ieso
Independent Electricity System Operator

1600 - 120 Adelaide Street West
Toronto, ON M5H 1T1
t 416 506 2800
www.ieso.ca

Memorandum

To: THE BOARD OF DIRECTORS
of the Independent Electricity System Operator

From: Anthony Martinello, Director Treasury and Pension Operations.

Date: February 27, 2018

Re: Treasury Update

The following are key updates for your information.

[redacted]

Fair Hydro:

On December 21, 2017, the IESO successfully completed and transferred $1.179 billion fair hydro receivables to the Fair Hydro Trust and immediately paid down the corresponding OFA debt. As at December 31 2017, the IESO had less than $1 million in OFA debt related to the fair hydro program. On February 8, 2018, the IESO offered to transfer $332 million to Fair Hydro Trust for the months of December's and January's electricity fair hydro activity.

[redacted]

Debt:
As at December 31, 2017 the IESO had the following outstanding debt:

- $1 million regarding fair hydro program – variable interest rate, Province of Ontario's cost of borrowing plus 0.25 percent per annum;

[redacted]

[redacted]

Sincerely,

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Anthony Martinello
Director, Treasury and Pension Operations