

Message

From: Kim.Marshall@ieso.ca [Kim.Marshall@ieso.ca]
Sent: 2017-06-15 7:19:34 PM
To: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: Re: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Thx for responding so quickly

Sent from my iPhone

On Jun 15, 2017, at 6:57 PM, Anthony Martinello <Anthony.Martinello@ieso.ca> wrote:

In the email from Torys to Stikeman dated May 29 2017 re: the "Finance Amount definitions", the preliminary / draft definitions of "Expenses", "Finance Reserve Amount Deposit" may, in concept, include and/or extend to principal amounts. While this may not have be the intent, we should confirm our understandings either way. Regards.

From: JORDA Jenny -FIN & C CTRL [<mailto:jenny.jorda@opg.com>]
Sent: June 15, 2017 3:51 PM
To: Kim Marshall; Anthony Martinello; MAUTI John -FIN & C CTRL; Susan Nicholson
Subject: RE: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

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:

- 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.
- 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)

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

Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

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. 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. 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

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

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)

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

Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

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.

~~*~*~*~*~*~*~*~*

Local dial-in number: [REDACTED]

Conference ID: [REDACTED]

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are

not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc. << File: disclaimer.html >>

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.