Message

From: Kim Marshall [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=B63A22B42BF14587870D93119A054D88-KIM MARSHAL]
Sent: 2017-04-27 12:44:41 PM
To: Georgia Ritchie-Wust [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=58abb932312542a29332c900b586e02e-Georgia Rit]
Subject: FW: OPG - IESO processes/timing charts
Attachments: Fair Hydro Trust - Operational Cycles.pdf; Timeline of Initial Purchase and Sale of Deferred Asset Account_v1.pdf

Can you pls print the attachments

Kimberly Marshall | VP, Corporate Services & CFO
Independent Electricity System Operator (IESO) | T: (416) 969-6232 | C: (416) 545-7202
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: IESO_Tweets | LinkedIn: IESO

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals.

From: Anthony Martinello
Sent: April 26, 2017 9:53 AM
To: Susan Nicholson; Jeannette Briggs; Kim Marshall; Michael Boll
Subject: OPG - IESO processes/timing charts

FYI

1.
OPG has tabled 3 draft process/flows a) buying from IESO, c) sending invoices to IESO for payment, and c) recovery phase of the CEA.

2.
OPG assumes first purchase may likely happen in August.

These are all subject to the work on the upcoming sales/services agreements of which we will crystalize the time lines.

I told OPG we need to fit these flows to fit into existing IESO processes (i.e. settlement dates, IESO portal submissions etc.) to avoid work-arounds/extra/manual work.

As for vendors' invoice / interest / OPG fees payments I also brought up the HST taxes issue (of which OPG said they are looking into too).

Any comments on these processes will need to flow back to OPG and eventually find their way into the sales/service agreements.

Regards.

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: April 26, 2017 8:59 AM
To: Anthony Martinello

Cc: PRESTON Stuart -TREASURY; Hamlet Alexanian
Subject: RE: EXTERNAL – RE: Operational process flowcharts

See attached.

In regards to the idle cash/negative carry, I put a fairly large note addressing the inability for the Trust to bill IESO as the payments become due. Essentially, it would cause a mismatch between the accounting for the expenses (accrual basis) and recovery (cash basis). However, mitigating this is, during the recovery period, there will be multiple bond tranches, which will likely have different debt service payment dates. So even though the individual bond payments would be semi-annual, likely the multiple bond tranches would be staggered, such that there's going to be payments every month.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, April 25, 2017 1:46 PM
To: GO Matthew -TREASURY
Cc: PRESTON Stuart -TREASURY; Hamlet Alexanian
Subject: RE: EXTERNAL – RE: Operational process flowcharts

Matthew,

Can you send out a revised set of draft process flow-charts based on our mutual comments – will like to share them with internal IESO staff who will need to work on the processes.

Also, assuming the sale/service agreements are signed, what is your "assumption" on when likely the first OPG/Trust buy of the asset from the IESO will occur – in July 2017 for the month of June's shortfall?

Regards.

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: April 24, 2017 5:03 PM
To: Anthony Martinello
Cc: PRESTON Stuart -TREASURY; Hamlet Alexanian
Subject: RE: EXTERNAL – RE: Operational process flowcharts

In regards to the efficient use of funds, assuming the Trust purchases assets every month, the amounts the Trust collects from IESO for interest in any given month will be used to purchase the asset from IESO in the same month. In doing it that way, the Trust will need to borrow less short-term debt. This will significantly reduce the amount of idle cash and reduce negative carry.