

Message

Sent: 2017-12-06 3:50:40 PM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]; Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]; Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]; Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
CC: Olga Whiteley [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=a8aa010dbbc243af97222fcd3f2ae4a0-Olga White]
Subject: RE: IESO -> OPG Trust, first purchase - questions to the group

Ken told me that the signed agreements are required before the Trust can be established.

Regards,

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

From: Michael Boll
Sent: December 06, 2017 3:30 PM
To: Anthony Martinello; Jeannette Briggs; Susan Nicholson; Kim Marshall
Cc: Olga Whiteley
Subject: RE: IESO -> OPG Trust, first purchase - questions to the group

Hi Anthony, re the carrying costs, as you and I just discussed we should consider whether the financing trust could invoice the carrying costs prior to the MTSA being signed. The obligation to fund the carrying costs arises under O. Reg. 206/17 so the MTSA execution is not necessary for the financing entity to invoice for the carrying costs. Therefore the IESO may fund the amount in advance of MTSA execution and then add it to the regulatory asset in advance of the transfer on Dec 19.

Regarding the \$5 million amount, how has OPG arrived at this? Does this include the FSM fee that requires OEB approval? I may have missed it in the various emails over the past week or so but has OPG sent a breakdown or description of the carrying costs?

In order for the financing trust to invoice the IESO for these carrying costs, the financing trust will need to be established. Has anyone received an update on whether the trust has been established yet and if it hasn't when they plan to do so?

From: Anthony Martinello
Sent: December 06, 2017 2:45 PM
To: Jeannette Briggs; Susan Nicholson; Kim Marshall; Michael Boll
Cc: Olga Whiteley
Subject: IESO -> OPG Trust, first purchase - questions to the group
Importance: High

Below is my expected (not final) purchase breakdown:

- a. \$1,005,539,906.31 => principal outstanding, paid to OFA on Dec 19th
- b. \$948,810.23 => interest due to OFA, paid to OFA on Dec 19th
- c. \$200,000,000.00 => estimated amount, LDCs input into IESO portal no later than Dec 6th for the Fair Hydro's month of November transactions;
- d. \$5,000,000.00 => OPG Trust's advance of carrying costs, to be paid to OPG Trust on Dec 19th (or earlier)

Total: **\$1,211,488,716.31**

Question for the group:

1.

For the \$5 million carrying cost, OPG Trust is normally to input this amount into IESO portal by the 4th business day each month, but since the MTSA is not yet signed by all parties, can I recognize the \$5MM as the regulatory asset? The IESO will have to either a) create manual invoice or b) have this part of the regular invoice as a MLI. Thoughts?

2.

When does the Transfer Notice get signed by IESO and issued? IESO will send the invoice for \$1.211Billion on Dec 15th to OPG Trust, so the Transfer Notice should be send by Dec 11th with OPG Trust having until Dec 13th to sign back. Thoughts?

Regards.