Globe's Questions:

Which persons are responsible for running the Fair Hydro Trust?

- OPG's Board of Directors approved a separate group within the Treasury department to operate the Fair Hydro Trust. As of March 31, 2018, there are four full-time employees assigned to the Fair Hydro Trust group. This group is ~~adequately staffed and~~ qualified to manage the ongoing activities of the Fair Hydro Trust, and to effectively keep ratepayer costs for running the fund to a minimum.

Mr. Hartwick said: "We were also successful in establishing the Fair Hydro Trust which we expect to have a positive contribution to our financial results going forward." How does the Fair Hydro Trust have a positive contribution on OPG's financial results? Please walk me through it.

- OPG earns interest income on funds it loans to the Trust, which rank as subordinated debt of the Trust. OPG also receives a management fee for services provided to the Trust as its Financial Services Manager, including determining whether to acquire Investment Interests from the IESO, negotiating and executing all agreements, fulfilling reporting requirements, and administering the Trust's day-to-day activities~~,~~.

- ~~OPG receives a fair market rate and is responsible for managing the Trust, including determining whether to acquire Investment Interests from the IESO, negotiating and executing all agreements, fulfilling reporting requirements, and administering the Trust's day-to-day activities~~~~Th~~OPG's~~is~~ services in relation to the Fair Hydro Plan are~~is~~ ~~considered within the scope of the Fair Hydro Plan, and is~~ an essential part of delivering value for ratepayers. For example, OPG used its expertise in managing other large funds and worked with its advisors to successfully market Fair Hydro Trust Bonds. In the February 2018 offering, there was strong investor appetite and it resulted in an interest rate of 3.357%, the lowest cost financing in the Canadian energy sector.

- Fees charged by OPG to the Trust are in accordance with sections 10.1 to 10.15 of *Ontario Regulation 206/17*, and are at the lower end of industry benchmarks. ~~The fees consist of base and variable management fees as well as recovery of certain direct costs incurred by OPG on behalf of the Trust without markup.~~ OPG's management fees are subject to an annual review by the Ontario Energy Board (OEB). Management fees for 2017 and the January 2018 to March 2019 period have been submitted to the OEB for review.

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Mr. Hartwick said "The Fair Hydro Trust expects to acquire another tranche of investment interest from the IESO in March 2018." Did that transaction happen? If so, please describe that transaction.

- Yes, on March 22, 2018, the Fair Hydro Trust purchased its second tranche of Investment Interest from the IESO in the amount of $460 million. Fifty-one per cent of the funding requirement or $235 million was financed by the Trust through a revolving warehouse facility ranked as senior notes, and the remaining 49 percent or $225 million was funded through the issuance of short-term subordinated debt to OPG.

- OPG used its expertise in managing other large funds to successfully market Fair Hydro Trust Bonds. There was strong investor appetite ~~i~~In the February 2018 offering, ~~there was strong investor appetite~~ and it resulted in an interest rate of 3.357%, the lowest cost financing in the Canadian energy sector.

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In its October 2017 report on the Fair Hydro Plan, the Auditor General of Ontario said the Fair Hydro Trust will borrow an average of $2.5 billion a year. What's OPG's current expectation?

- OPG's current expectation is that the average borrowing will be less than $2 billion per year. This amount is an estimate and actual borrowing is dependent on changes in various factors. ~~including, but not limited to, underlying assumptions relating to the Fair Allocation Amount provided by the Ministry of Energy (including estimates of future generator costs over the ensuing years), electricity demand and consumption, consumer defaults and delays, interest rates, investor interest, and capital market conditions.~~