

Message

From: DYKXHOORN Sandra -STAKEREL [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=5112B6BB1CDB478EBC96E1124B3DC1BE-DYKXHOORN S]
Sent: 16/02/2018 3:22:57 PM
To: MAUTI John -FIN & C CTRL [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b282b6c298514fca80b0c455fca1ac78-MAUTI John]; HARTWICK Ken - FINANCE [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=78bfb008d47f44ffa1344207e5da97ce-HARTWICK Ke]
CC: LEE John -TREASURY [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=d90f1615d4b447b88eb7f6ace866e2dc-LEE John -T]; JENNINGS Rick - STAKEREL [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f9550d5f5d2d4ff68325bf334edb0ba7-JENNINGS Ri]; GRUETZNER Ted - STAKEREL [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=c74604406a0f43bbb28d75420dba2718-GRUETZNER T]; LADAK Lubna - TREASURY [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3a66883ddaee446bbdb6b34d4a0c3d09-LADAK Lubna]
Subject: RE: EXTERNAL – Estimates undertaking - OPG consulting fees
Attachments: OPG FHP debt offering-QAs-MO-20180213 SD edits.docx; AG Request for expenses-Sept8-2017 (002).pdf

Thank you John.

I am going to send the attached pdf that we provided to the AG.

I have also made some edits to the Ministry's draft Q&A on the use of external consultants. I am hoping you and or Lubna can review before I send over.

I am not going to send the \$5.3 million yet. I am wondering if you can break down that amount similar to the way you did in the response to the AG.

The reason being is that I am trying to determine whether or not the \$2 million the AG referenced in the Special Report that the province had spent on external consultants includes or excludes the fees that OPG had paid (i.e. does the \$2 million = \$230K + \$X from the Province)? Or was it over and above the \$2 million she references?

Here is the excerpt from the report for your reference (page 8 in Special Report):

"The government's ongoing spending on private-sector external advisers had exceeded \$2 million when we completed this Special Report."

Thanks,

Sandra

From: MAUTI John -FIN & C CTRL
Sent: Thursday, February 15, 2018 1:27 PM
To: HARTWICK Ken -FINANCE <ken.hartwick@opg.com>; DYKXHOORN Sandra -STAKEREL <sandra.dykxhoorn@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; JENNINGS Rick -STAKEREL <rick.jennings@opg.com>; GRUETZNER Ted - STAKEREL <ted.gruetzner@opg.com>; MAUTI John -FIN & C CTRL <john.mauti@opg.com>
Subject: RE: EXTERNAL – Estimates undertaking - OPG consulting fees

High level summary:

- 1) Our requested reimbursement for direct costs (all – in from inception of consideration of the FHP to end of December 2017) is \$5.7M. This is the amount we will table with the OEB as support for our costs. EY has just completed their review of these amounts.
- 2) Within that number above is direct, dedicated OPG staff of \$0.4M
- 3) **Balance on account of third party costs \$5.3M.....**we have detailed invoices that add to \$5.1M

Difference: the fees agreement agreed to pay OPG a lump sum of \$3.1M for out of pocket services purchased prior to June 1, 2017 and then specific invoices post June 1the estimate of \$3.1M was slightly higher than the actual invoices received.

Thanks

John

From: HARTWICK Ken -FINANCE
Sent: Thursday, February 15, 2018 12:44 PM
To: DYKXHOORN Sandra -STAKEREL <sandra.dykxhoorn@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; MAUTI John -FIN & C CTRL <john.mauti@opg.com>; JENNINGS Rick -STAKEREL <rick.jennings@opg.com>; GRUETZNER Ted -STAKEREL <ted.gruetzner@opg.com>
Subject: RE: EXTERNAL – Estimates undertaking - OPG consulting fees

Sandra

John Lee and Mauti will be back to you. Yes fine to send. They are going to raise where we are to date on spending and what will be filed with the OEB shortly so context is around this.

From: DYKXHOORN Sandra -STAKEREL
Sent: Thursday, February 15, 2018 10:56 AM
To: HARTWICK Ken -FINANCE <ken.hartwick@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; MAUTI John -FIN & C CTRL <john.mauti@opg.com>; JENNINGS Rick -STAKEREL <rick.jennings@opg.com>; GRUETZNER Ted -STAKEREL <ted.gruetzner@opg.com>
Subject: FW: EXTERNAL – Estimates undertaking - OPG consulting fees

Good morning Ken,

Ted asked me to check in with you all to confirm that you were okay for us to send this over to the Deputy Minister's office.

Note that I would not be surprised if this came up at Public Accounts Committee on Feb 28th (part of the AG's Chapter 2 deals with costs related to external consultants).

As you will note, this is a follow up to a question (or "undertaking") that MPP Peter Tabuns had asked at the Estimates Committee had asked the Deputy Minister in the Fall.

The Ministry of Energy's Comms folks were also asking yesterday. We have been asked to get back to them by tomorrow.

Thank you,

S.

Sandra Dykxhoorn | Director, Provincial Relations | Ontario Power Generation

700 University Avenue, Toronto ON M5G 1X6 | p: (416) 592-2887 | c: (416) 571-4366 | sandra.dykxhoorn@opg.com

From: GRUETZNER Ted -STAKEREL

Sent: Wednesday, February 14, 2018 4:09 PM

To: DYKXHOORN Sandra -STAKEREL <sandra.dykxhoorn@opg.com>; JENNINGS Rick -STAKEREL <rick.jennings@opg.com>

Subject: FW: EXTERNAL – Estimates undertaking - OPG consulting fees

From: GRUETZNER Ted -STAKEREL

Sent: Wednesday, February 14, 2018 1:55 PM

To: HARTWICK Ken -FINANCE <ken.hartwick@opg.com>; ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; MAUTI John -FIN & C CTRL <john.mauti@opg.com>; KING Catriona -OFFCORPSEC <catriona.king@opg.com>

Subject: FW: EXTERNAL – Estimates undertaking - OPG consulting fees

Ken/Jennifer

See below the request from the Ministry.

This is what was provided to the AG in Sept – if there are no objections I will forward on

From: Schlaepfer, Martin (ENERGY) [<mailto:Martin.Schlaepfer@ontario.ca>]

Sent: Wednesday, February 14, 2018 12:58 PM

To: GRUETZNER Ted -STAKEREL <ted.gruetzner@opg.com>
Cc: Perkins, Michael (ENERGY) <Michael.Perkins@ontario.ca>; Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca>
Subject: EXTERNAL – Estimates undertaking - OPG consulting fees

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Ted,

We are in the process of completing our estimates undertakings and need OPG to assist with providing a response to the following question below.

Does OPG have a separate bill for external consultants for the Fair Hydro Plan or is it included in the \$2 million figure stated in the Auditor General's Report?

Could OPG please confirm the amount that it provided to the AG in her request?

For context, below is a transcript of the ask during the estimates proceeding.

Please send us the response by February 16, 2018.

Thanks,

Martin

Mr. Tabuns: The Auditor General noted that you have spent something like \$2 million on external consultants. "The government's ongoing spending on private sector external advisers had exceeded \$2 million when we completed this special report." Have you gone over the \$2 million?

Mr. Imbrogno: I'd have to check what we provided to the auditor. We would have sent the auditor all the Blakes contracts to date and the cost of our financial advisers—any financial advisers through the IESO, OPG, Treasury Board and so on. There was a list of those, and we would have provided that information to the auditor.

Mr. Tabuns: And precisely what was the work that they were doing for that two million bucks?

Mr. Imbrogno: Well, Blakes was our law firm, so they would have been integrally involved in providing advice on the legislation. They had expertise in securitizations that were done in the US, so they would have provided that advice to us. OPG would have had their own advisers looking at different structures, advising on—

Mr. Tabuns: Can I just halt you for—

Mr. Imbrogno: Sure.

Mr. Tabuns: Did OPG have a separate legal bill from you, or was that \$2 million consolidating all the entities—

Mr. Imbrogno: I'd have to check, Mr. Tabuns.

Mr. Tabuns: Could you check and let us know? Thank you.
Please resume.

Mr. Imbrogno: Then the IESO would have had their experts as well, providing whatever advice. That would have been the work that we did. It cut across all the ministries, Treasury Board and finance, with OPG, IESO all working together on providing advice on the legislation as it was crafted.