Message

From: Picard, Michel [mpicard@kpmg.ca]
Sent: 2017-12-14 9:38:39 AM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
CC: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]; Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]; Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: RE: Fair Hydro -- Revised MTSA and Management Agreement

I have checked and Toronto Hydro, Hydro Ottawa and Alectra have a rating of A by DBRS but have no rating from Moody's.

From: Picard, Michel
Sent: Thursday, December 14, 2017 9:09 AM
To: 'Michael Boll' <Michael.Boll@ieso.ca>
Cc: Kim Marshall <Kim.Marshall@ieso.ca>; Jeannette Briggs <jeannette.briggs@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Fair Hydro -- Revised MTSA and Management Agreement

Then the amount of security would be approx. $800 million!

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: Thursday, December 14, 2017 9:06 AM
To: Picard, Michel <mpicard@kpmg.ca>
Cc: Kim Marshall <Kim.Marshall@ieso.ca>; Jeannette Briggs <jeannette.briggs@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Fair Hydro -- Revised MTSA and Management Agreement

I have not verified this, but OPG indicated only Hydro One has a rating from both Moodys and DBRS.

From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: December 14, 2017 9:04 AM
To: Michael Boll
Cc: Kim Marshall; Jeannette Briggs; Anthony Martinello
Subject: RE: Fair Hydro -- Revised MTSA and Management Agreement

Michael,

We are fine.

Assuming Hydro One, Alectra, Toronto Hydro and Hydro Ottawa (total consumption of power of approx. $10 bio of the $16 bio) meet the minimum rating requirements, then IESO will be required to provide a security that would amount to approx. $0.370 billion.

Regards,

Michel

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: Thursday, December 14, 2017 7:11 AM
To: Picard, Michel <mpicard@kpmg.ca>
Cc: Kim Marshall <Kim.Marshall@ieso.ca>; Jeannette Briggs <jeannette.briggs@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: FW: Fair Hydro -- Revised MTSA and Management Agreement
Importance: High

Michel,

Proposed changes to the MTSA based on rating agency comments. Please review in particular the changes to section 3.15 regarding the LC to be provided by IESO for non-rated LDCs and the change to the definition of Non-Investment Grade Rated Electricity Vendors.

Timing is very tight to revert to OPG as they have a noon deadline to provide all changes to the rating agencies, which is necessary to obtain a rating this year.

Michael

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: December 13, 2017 11:14 PM
To: Fullerton, Rick; Milligan, Peter; Sebastiano, Rocco; Adalja, Sunil; Maciel, Andrew; 'Benaiah, Ian'; Taylor, Brent R; Khan, Nur (nur.khan@rbccm.com); ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; Robbin.Conner@ny.email.gs.com; Persaud, Donnie - Debt Capital Markets; 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; LAURETA LAPIRA May - TREASURY; LADAK Lubna -TREASURY; Peter Hamilton; Glenn Zacher; Michael Boll; Anthony Martinello; Jeannette Briggs; Kim Marshall
Cc: Feldman, Michael; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro -- Revised MTSA and Management Agreement

Apologies – please review the attached instead of the versions circulated below.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

TORYS LLP

From: Saulnier, Brett
Sent: December-13-17 10:53 PM
To: 'Fullerton, Rick' <RFullerton@osler.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Taylor, Brent R' <brent.r.taylor@rbccm.com>; Khan, Nur (nur.khan@rbccm.com) <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Robbin.Conner@ny.email.gs.com' <Robbin.Conner@ny.email.gs.com>; 'Persaud, Donnie - Debt Capital Markets'

<Donnie.Persaud@cibc.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; 'LAURETA LAPIRA May -TREASURY' <may.lapira@opg.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Glenn Zacher' <GZacher@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Revised MTSA and Management Agreement

All,

Please find attached revised drafts of the MTSA and Management Agreement, together with blacklines against the last versions circulated. The attached reflect comments received from DBRS.

In the interest of time, these drafts are being circulated to all parties concurrently. We are aiming to provide revised versions to the ratings agencies tomorrow morning and would ask that you please confirm sign off as soon as possible and, in any event, by no later than tomorrow morning.

Thanks,
Brett

Brett Saulnier

At KPMG we are passionate about earning your trust and building a long-term relationship through service excellence. This extends to our communications with you.

Our lawyers have recommended that we provide certain disclaimer language with our messages. Rather than including them here, we're drawing your attention to the following links where the full legal wording appears.

- **Disclaimer concerning confidential and privileged information/unintended recipient** (http://disclaimer.kpmg.ca).
- **Disclaimer concerning tax advice** (http://taxdisclaimer.kpmg.ca).

If you are unable to access the links above, please cut and paste the URL that follows the link into your browser.
