Message

From: HARTWICK Ken -FINANCE [/O=OH/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=217097]
Sent: 19/02/2017 3:13:27 PM
To: MAUTI John -FIN & C CTRL [/O=OH/OU=Toronto/cn=Recipients/cn=932974]
Subject: Re: EY

Redacted - S/C Priv.

Chief Financial Officer
OPG
Cell: 647-544-6985

From: MAUTI John -FIN & C CTRL
Sent: Sunday, February 19, 2017 10:09 AM
To: HARTWICK Ken -FINANCE
Subject: Re: EY

Good now till 10:30.
Can try to set up for say 1pm with all if better and less rushed

Sent from my BlackBerry 10 smartphone on the Bell network.

From: HARTWICK Ken -FINANCE
Sent: Sunday, February 19, 2017 10:08 AM
To: MAUTI John -FIN & C CTRL
Subject: Re: EY

I am wondering if we should have a call. Can include either of the Alec /alex s well. Are you good now or after 1030. I am good any time
Ken Hartwick
Chief Financial Officer
OPG
Cell: 647-544-6985

From: MAUTI John -FIN & C CTRL
Sent: Sunday, February 19, 2017 10:06 AM
To: HARTWICK Ken -FINANCE
Subject: Re: EY

Yesterday got away from me ken.
In between hockey games if you're free...till about 10:30

Sent from my BlackBerry 10 smartphone on the Bell network.

From: HARTWICK Ken -FINANCE
Sent: Saturday, February 18, 2017 3:32 PM

To: MAUTI John -FIN & C CTRL
Subject: Re: EY

If you are bored give me a call

Ken Hartwick
Chief Financial Officer
OPG
Cell: 647-544-6985

From: MAUTI John -FIN & C CTRL
Sent: Saturday, February 18, 2017 2:26 PM
To: HARTWICK Ken -FINANCE; CHENG Alec -FIN & C CTRL; MAUTI John -FIN & C CTRL
Cc: LEE John -TREASURY
Subject: RE: EY

Ken,
\Alec and I just had a telecom with Tracy.
Not much movement really. She's ok with the saw off middle point in the wording of what the directive could instruct us to do (#14 in the attached. No change from yesterday).

If the directive, in the end:

- Instructs that OPG must do this; or
- Provides reduced liability to OPG Board members

EY's position is that they cannot support consolidation of the Trust into OPG.

She said she has bounced this off several partners and the opinion is consistent.

Can the Province direct us as a subsidiary to do this? Yes they can but the same risk remains. She believes anybody reviewing the transaction and set up that the sub should also conclude it not be rolled up into OPG but rolled directly into the Province (they effectively control). She is concerned that the criteria we developed, while building a good case to support consolidation, could be viewed critically different. The fact the AG has not herself reviewed or been involved in the discussion increases the risk substantially she believes.

Told her that you may want to reach out directly to her. Let us know if you want to do that one-on-one or with us.

We are trying but this may be the issue we can't bridge.

We did make one change that John Lee suggested in #8 of teh attached doc to ensure if we proceed down this path that we can access teh external debt markets

John

From: HARTWICK Ken -FINANCE
Sent: Friday, February 17, 2017 7:13 PM
To: CHENG Alec -FIN & C CTRL; MAUTI John -FIN & C CTRL
Cc: LEE John -TREASURY
Subject: RE: EY

For me the directive reflects the following:

- Method to reduce Board liability where it is unclear as to the impact of the decision on the company. Very similar to going to a shareholder vote on an acquisition or sale of your business. In that case you have a shareholder public company process in our case we get a directive. More or less the same given our ownership.
- Directive provides a path for a decision but the execution and risks around the decision are retained by OPG along with certain risks and rewards
- To the extent the directive is linked to legislation it helps to clarify the intent of government legislation that does not neatly fit with and OBCA company.

From: CHENG Alec -FIN & C CTRL
Sent: Friday, February 17, 2017 7:08 PM
To: HARTWICK Ken -FINANCE; MAUTI John -FIN & C CTRL
Cc: LEE John -TREASURY
Subject: Re: EY

EY is looking at the directive issue and see if they would be comfortable if there is a comprehensive directive which would remove the Board's accountability.

EY are okay with the rest. Will follow up again.

Alec

From: HARTWICK Ken -FINANCE
Sent: Friday, February 17, 2017 6:52 PM
To: MAUTI John -FIN & C CTRL; CHENG Alec -FIN & C CTRL
Cc: LEE John -TREASURY
Subject: EY

John and Alec

What are the next steps with EY? It is highly probable that the shareholder moves forward with this proposal on Thursday. For Tuesday we need to be able to provide them the criteria and our view on meeting them and what we expect to be in the legislation to support this view.

Ken Hartwick, SVP Finance, Strategy, Risk & Chief Financial Officer - **Tel: 416-592-6985/Cell: 647-544-6985**
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