

Message

From: LEE John -TREASURY [john.s.lee@opg.com]
Sent: 2017-12-21 12:19:50 PM
To: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
CC: 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]; Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]; GO Matthew - TREASURY [matthew.go@opg.com]; RYFA Ken -TREASURY [ken.ryfa@opg.com]; LADAK Lubna -TREASURY [lubna.ladak@opg.com]
Subject: FW: EXTERNAL – RE: Fair Hydro Trust - \$1.2B Acquisition and Funding Closed

Kim:

As you know we just closed the Fair Hydro Trust's first purchase of the IESO's regulatory asset this morning. A total of \$1.18 billion was funded by the following:

- 51% or \$601M from short-term warehouse facility with a bank syndicate comprised of CIBC, RBC, and Goldman Sachs
- 44% or \$519M from the Province's equity injection in exchange for 12.2 million Class A shares
- 5% or \$59M from OPG

A few days prior to closing the deal, we received unofficial credit ratings on the Trust's senior debt of Aa2/AA and AAA from Moody's and DBRS, respectively. The support of the IESO team – Michael, Anthony and Jeanette were critical in achieving these credit ratings which are significant milestones in the Fair Hydro Trust program given the complexity of the agreements, legislation and regulations, the need to balance competing interests between counterparties, as well as the unprecedented setting size and duration of the program. These results were borne out of the collaborative efforts between your team members and the OPG team. Still much to do and we look forward to jointly developing the appropriate path forward for this program.

Wishing you and your team a Merry Christmas and a Great Holiday season.

John

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