ARC Meeting (Wednesday, August 9, 2017)

Attendees:
Brittany Keenan, Sabrina Fabina, Rob Scullion
Wendy Kei, Gerry Phillips, Lisa DeMarco, Ani Hotoyan-Joly, Yezdi Pavri, Bernard Lord, George Lewis, Jeff Lyash,
Ken Hartwick, John Mauti, John Lee, Chris Ginther, Chris Fralick, Robby Sohi, Paulene Kay, Carlton Mathias, Catriona King, Evelyn Wong, Michelle Astudillo

Actual in room: Brittany Keenan, Sabrina Fabrina, Rob Scullion, Wendy, Gerry, Ani, Yezdi, Carlton, Evelyn, Chris Ginther, John Mauti, Ken Hartwick, George Lewis, Catriona, Jeff Lyash, Lisa, Bernard, Michelle

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– Gerry: impact on comsumer, with FHP, who would actually be impacted by tat decision

- JM: inflation will cap about going in, and be a global adjustment
- JL: you have three levels of smoothing – first is what period of time does the OEBwant us to collect that deferred amount from retrospective rate applicationn, second when tehy go to customer price smoothing we put in place, and then FHP, where smoothed in with a number of elements to keep province promise of 2%
- GP: I think today or at Board meeting, undersanding when the OEB makes their decision, my instinct is for residential people whether it is back to Jan 1 or July 1, doesn't impact on the consumer, that would be my judgment
- JL: not in real time, JM: in the short term in the four years
- George: As I understsand it, no impact on current bills through third wave of smoothing,
- Lisa; even rate rider would go into GA?
- KH: one of the elements that will impact cap going into FHP, ifthey do a rate rider, picks up $550M ish, that will be a rate rider smoothed in smome matter probably over 3-4 year period, actual impact is very small if you take that as in cents to the consumer, so they wouldn't really notice it, but it is a contributer to FHP and factor into third pwat od smoothing
- Ani: if we get rates effective Jan 1, how will that impact financial statements in Q3 and Q4 given that Jan 1 is lastyear end
- JM: last year end fot he probvince, we would pick up in third warter impatct, retroactive to Jan 1, for9 monthsall comign at the same time?
- Ani: all disclosed?
- KH: yhes, that's why we go to great lengths to say lower now so that we have a healthy disclosure item when we get the result

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[redacted] FHP: don't want to get ahead of what province is doing, steps of new regulation coming out in addition to legistion – [redacted]

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– 5. E&Y 2017 Audit Plan (Rob Scullion, Sabrina Fabrina, Brittany Keenan)

[redacted] areas of audit empahsis – predominantly consitent with last year, same areas we placed additionalemphasis las tyear, two new aress: FHP [redacted]

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– [redacted] forward looking, good program, draws on elements of all other thigns needed, and cmponents of this program supporting fair hydro piece, helping with accounting piece – those are my genreal remarks – but happy t owalk through prospectus if you would like
– Yexdi: in the past goverment was to supportive of us going directly, so is it because of FHP that allwo us to go ahead? Have they blessed this?
– Catriona: we had to get articles amended and tha tis done
– JL: yes that is one of the factors – articles have needed to be amended for a while, but they didn't dod it in the past – something they always thought made sense, but never had the political push to get it over the line, but FHP gave them the incentive to set forward
– Jeff Lyash: we made a push and got a lot of resisdence from buraucracy but none had to do with merits of doing it – FHP helped us here gave us the force to must change the articles, but made it clear that we will now use this, doesn't mean we wont borrow from OEFC, but we will use this as a tool not just for FHP, but if there is good reason to use it for corporate debt otherwis e
– gerry: george what is your sense of what this thing will ramp up, 2B now, where are we likel y to be in 2 years, will we be required to disclose any of that out of th egate

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- KH: i don't think we anticipate using US denominated debt ta the moment, but want to bbe congnizant of it so that if there is restructuring of Canadian, or if US debt turned favourable, so that we don't say i wish we wlooked at it then, just option available, same thing as FHP – its an option and pricing doesn't support doing anythingm but things change over course of time

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