

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: September 25 – TB/MBC / September 27 – CAB Fall for finalization of Protection Agreement
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: OPG Board meeting September 29 (Master Subscription Agreement) 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: Regulation by fall
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: Late September
OPG Management Fees	OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	- Draft Base Fee framework - Draft Performance Fee framework - Regulation	ENE, OPG, OEB and OFA working to develop proposed regulation which would determine role of OEB in determining fees OPG charges Timing: Proposed regulation expected to be reviewed at October 16 LRC.
OPG Fees and Interest Recovery	OPG accounting advice that interest and fees must be recovered during “inflationary cap” period for GA Refinancing to proceed as planned under	- Amendments to Ontario Regulation 429/04 - Amendments to OFHPA Regulations	ENE, OPG, OEB, IESO and OFA working to develop proposed regulatory amendments which would enable fees and interest amounts to be recovered via Global Adjustment (GA). Timing: Proposed regulation expected to be reviewed at October 16 LRC.

	the OFHPA. Note: Net impact on ratepayers will be zero.		
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