)	• ENE, OPG, OEB and OFA finalized regulatory amendments to enable OPG to establish and charge fees in its role as Financial Service Matter (FSM), provide a methodology for the calculation of those fees and define the role of the OEB in reviewing and approving those fees • Regulatory amendments were also finalized to enable the FSM to recover fees and interest amounts from IESO during the inflationary cap period, and would enable IESO to record such amounts in the variance account

	recovered during "inflationary cap" period for GA Refinancing to proceed as planned under the OFHPA. Note: Net impact on ratepayers during the inflationary cap period will be zero		**Timing**: LRC on October 30, 2017
Acceleration and Negative Fair Allocation Amounts (FAA)	• OPG has advised that additional amendments to O. Reg. 206/17 (General) may be required to satisfy accounting requirements, that would address unintended consequences of negative FAA amounts and the impacts of a potential acceleration	• Amendments to O. Reg. 206/17 (General)	• ENE and OPG considering further amendments to the General Reg. **Timing:** LRC on November 20, 2017 and/or December 2017
Letter of Credit	• OPG has advised that an IESO Letter of Credit is required to backstop smaller Local Distribution Companies (LDCs) that do not have credit ratings	• Amendments to O. Reg. 429/04	• ENE, IESO, and OPG considering amendments to O. Reg. 429/04 to enable the recovery of Letter of Credit carrying costs from specified consumers **Timing:** LRC on November 20, 2017 and/or December 2017