

| Fair Hydro Trust – Asset Purchase Cycle |                  |                   |                               |                                 |
|-----------------------------------------|------------------|-------------------|-------------------------------|---------------------------------|
|                                         | Month T (Day 10) | Month T (Day 11+) | Month T+1 (Day 9) - Execution | Month T+1 (Day 10) - Settlement |
| STD – Bank Facility                     |                  |                   |                               |                                 |
| OPG                                     |                  |                   |                               |                                 |
| Custodian                               |                  |                   |                               |                                 |
| Trust                                   |                  |                   |                               |                                 |
| IESO                                    |                  |                   |                               |                                 |

The flowchart illustrates the Fair Hydro Trust Asset Purchase Cycle across four time periods: Month T (Day 10), Month T (Day 11+), Month T+1 (Day 9) - Execution, and Month T+1 (Day 10) - Settlement. The process involves five main entities: STD – Bank Facility, OPG, Custodian, Trust, and IESO.

**Month T (Day 10):**

- OPG decides on purchase amount for Trust.
- Trust sends Regulatory Asset Account Balance to IESO.
- IESO informs Trust of current balance of Regulatory Asset Account.
- Trust sends Purchase Request Form to IESO.

**Month T (Day 11+):**

- OPG decides on purchase amount for Trust.
- Trust sends Purchase Request Form to IESO.
- IESO sends back duly signed Purchase Request Form to Trust.

**Month T+1 (Day 9) - Execution:**

- OPG borrows short-term on behalf of Trust.
- STD Lenders provide funds to Trust via Custodian.
- Trust sends direction letter to pay IESO.
- Custodian pays IESO.

**Month T+1 (Day 10) - Settlement:**

- Funds for purchase (\$) are sent to the Trust.

**Key Agreements and Documents:**

- F&MS Agreement:** Connects OPG's decision to the Trust's request form.
- Custodial Agreement:** Connects STD Lenders to the Trust's direction letter and the Custodian's payment to IESO.
- Sale & Service Agreement:** Connects the Trust's request form to the IESO's response and the final funds transfer.

**Key Questions/Notes:**

- "Purchase Request form based on OPG's securitization facility. The actual means and method to formalize a purchase in this situation still need to be contemplated."
- "This form + Sale & Service Agreement is the Asset (?)"
- "How formal and detailed does this need to be? As investing decisions are made from this, would an IESO officer need to sign off?"



F&MS - Financing & Management Services