Implementation of Ontario's Fair Hydro Plan
Week of September 11, 2017

<table>
<tr><th>Item</th><th>Key Deliverables / Considerations</th><th>Timing / Next Steps</th></tr>
<tr><td colspan="3">1) Refinancing the Global Adjustment (ESP/IGS/LSB)</td></tr>
<tr><td>ENERGY, LSB, IESO, OPG, OEB, TBS and MOF</td><td><u>Recent Action Items</u>
Ongoing Business Items
Provincial Guarantees (i.e., performance / payment, term sheet)
OPG/TBS (OPCD), MOF, OFA and ENERGY met on August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required
OPG proposing to prepare an option for Government to pay outstanding obligation should OPG/Trust no longer be able meet financing obligations
IESO and OPG to continue discussions regarding the letter of credit to backstop smaller LDCs without ratings or using a reserve account – need to determine quantum
IGS/OFA to prepare summary deck for week of September 4, 2017
Note: Initial focus of OPG financing will be on Canadian market
Management Fees Regulation
Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach)
Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium
OPG Equity Injection Process
Subordinate Debt Loan Agreement
Payment in Lieu of Taxes Exemption
MOF/Tax Policy working on comfort letter re:</td><td>July 1 – 25% takes effect
Summer – Prepare Minister's Fair Allocation Amount (TBD)
Summer – LRC/Cabinet Approval Management Fee regulation (TBD)
Summer – LRC/Cabinet Approval Interest Collection During the Inflationary Cap Period regulation (TBD)
Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG
September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD)
Late November 2017 – OPG Financing (TBD)</td></tr>
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	PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • OPG to go to its Board with OFHP financing plan following direction from August 16, 2017 meeting • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • All LDCs have indicated they have implemented the program	• Will hold a wrap-up working group teleconference in August.
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • July 26 TB approval for MCSS to expand FTEs and create team dedicated to OESP enrolment, using funds approved on March 1, 2017 under FHP • OEB and MCSS executed MOU (as per recent OEBA amendments) to share information that will support targeted outreach for social assistance clients potentially eligible but not enrolled in OESP • Targeted outreach and automatic SA client enrolment by MCSS to start late September; MCSS to continue developing software solution for automation over next several months • Significant progress on wet signature issue – SNAP continues to work with, MOF, OEB and CRA on solution	• Week of August 7 – follow-up with CRA on proposed wet signature solution

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	• SNAP to work with TBS to ensure funds flow from fiscal plan when OESP moves to the tax base	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • All LDCs have indicated they have implemented the program. • Ministry working on post card for FNDC	• Will hold a wrap-up working group teleconference in August.
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is offering back office support and helping coordinate stakeholder engagement on program design for the Board of Trustees (have engaged Accenture to assist) • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx and in-person meeting seeking feedback from LDCs on program design held August 1 (~70 participants) • Trustees continue to work through program design concepts and details in order to launch the program as soon as possible • Trustees have agreed to Hydro One's role as administrator • Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design)	**September 2017:** Target for program launch **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Late 2017/early 2018:** • ENERGY can apply for additional funds through 2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust

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	• Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • Third-party hired to undertake electronic search of records • TBS advises that AG is tracking for an opinion on Public Accounts (PA) on August 18, which would result in an earliest release by the government of the PA on August 28 (Note: The statutory deadline in September 27) • IESO indicates that Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG • AG attended special meeting of IESO Board on OFHP	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC outreach campaign to promote ICI • Ongoing outreach with LDCs being undertaken by IESO • CME proposal (TBD)	• Quarterly Report Backs re ICI to TBS / MBC
9) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations	• Continue this work as part of LTEP

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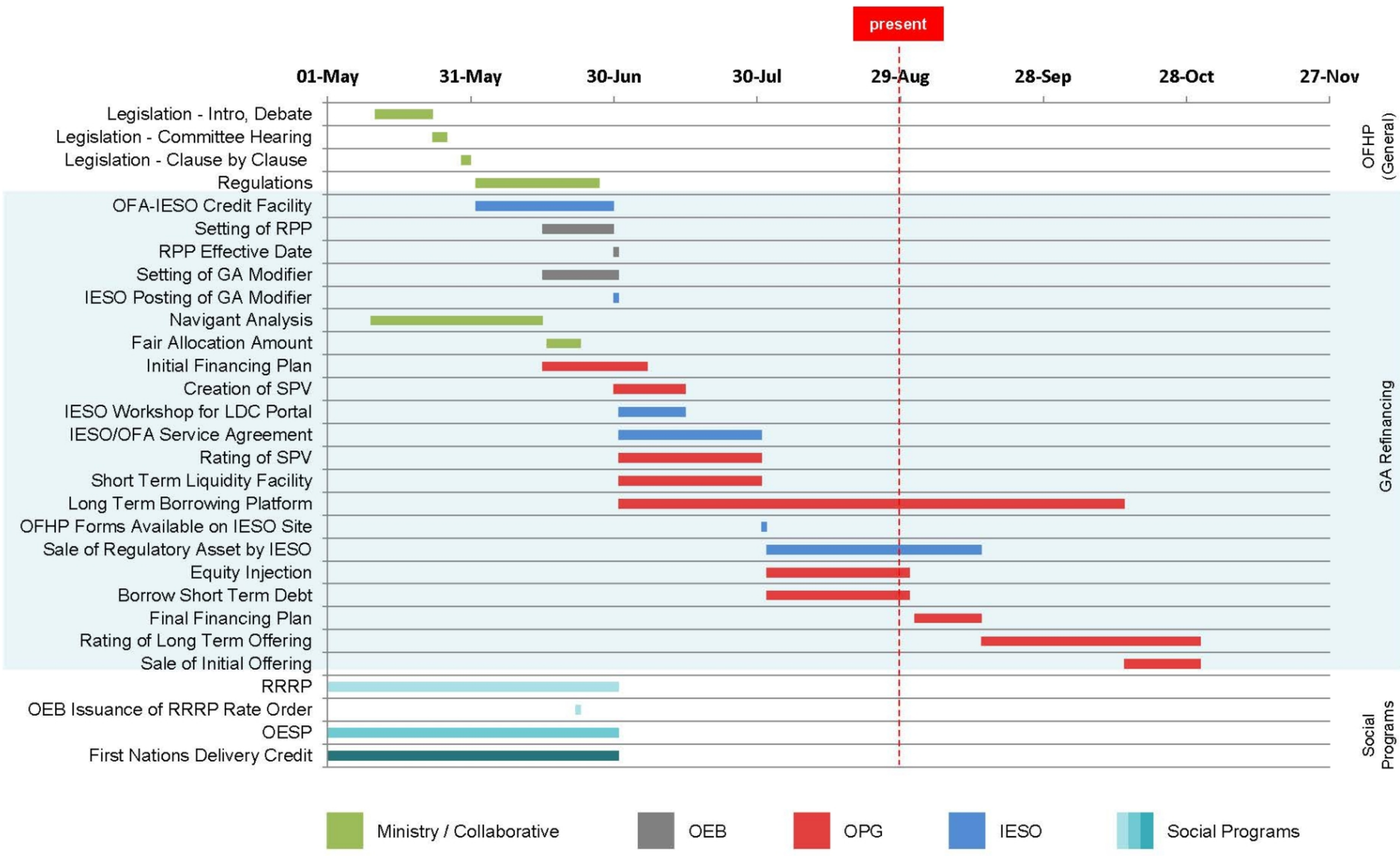
	• Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	

Ontario Fair Hydro Plan Implementation



* Note: Preliminary timeline with tentative dates that are subject to change.

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