Message

From: Anthony Martinello [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=3FB7D76317B34780B15D96309B995C31-ANTHONY MAR]
Sent: 2017-05-08 10:41:19 AM
To: GO Matthew -TREASURY [matthew.go@opg.com]
CC: PRESTON Stuart -TREASURY [stuart.preston@opg.com]; Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]; Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
Subject: RE: EXTERNAL – OPG - IESO : FHP timelines

How does tomorrow 2-4pm (we may not need full 2 hours) work? I will send out invite and call-in. Regards.

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: May 08, 2017 9:59 AM
To: Anthony Martinello
Cc: PRESTON Stuart -TREASURY; Jeannette Briggs; Susan Nicholson
Subject: RE: EXTERNAL – OPG - IESO : FHP timelines

Hi Anthony,

Yes, let's do another meeting to discuss the items on your list. Can we actually do it earlier in the week? Reason being, Torys is drafting the Sale & Service Agreement with the previous version of the processes. If there are any significant changes, they would need to be informed sooner rather than later.

Thanks,
Matt

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, May 08, 2017 9:26 AM
To: GO Matthew -TREASURY
Cc: PRESTON Stuart -TREASURY; Jeannette Briggs; Susan Nicholson
Subject: EXTERNAL – OPG - IESO : FHP timelines

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Matthew,

May I suggest we have another meeting via telephone to walkthrough draft timelines and processes again later this week, say Thur or Fri?
I am inviting Susan (director, controller) and Jeannette (director, settlements).

Proposed Agenda:
-walkthrough the timelines again
-understand a) vendors' invoices payments, b) OPG admin fees, and c) interest expenses incurred by OPG/Trust
-discuss HST taxes
-discuss IESO portal inputs by OPG/Trust

Let me know.

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.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, April 24, 2017 3:47 PM
To: GO Matthew -TREASURY
Cc: PRESTON Stuart -TREASURY; Hamlet Alexanian
Subject: EXTERNAL – RE: Operational process flowcharts

Matt,

Subject to IESO lawyers comments as they work on the upcoming sales/services agreements, below are my comments:

1.
All days are business days

2.
Asset Cycle:
-Month T (day 11+) : suggest this process have an end at Month T's last day in Month T.
-Month T+1 (Day 9) – Execution: this will need to be on or prior to the 3rd bus day in Month T+1 in order for the IESO to include into the regular IESO settlement processes

3.
Invoices Payments (during deferral period, non-custodian option)

-note to process, there may be an HST taxes issue to get some comfort, as CRA may or may not permit HST input tax credits on bills paid if CRA cannot get the end user (the RPP home owner) to pay the final HST amount within the same year the bills are paid – this may leave a gap or cost overhang issue to resolve

-note, just a note on using cash most efficient, depending on IESO and Trust borrowing rates, it may be more better for IESO to send cash to Trust as soon as Trust pays vendors/interest rather than money sitting in the Trust for a few months while IESO has borrowed the cash

-note, IESO may need OPG and Trust to input their invoice amounts directly into an IESO portal - which is part of the IESO settlement process

-Month T+1(Day 0-9): need this to be no later than by the 3rd bus day to align with current IESO processes
-Month T+1(Day 10-14): need this to be 14th bus day to align with current IESO processes

4.
Recovery Period

-note to file, the OEB will get information directly from OPG/Trust and the IESO may get info in tandem
-note, IESO may need OPG and Trust to input their recovery amounts directly into an IESO portal - which is part of the IESO settlement process

Month T (Day 0-9): need this to be no later than 3rd bus day
Month T (Day 10-14) : need this to be 14th bus day

Regards.

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: April 21, 2017 3:46 PM
To: Anthony Martinello
Cc: PRESTON Stuart -TREASURY
Subject: Operational process flowcharts

Hi Anthony,

Attached are first drafts of operational processes between the Trust and IESO:

1. Trust Payables Cycle – the process of the Trust invoicing IESO for interest and admin costs, during the deferral period.
2. Asset Purchase Cycle – the process of IESO selling the asset to the Trust , during the deferral period.
3. Collection Cycle – the process of the Trust invoicing IESO for the debt service amounts and admin costs during the recovery period.

Other than the Collection Cycle, the processes are consistent with the monthly processes spreadsheet we were dealing with a few weeks back.

Have a look and we can setup a time next week to discuss.

Have a good weekend!

Matt

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