

Message

From: Kim.Marshall@ieso.ca [Kim.Marshall@ieso.ca]
Sent: 2017-06-15 5:44:50 PM
To: JORDA Jenny -FIN & C CTRL [jenny.jorda@opg.com]
CC: Michel Picard [mpicard@kpmg.ca]
Subject: Re: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Just FYI Michel has limits on availability mon

Sent from my iPhone

On Jun 15, 2017, at 3:51 PM, JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com> wrote:

Hi Kim – I haven't heard back from EY yet, will send out an invite when I hear back. Just to follow up on a few items:

- <!--[if !supportLists]--><!--[endif]-->The portion of the Sales and Serving Agreement relating to the requirement for the IESO to pay the interest/fees to the Trust during the moratorium hasn't been drafted yet. But what I'm hearing is that the wording will focus on these payments as 'inducements' (which happen to equal interest), that will be paid to the Trust in order to 'entice' the Trust to purchase the asset. Not sure if this wording changes KPMG's conclusions on having to record a liability. We will also check with EY to see if that wording will impact our conclusions.
- <!--[if !supportLists]--><!--[endif]-->I checked with our legal team and they were not aware of a clause that allowed for the Trust to be able to offer the principle back to the IESO. Can you point us towards where this is stipulated?

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Thursday, June 15, 2017 2:50 PM
To: JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; Anthony Martinello <Anthony.Martinello@ieso.ca>; MAUTI John -FIN & C CTRL <john.mauti@opg.com>; Susan Nicholson <susan.nicholson@ieso.ca>
Subject: RE: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Do we have a meeting set up for Monday?

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](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

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From: JORDA Jenny -FIN & C CTRL [mailto:jenny.jorda@opg.com]
Sent: June 13, 2017 10:50 AM

To: Kim Marshall; Anthony Martinello; MAUTI John -FIN & C CTRL
Subject: RE: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Hi Kim – we have two items to discuss:

1. <!--[if !supportLists]--><!--[endif]-->Our understanding is that because of the 4-year moratorium on ratepayers, the IESO will be required to pay interest and third party fees to the Trust during the period of the moratorium. We have heard from the lawyers that the IESO will not be paying the Trust third party fees (legal, accounting, dealer, etc). This results in the Trust not being able to recognize revenue to offset the expense – we want to understand why the IESO can pay the interest fees, but not the other third party fees which are significantly smaller in size than interest
2. <!--[if !supportLists]--><!--[endif]--> The reason why KPMG/IESO is proposing to record a liability for the full amount of the interest they will pay the Trust. It calls into question whether the Trust should record a financial asset - which we don't believe is correct because the amounts paid by the IESO related to interest just rolls into the intangible asset owing from ratepayers (i.e. whatever interest is paid to the Trust will be paid back to the IESO through the next intangible asset purchase)

Let me know if you have any questions!

From: Kim Marshall [<mailto:Kim.Marshall@ieso.ca>]
Sent: Tuesday, June 13, 2017 7:40 AM
To: Anthony Martinello; JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL
Subject: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

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Is there value in a creating a list of items to cover and sharing beforehand?

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](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

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From: Anthony Martinello
Sent: June 12, 2017 12:56 PM
To: JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL; Kim Marshall; Susan Nicholson; 'mpicard@kpmg.ca'
Subject: RE: Discuss OPG/IESO accounting for FHP

John,

Unfortunately, the IESO will need to defer this meeting to Wednesday afternoon – if your calendar permits.

Please accept our apologies.

Regards.

-----Original Appointment-----

From: JORDA Jenny -FIN & C CTRL [<mailto:jenny.jorda@opg.com>]

Sent: June 11, 2017 10:16 PM

To: JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL; 'Laney Doyle'; 'Brittany Keenan'; Kim Marshall; Anthony Martinello; Susan Nicholson; 'mpicard@kpmg.ca'

Subject: Discuss OPG/IESO accounting for FHP

When: June 12, 2017 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Local dial-in number: [REDACTED], Conference ID: [REDACTED]

When: Monday, June 12, 2017 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Local dial-in number: [REDACTED], Conference ID: [REDACTED]

Note: The GMT offset above does not reflect daylight saving time adjustments.

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Local dial-in number: [REDACTED]

Conference ID: [REDACTED]

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