Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Provincial Protection and Assurance Agreement	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• MOF / ENE to finalize Protection Agreement based on Term Sheet approved by TB/CAB. **Timing:** Fall for finalization of Protection Agreement
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / ENE to determine required monthly process and sign-off mechanism **Timing:** October for internal provincial mechanism
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation (currently with MOF for review) **Timing:** Fall for regulation
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Fall
OPG Management Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) variable fee 3) Third-party costs (e.g. banking fees)	• Draft Base Fee framework • Draft Variable Fee framework • Amendments to Ontario Regulation 206/17	• ENE, OPG, OEB and OFA working to develop proposed regulatory amendments which would determine role of OEB in determining fees OPG charges **Timing**: Proposed regulation expected to be reviewed at October 16 / 30 LRC (TBD)
OPG Fees and Interest Recovery	• OPG accounting advice that interest and fees must be recovered during "inflationary cap" period for GA Refinancing to proceed as planned under the OFHPA. Note: Net impact on ratepayers will be zero	• Amendments to Ontario Regulation 206/17 (i.e., general regulation). Note: No longer proposing to amend GA regulation	• ENE, OPG, IESO and OFA working to develop proposed regulatory amendments which would enable fees and interest amounts to be recovered during the Inflationary Cap period.. **Timing**: Proposed regulatory amendments to be reviewed at October 16 / 30 LRC (TBD)