Message

From: Ken Kandeepan [Ken.Kandeepan@ofina.on.ca]
Sent: 31/07/2017 4:20:09 PM
To: LIU Sheen -TREASURY [/o=OH/ou=Toronto/cn=Recipients/cn=204391]
CC: LEE John -TREASURY [/o=OH/ou=Toronto/cn=Recipients/cn=366646]; RYFA Ken -TREASURY [/o=OH/ou=Toronto/cn=Recipients/cn=792883]; WONG Leslie -LAWDIV [/o=OH/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=217803]; James Devine [James.Devine@ofina.on.ca]; Mike Manning [Mike.Manning@ofina.on.ca]; Carlos Yep [Carlos.Yep@ofina.on.ca]
Subject: EXTERNAL – RE: OFA Feedback re Fair Hydro Plan
Attachments: Draft Subordianted Debt Term Sheet.doc; FHPA Regulations - Fees.docx

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Hi Sheen

Pls find attached our comments on each document. Happy to discuss along with my colleagues from our Capital Markets Division who are cc'ed.

Thanks

Ken k

From: LIU Sheen -TREASURY [mailto:sheen.liu@opg.com]
Sent: Friday, July 28, 2017 5:32 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>
Subject: OFA Feedback re Fair Hydro Plan

Ken,

Thanks for providing your concurrence in the Trust's approach to performance benchmarking. In order to move forward with completing all Fair Hydro Plan related legal documents, could you please also confirm your agreement to the methodology/process as illustrated in the other two documents provided to you in the past (both attached above for your reference)? Specifically, we would appreciate your confirmation re the following items:

1. Fee Structure, including both fixed and variable fees (as described in FHPA Regulations – Fees.docx)
2. The process of (a) taking out subordinated loan from OFA; and (b) establishing relevant pricing (as described in Draft subordinated Debt Term Sheet.doc)

If you have other outstanding comments relating to Fair Hydro Plan, please also let us know so that we could incorporate them before finalizing the structure and legal documents.

Your timely response will be appreciated.

Regards

Sheen

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Tuesday, July 18, 2017 1:05 PM
To: LAURETA LAPIRA May -FIN & C CTRL
Cc: MAUTI John -FIN & C CTRL; LEE John -TREASURY; Mike Manning; Graham Monroe; Carlos Yep; James Devine; JORDA Jenny -FIN & C CTRL; GORE Michael -FIN & C CTRL; LIU Sheen -TREASURY
Subject: EXTERNAL – RE: EY concurrence re: Draft Trust Performance Fee Recommendations

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Thank you May, the email from E&Y is clear and given a choice between a performance methodology, that in our opinion, is not entirely reflective of capital markets decision making and jeopardizing the consolidation of the Trust, we are opting to accept OPG's methodology for the construction of the benchmark.

Pls proceed accordingly.

Ken k

From: LAURETA LAPIRA May -FIN & C CTRL [mailto:may.lapira@opg.com]
Sent: Monday, July 17, 2017 2:40 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: MAUTI John -FIN & C CTRL <john.mauti@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; GORE Michael -FIN & C CTRL <michael.gore@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: EY concurrence re: Draft Trust Performance Fee Recommendations

Hi Ken,

My name is May Lapira and I'm the newest addition to the Treasury team. Jenny has been working hard to get me updated on the accounting aspects of the Fair Hydro Plan so we can transition future correspondences over to me.

Per our discussion during the call earlier today, we have reached out to EY to obtain concurrence on our interpretation of their accounting position. Please see attached the email trail from EY's senior manager Brittany Keenan confirming that excluding the equity injection component from the definition of a 'benchmark bond' would result in non-commercial terms and could ultimately result in OPG not being able to consolidate the financing entity.

Please let me know if you have any follow up questions on this matter.

I look forward to working with you,
May

May Laureta Lapira, CPA, CA | Senior Manager, Treasury | Ontario Power Generation
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