

Message

From: LEE John -TREASURY [john.s.lee@opg.com]
Sent: 2018-01-17 9:10:02 AM
To: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshall]; LADAK Lubna - TREASURY [lubna.ladak@opg.com]; Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
CC: LAURETA LAPIRA May -TREASURY [may.lapira@opg.com]; GO Matthew -TREASURY [matthew.go@opg.com]; RYFA Ken -TREASURY [ken.ryfa@opg.com]; Ramchandani, Rima [rramchandani@torys.com]; Peter Hamilton [PHamilton@stikeman.com]
Subject: RE: EXTERNAL – FHT - Draft Diligence Questions

You can draw comfort that the OM and agreements have been reviewed by 4 legal firms Oslers, Torys, Blakes and Stikemans. All material items would have been addressed through our negotiations and rating review over the past number of months as such a response “To the best of my knowledge there is none” would be appropriate unless you are aware of something that has just come up that you feel is material and needs to be disclosed.

Hope that helps. If you would like to discuss further let me know.

John

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Tuesday, January 16, 2018 5:24 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Michael Boll <Michael.Boll@ieso.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Peter Hamilton <PHamilton@stikeman.com>
Subject: Re: EXTERNAL – FHT - Draft Diligence Questions

Thanks for sending the OPG response - helpful to frame ours. Tomorrow for IESO answers is a stretch but Thursday is possible.

I understand that for many of the edits we can work the words into our response. I would like to mention a couple that I think are beyond our knowledge - thoughts on how to handle?

A1 - how would I or Michael know this level of knowledge about securities or pricing?
a misrepresentation as defined in applicable Canadian securities laws,

and or would reasonably be expected to have a significant effect, on the market price or value of the Senior Notes

H1 - incredibly broad?

Is there any additional information relating to IESO that you are aware of and which you believe should be brought to the attention of the Agents that could be material in the context of the Offering?

From: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Sent: January 16, 2018 4:12 PM
To: Michael Boll
Cc: LEE John -TREASURY; LAURETA LAPIRA May -TREASURY; GO Matthew -TREASURY; RYFA Ken -TREASURY;

Ramchandani, Rima; Peter Hamilton; Kim Marshall
Subject: RE: EXTERNAL – FHT - Draft Diligence Questions

Hi Michael,

As per my voicemail, I understand that you want to highlight some limitations to the IESO's role, however, we can't change the due diligence questions that have been posed. You can incorporate limitations in your response. You can also preface your responses with "to the best of my knowledge".

I also want to share how I plan to answer the questions in the Reporting and Financial Matters section for OPG:

1. Please discuss the control, accounting and reporting systems that are in place (and any systems that will be put in place in the short term) to assist OPG in discharging (i) its obligations as Manager, including without limitation preparing the necessary Monthly Portfolio Reports required by the Management Agreement and providing the payment instructions required by the Trust Indenture, and (ii) its statutory obligations as Financial Services Manager under the FHPA and the Regulations. **Lubna**

OPG has established a Management Oversight Committee to provide appropriate oversight of OPG's role, as Financial Services Manager, including oversight over the financing strategy for the Issuer, the investment strategy for OPG's participation, and the Issuer's financial statements and other reporting requirements. Accordingly, the Issuer has established key controls based on existing relevant controls within OPG's Treasury functions and implemented those for the Issuer's transactions.

2. Are these internal control, accounting and reporting systems adequate for the purpose of satisfying the obligations of OPG, as Manager and Financial Services Manager?

To the best of my knowledge, yes.

6. Do you anticipate any issues in preparing the Implementation Plan in accordance with the requirements specified in the Management Agreement?

We do not currently anticipate any issues in preparing the Implementation Plan in accordance with the requirements specified in section 4.3 of the Management Agreement.

[I understand that the servicing duties won't come into effect for 4 years, but I am comfortable saying the IESO and OPG will work together to prepare an implementation plan that meets the requirements of the MTSA. If asked for more detail, I will mention the existing processes and systems OPG uses, and would likely leverage.]

Would you be able to provide responses to the due diligence questions tomorrow?

Lubna Ladak | VP Treasury - FHP | Ontario Power Generation
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lubna.ladak@opg.com

From: Michael Boll [<mailto:Michael.Boll@ieso.ca>]

Sent: Tuesday, January 16, 2018 2:53 PM

To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Peter Hamilton <PHamilton@stikeman.com>; Kim Marshall <Kim.Marshall@ieso.ca>

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Hi Lubna,

Attached are the IESO's edits to the due diligence questions. A number of the material changes are to reflect IESO's limited role in relation to the offering and that the IESO does not have the level of knowledge with respect to the offering or the interests of the holders of the Senior Notes to know what might be relevant or material.

Regards,
Michael

From: LADAK Lubna -TREASURY [<mailto:lubna.ladak@opg.com>]
Sent: January 09, 2018 11:00 AM
To: Kim Marshall; Michael Boll
Cc: LEE John -TREASURY; LAURETA LAPIRA May -TREASURY; GO Matthew -TREASURY; RYFA Ken -TREASURY; Ramchandani, Rima
Subject: FW: EXTERNAL – FHT - Draft Diligence Questions

Hello Kim,

Attached are the draft due diligence questions for the Fair Hydro Trust and the Offering Memo. The questions for the IESO are on P. 7 -10, Section III. I'm sending you the entire set of questions for context as we'll have to coordinate our responses to some of them. I'll set up a call for tomorrow to provide guidance on what we're looking for.

We don't have the date and time for the call yet, but January 22nd is a possibility.

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