

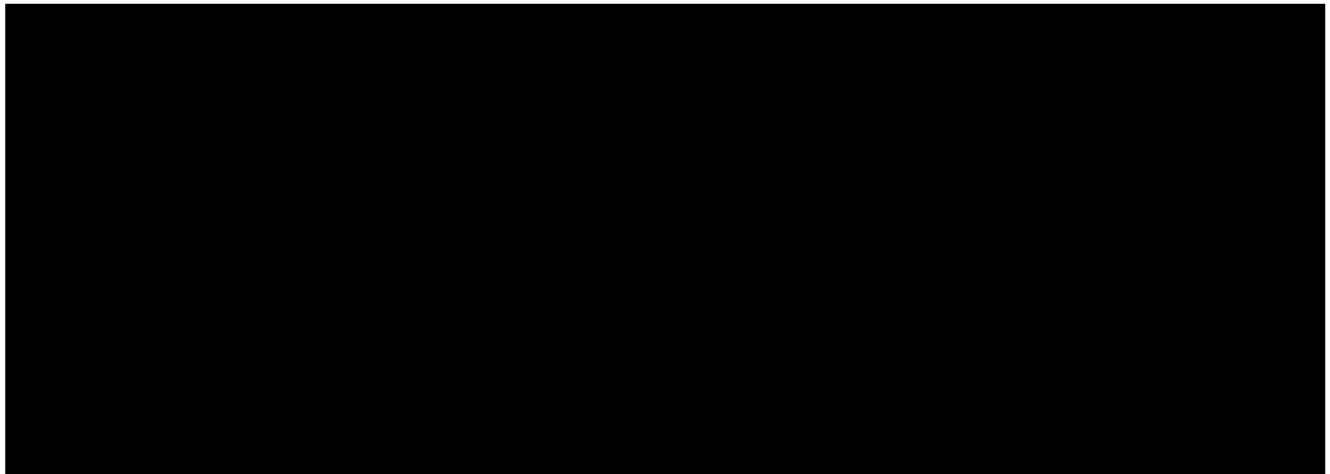
Message

From: Kim.Marshall@ieso.ca [Kim.Marshall@ieso.ca]
Sent: 2017-09-14 8:51:13 PM
To: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: Re: Proposed IESO LC for LDC default

Is there a plan to walk through the business aspect of the transfer agreement? That may be the opportunity

Sent from my iPad

On Sep 14, 2017, at 8:04 PM, Anthony Martinello <Anthony.Martinello@ieso.ca> wrote:



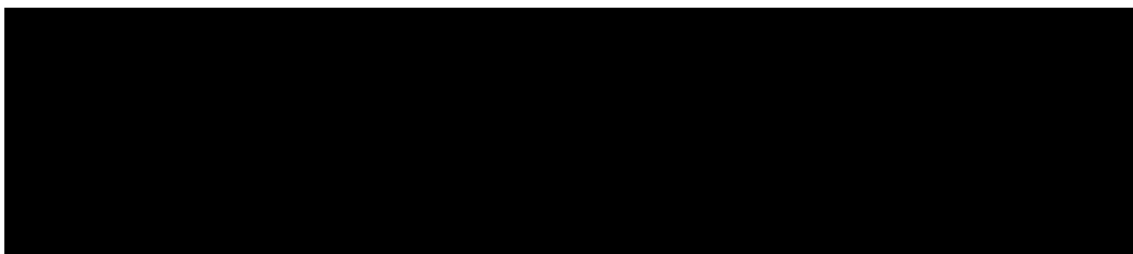
From: Kim Marshall
Sent: September 14, 2017 6:37 PM
To: Anthony Martinello
Subject: Fwd: Proposed IESO LC for LDC default

What can we do to educate?

Sent from my iPad

Begin forwarded message:

From: Glenn Zacher <GZacher@stikeman.com>
Date: September 14, 2017 at 5:27:45 PM EDT
To: Anthony Martinello <Anthony.Martinello@ieso.ca>, Michael Boll <Michael.Boll@ieso.ca>, Kim Marshall <Kim.Marshall@ieso.ca>
Cc: Peter Hamilton <PHamilton@stikeman.com>, Jeannette Briggs <jeannette.briggs@ieso.ca>
Subject: RE: Proposed IESO LC for LDC default



Glenn Zacher

Direct: +1 416 869 5688

Email: gzacher@stikeman.com

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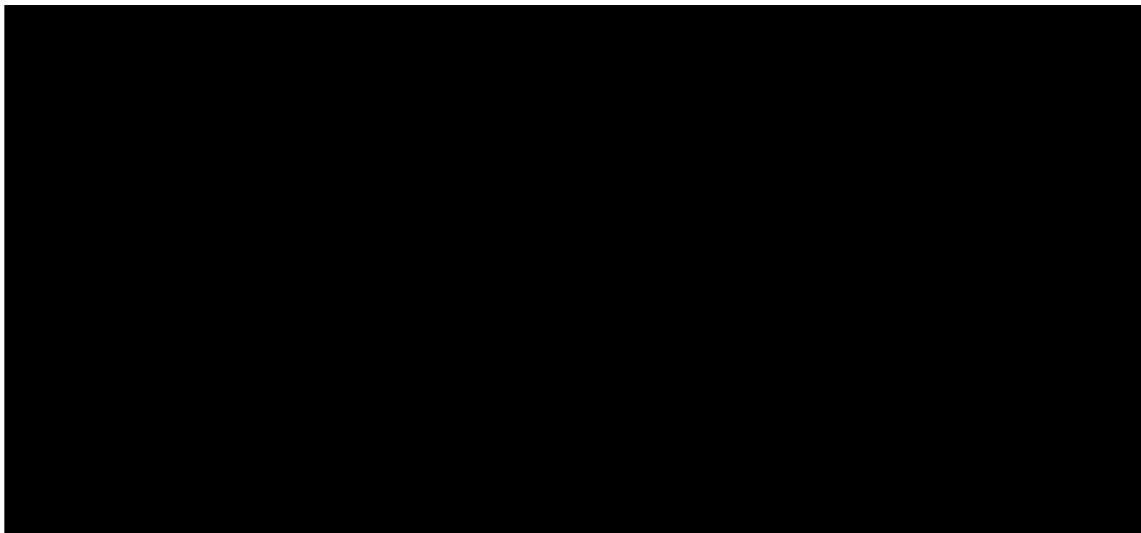
From: Anthony Martinello [<mailto:Anthony.Martinello@ieso.ca>]

Sent: Thursday, September 14, 2017 3:51 PM

To: Michael Boll; Kim Marshall

Cc: Peter Hamilton; Glenn Zacher; Jeannette Briggs

Subject: RE: Proposed IESO LC for LDC default



Regards.

From: Michael Boll

Sent: September 14, 2017 2:24 PM

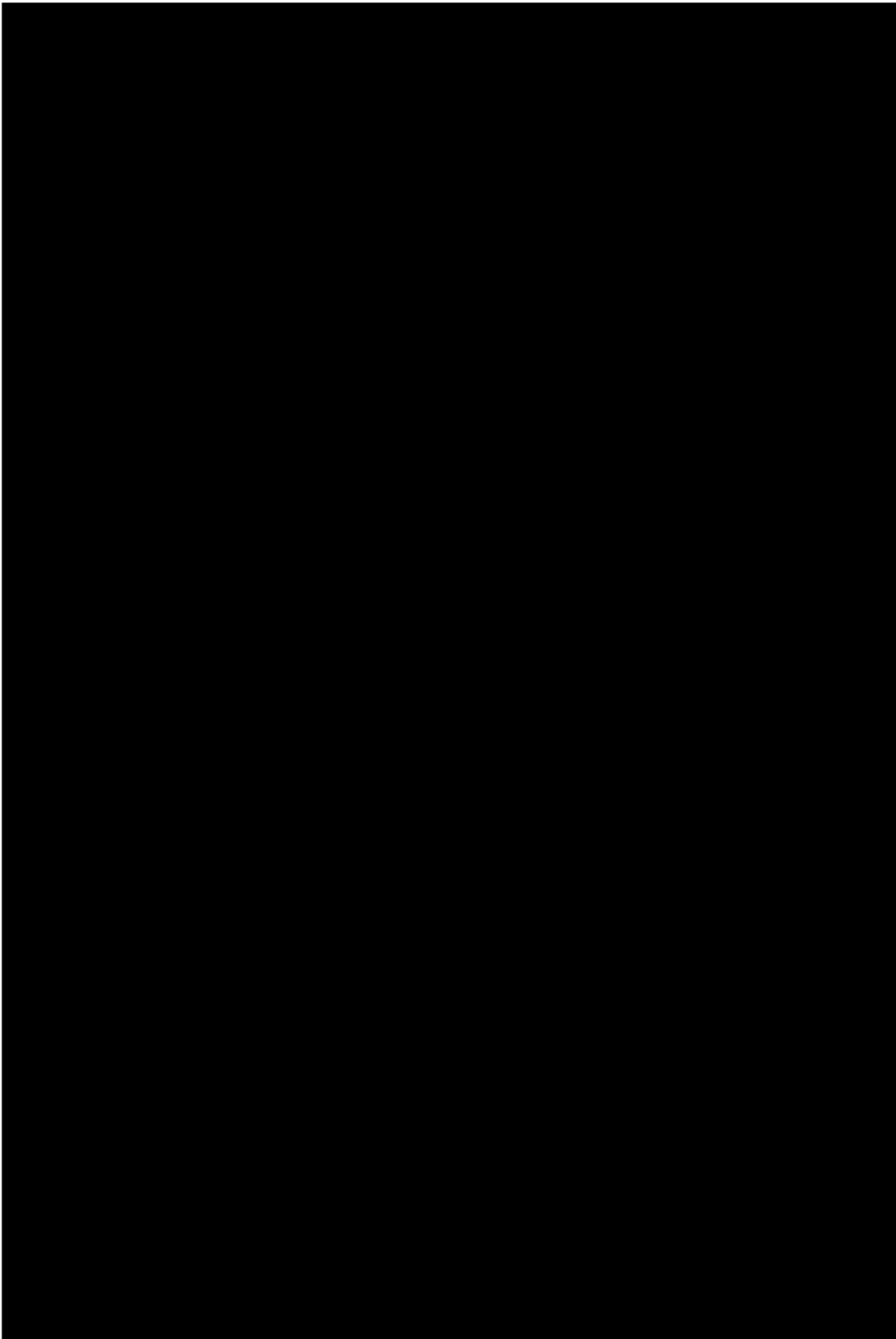
To: Kim Marshall

Cc: Anthony Martinello; Peter Hamilton; Glenn Zacher (GZacher@stikeman.com);
Jeannette Briggs

Subject: RE: Proposed IESO LC for LDC default

IESO Privileged and Confidential

Kim,



Michael

From: Kim Marshall
Sent: September 14, 2017 7:34 AM
To: Michael Boll
Cc: Anthony Martinello; Peter Hamilton; Glenn Zacher (GZacher@stikeman.com)
Subject: RE: Proposed IESO LC for LDC default



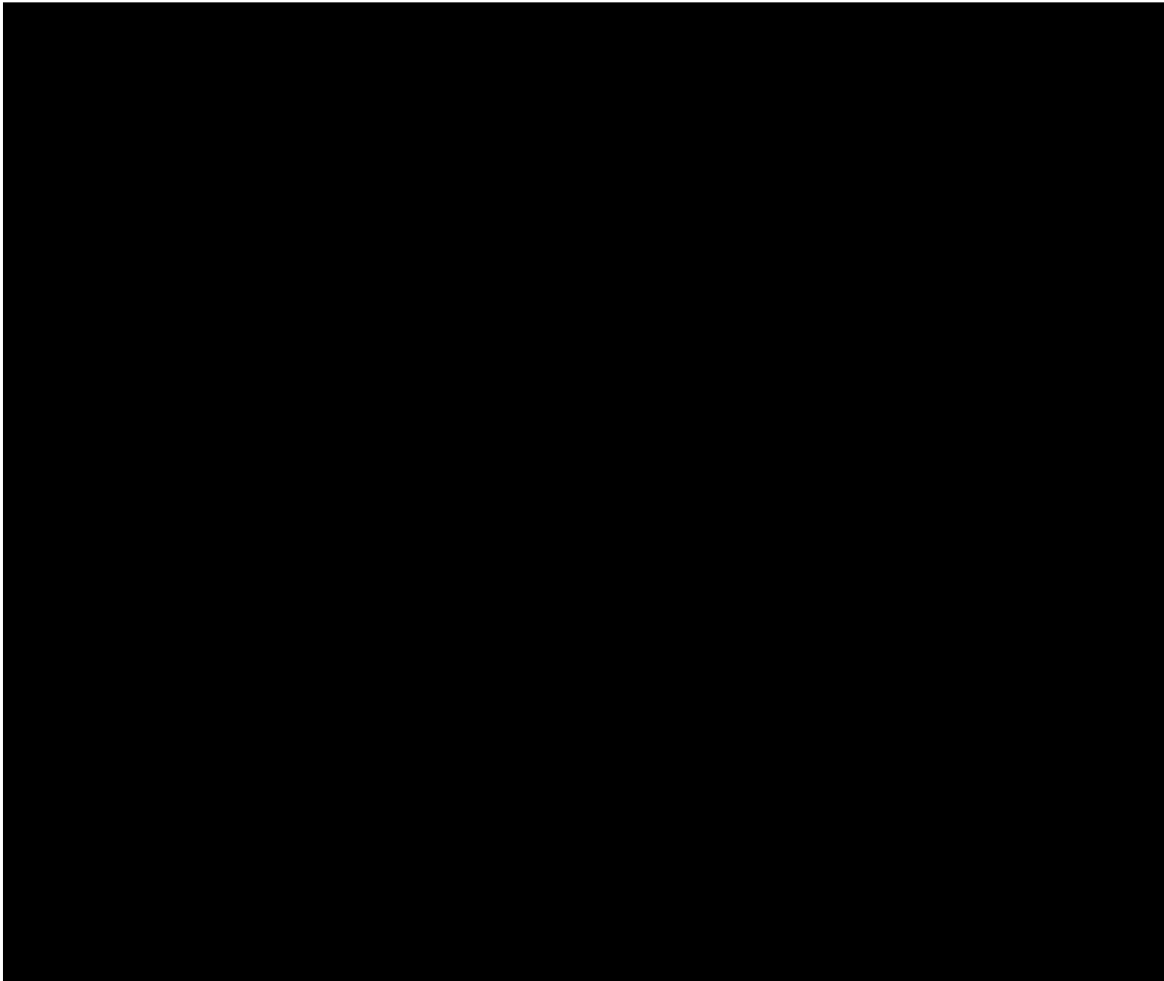
Kimberly Marshall | VP, Corporate Services & CFO
Independent Electricity System Operator (IESO) | T: (416) 969-6232 | C: (416) 545-7202
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

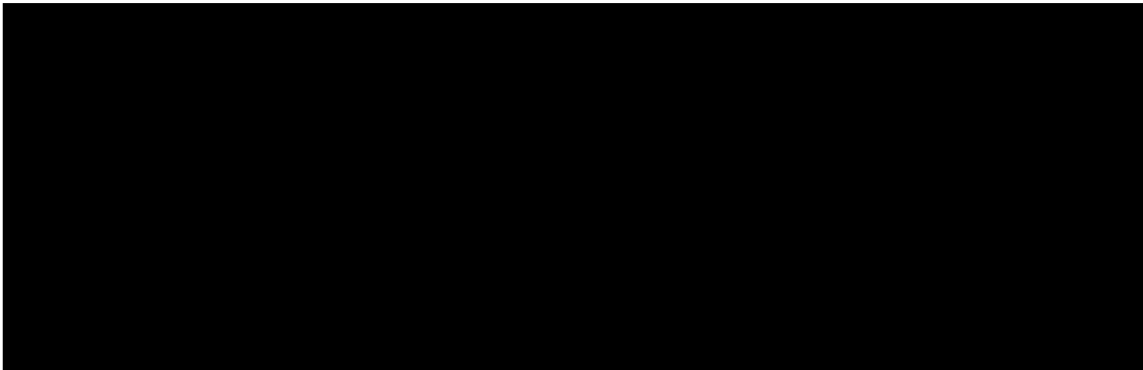
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From: Michael Boll
Sent: September 13, 2017 9:36 PM
To: Kim Marshall
Cc: Anthony Martinello; Peter Hamilton; Glenn Zacher (GZacher@stikeman.com)
Subject: RE: Proposed IESO LC for LDC default

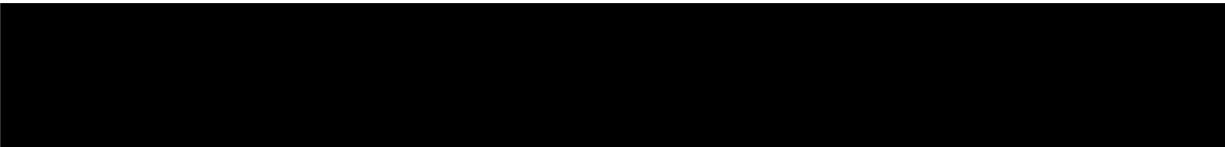
Kim,





Regards,
Michael

From: Kim Marshall
Sent: September 13, 2017 2:07 PM
To: Michael Boll
Cc: Anthony Martinello
Subject: RE: Proposed IESO LC for LDC default

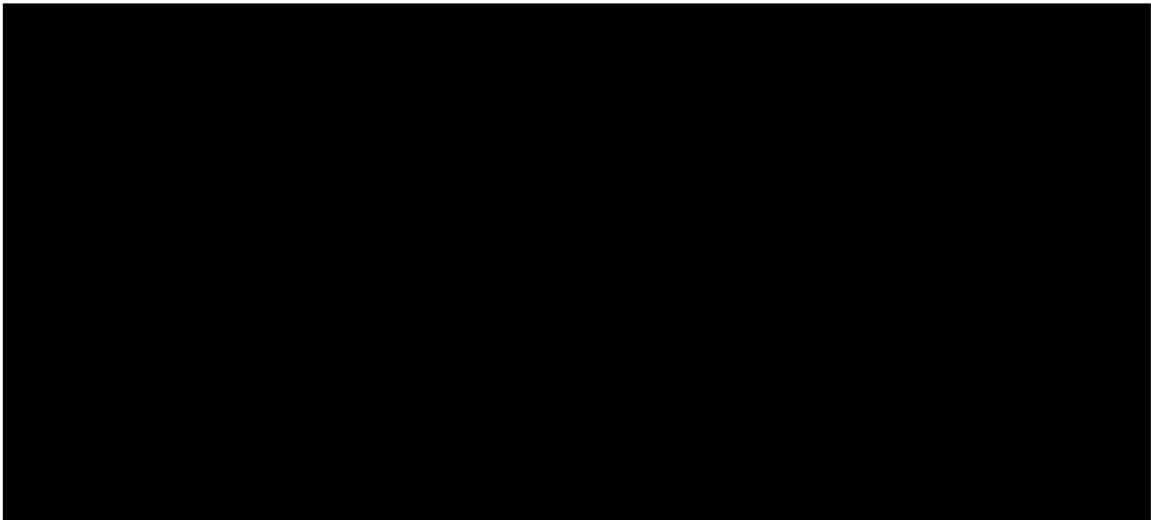


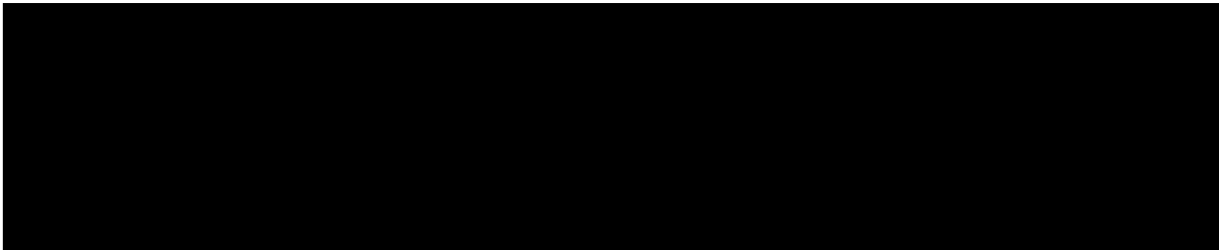
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From: Michael Boll
Sent: September 13, 2017 12:47 PM
To: Kim Marshall
Cc: Anthony Martinello
Subject: FW: Proposed IESO LC for LDC default





From: LEE John -TREASURY [<mailto:john.s.lee@opg.com>]
Sent: September 13, 2017 11:39 AM
To: Kim Marshall
Cc: WONG Leslie -LAWDIV; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Michael Boll; GO Matthew -TREASURY; 'Nelms, Scott (ENERGY)'
Subject: Proposed IESO LC for LDC default

Kim:

Further to our discussion this morning, I am confirming that in the interest of moving the Rating agency process forward in order to meet the timeline for the planned debt issuance in November, the interim solution is to reflect in the MTS agreement the concept that the IESO will provide an LC if required to support the credit obligations for unrated LDC and such amount could be up to 1 month of the anticipated of collections relating to the FHP. By including this concept in the agreement it will allow all of us time to assess alternatives during the moratorium period without holding up the Credit rating process and the planned debt issuance.

John

From: WONG Leslie -LAWDIV
Sent: Tuesday, September 12, 2017 2:26 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; Hill, Krista <khill@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; 'Feldman, Michael' <mfeldman@torys.com>; Myers, Jonathan <jmyers@torys.com>
Subject: Fw: EXTERNAL – proposed IESO LC for LDC default

Please see below for some questions from the IESO on the L/C.

Regards,

Les:

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Michael Boll <Michael.Boll@ieso.ca>
Sent: Tuesday, September 12, 2017 9:22 AM
To: WONG Leslie -LAWDIV
Subject: EXTERNAL – proposed IESO LC for LDC default

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Hi Les,

Anthony (IESO) has had a couple discussions with May (OPG) about this proposed LC. I have a few questions I hope you can help answer to assist us in our review.

1. What would be the trigger for a payment under the LC? As much detail as possible would help us, particularly with accounting review.
2. Does it need to be an LC, or could it be a guarantee with a dollar cap? Not sure if this would work from an IESO perspective, but it would be less expensive than posting an LC, so would be good to know if this was an option from OPG/dealers perspective.
3. When does this need to be in place, and for how long? Is this only required when LDCs start to collect clean energy adjustments from consumers?
4. Further detail on why a reserve account held by the financing entity could not be used to address this risk. Last week you mentioned this would not work due to accounting reasons. Can you please elaborate on those accounting reasons?

As mentioned previously, we will need a regulation change in order to be able to recover IESO costs of implementing this option.

Thank you
Michael

Michael Boll | Associate General Counsel

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120 Adelaide Street West, Suite 1600, Toronto, ON, M5H 1T1

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