FW_ Fair Hydro Plan.pdf

From:	Yordi, Samer (ENERGY)
To:	Chatterjee, Jeet (ENERGY); Schlaepfer, Martin (ENERGY)
Subject:	FW: Fair Hydro Plan
Date:	June 15, 2018 1:30:00 PM
Attachments:	May 2018 IESO Invoice.pdf

Hi Jeet and Martin,

Flagging this for DMO as an FYI. Shruti was with the DM and he was fine with these invoices being processed.

Thanks,
Sam

From: Smith, Mike (ENERGY)
Sent: June 15, 2018 11:44 AM
To: Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>; Yordi, Samer (ENERGY) <Samer.Yordi@ontario.ca>
Cc: Hunter, Robert A. (ENERGY) <Robert.A.Hunter@ontario.ca>
Subject: Fair Hydro Plan
Importance: High

Shruti, Sam,

The Ministry received the IESO invoice for the Fair Hydro Plan programs late on June 14, 2018. SNAP and CSD have reviewed the costs and are seeking Deputy Minister approval to proceed with the Ministry's regular approval process to make these payments.

Program	Payment Amount
On-Reserve First Nations Delivery Credit	$1,697,691.55
Distribution Rate Protection	$14,942,022.97
Rural and Remote Rate Protection	$20,917,843.44
Ontario Electricity Support	$14,014,835.82

Program	
Ontario Rebate for Electricity Consumers	$60,272,292.64
Total	**$111,844,686.42**

Please note:

- All programs are in Legislation and Regulation under the *Fair Hydro Plan Act, 2017* or the *Ontario Rebate for Electricity Consumers Act, 2016*.
- The Ministry receives the reports and invoice from the IESO through their portal on the 10th business day of the month. It is then processed for approval and the OFA issues the payment directly to the IESO within the following 2 business days.
- The costs associated with a delayed payment process would impact the IESO and the Local Distributors in a negative manner and could cause cash flow issues with all entities. As per Chapter 9, Section 6.14 of the IESO Market Rules, if the full settlement amount from the Ministry is not received by close of banking business on the due date, the Ministry will be subject to interest charges for the delayed payment.
- Payment for this IESO invoice is due before 5:00pm on June 18, 2018.

CSD has asked that they be copied when it goes up to DMO.

Thanks,

Mike

Mike Smith
Manager
Regulatory and Agency Policy
Ontario Ministry of Energy
Office: 416-326-5752
Cell: 416-419-1386
mike.smith@ontario.ca

May 2018 IESO Invoice.pdf

Independent Electricity System Operator
PHYSICAL INVOICE

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 14-JUN-2018

MINISTRY OF ENERGY
Hearst Block 4th Flr, 900 Bay St.
Toronto, ON M7A 2E1
Canada

Invoice: PI00023133
Invoice Date: 14-JUN-2018
MP ID: 110354
MP GST/HST: N/A

Please send payment by WIRE or EFT to:

Bank Name: **TD Bank**
Bank ID Number: **0004**
Bank Account Number: **0690-0458762**

Bank Acc Type: **Settlement Clearing**
Bank Transit Number: **10202**

For all inquiries contact:
IESO Account Representative
Tel: 905-403-6900
Toll Free: 1-888-448-7777

Comments:

Charges for settlement statements issued: From 01-MAY-2018 To 31-MAY-2018

Charge Type	Description	Amount
755	MOE - ONTARIO FAIR HYDRO PLAN FIRST NATIONS ON-RESERVE DELIVERY BALANCING AMOUNT	$1,697,691.55
756	MOE - ONTARIO FAIR HYDRO PLAN DISTRIBUTION RATE PROTECTION BALANCING AMOUNT	$14,942,022.97
1467	ONTARIO REBATE FOR ELECTRICITY CONSUMERS (8% PROVINCIAL REBATE) BALANCING AMOUN T	$60,272,292.64
1753	MOE - RURAL AND REMOTE SETTLEMENT DEBIT	$20,917,843.44
2470	MOE - ONTARIO ELECTRICITY SUPPORT PROGRAM BALANCING AMOUNT	$14,014,835.82

Invoice Total: $CAD 111,844,686.42

Payment Due Date 18-JUN-2018

This invoice also constitutes a debit/credit note for GST/HST purposes

FW_ GA Refinancing Foundational Briefing Deck_v....pdf

From:	Cayley, Daniel (ENERGY)
To:	Lightbody, Ava (ENERGY); Bergman, Mark (ENERGY)
Cc:	Ho, Larissa (ENERGY)
Subject:	FW: GA Refinancing Foundational Briefing Deck_v5.pptx
Date:	July 4, 2018 4:29:00 PM
Attachments:	GA Refinancing Foundational Briefing Deck_v5.pptx

Ava, Mark – please review and edit as needed for noon tomorrow.

Thanks,

Daniel

From: Cox, Hilary (ENERGY)
Sent: July 4, 2018 4:21 PM
To: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>
Subject: FW: GA Refinancing Foundational Briefing Deck_v5.pptx

Hi Guys –
Please review Steen's changes and make any necessary edits. Let's turn this again for tomorrow EOD.

HC

GA Refinancing Foundational Briefing Deck_v5.pdf

Global Adjustment Refinancing – Overview

CONFIDENTIAL DRAFT

Overview

- In June 2017, the *Ontario Fair Hydro Plan Act, 2017* (OFHPA) received Royal Assent. Under the Act and associated regulations, a portion of the Global Adjustment (GA) is being refinanced for eligible consumers (i.e., specified consumers under the Act), allowing certain costs associated with electricity generation and conservation to be spread over a longer time period (i.e., 30-year life of the program).

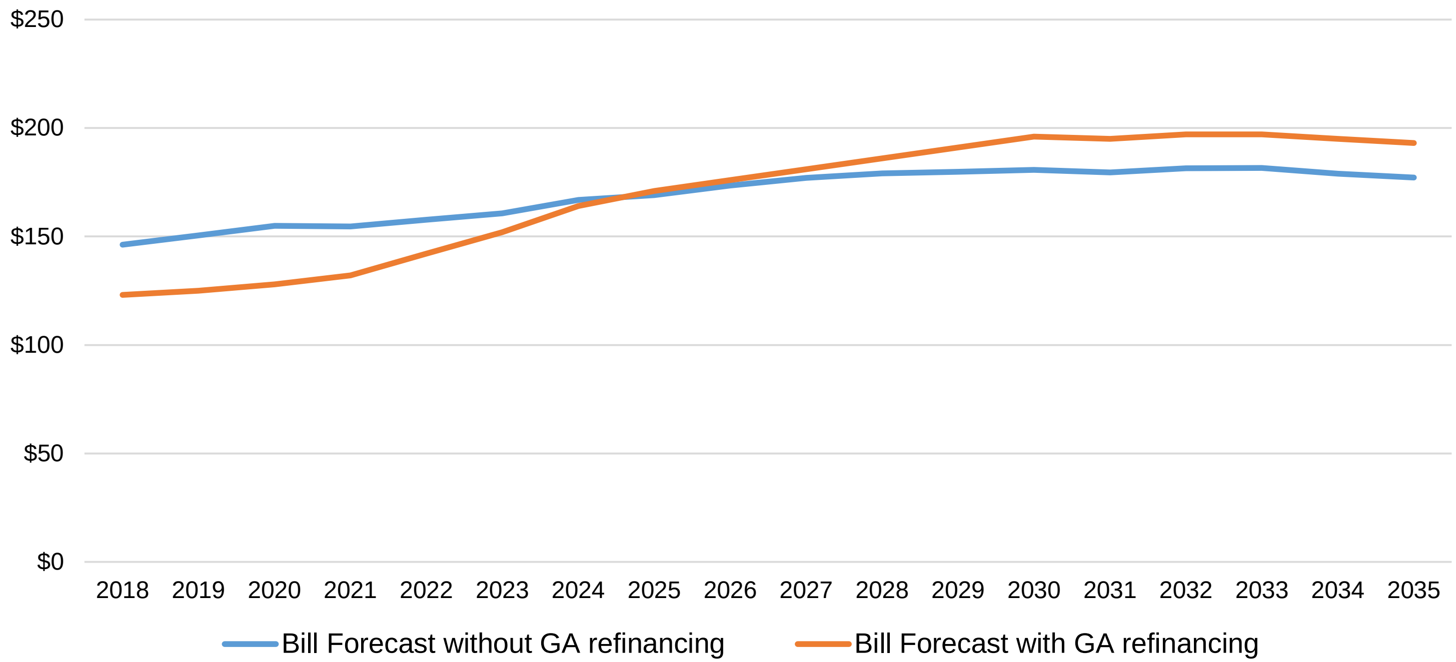
- GA refinancing provided an immediate reduction in the amount of GA payable by specified consumers in 2017 and will allow for bills to be held to inflation until 2021 under the current forecast.
  - The deferred costs plus the costs of financing will be recovered by the same group of consumers in later years.

- Specified consumers include <u>all</u> consumers eligible for the Ontario Energy Board's (OEB) Regulated Price Plan (RPP) (i.e., residents, small businesses and farms) and various other multi-unit residential faculties (e.g., long-term care homes, university residences).
  - The same group of consumers is also eligible for the 8% Ontario Rebate for Electricity Consumers (OREC) under the *Ontario Rebate for Electricity Consumers Act, 2016.*

Current Residential Bill Forecast

- As a result of GA refinancing, residential bills have been reduced and are set to increase with inflation to 2019.
  - Bills are currently forecast to continue to increase by inflation to 2021 and then increase at an average rate of 5% annually from 2021 to 2027.

Residential Bill Forecast ($M)



Notes: 2017 Long-Term Energy Plan forecast. Based on a typical residential customer of the Ontario Energy Board's Regulated Price Plan who consumes 750 kWh per month and is serviced by Toronto Hydro. The 8% rebate is reflected in both forecasts. Repayment under GA refinancing continues to 2047.

Role of the Ontario Energy Board in Electricity Rate Setting

- Under the OFHPA and associated regulations, the Ontario Energy Board (OEB) is required to calculate Regulated Price Plan (RPP) rates that reflect the impact of GA refinancing.
  - The OEB set rates effective July 1, 2017 that resulted in a 25% bill reduction for a typical residential consumer, relative to what it would have been in the absence of the Act.
  - The OEB was then required to set rates for the period from May 1, 2018 – April 30, 2019 such that the typical bill increased by the rate of inflation.

- The OEB also sets a “GA Modifier,” a dollar per megawatt-hour amount which utilities apply to the bills of specified consumers who are not RPP consumers (i.e., consumers that have opted out of the RPP and signed retail contracts).

- The regulation does not currently stipulate OEB rate-setting beyond April 30, 2019. Regulatory amendments are required to prescribe rates from May 1, 2019 onwards.

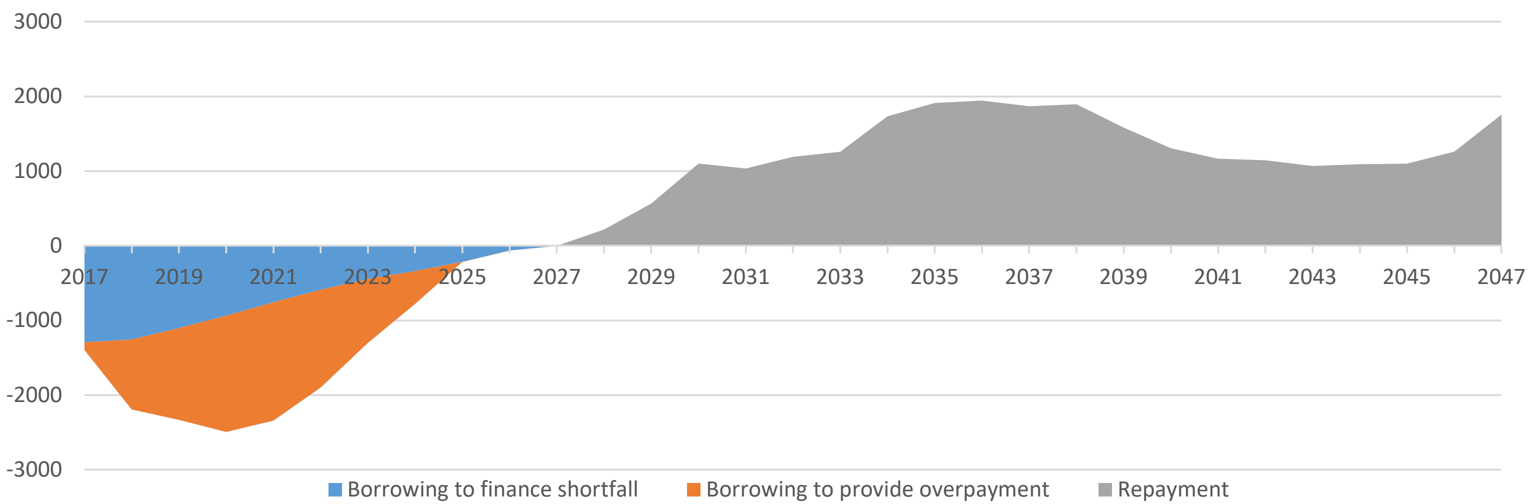
Cost Reallocation Rationale for GA Refinancing

- Under the OFHPA and associated regulations, GA refinancing is based on a re-allocation of generation and conservation costs according to an assessment of their benefits.
- In 2017, as part of this assessment, a third-party firm calculated the costs associated with certain wind, solar, and natural gas generation, along with conservation costs paid by ratepayers between 2005 (when the first long-term contracts were signed) and 2017, as well as the forecasted costs from 2017 to 2047 (30 years following the start of the GA refinancing program).
  - The third-party firm then evaluated the expected life of the assets and potential benefit provided by the generation and conservation resources between 2005 and 2047. The assessment determined that generators are likely able to continue to operate past their contract terms, providing the basis for GA to be immediately reduced and costs re-allocated over a longer time period, proportional to the value of benefit.
  - The third-party firm also assessed that between 2005 and 2017, ratepayers “overpaid” by ~$8 billion. Under the OFHPA framework, this “overpayment” can be provided back to specified consumers in the near term and recovered from the same consumers over the long term.
  - The “overpayment” amount contributed to the reduction of electricity bills in 2017 and allows for the bill to be held to inflation until 2021 under current forecasts.
- While there is some flexibility in when the overpayment is provided back to ratepayers as a reduction and how it is smoothed over time, it is a fixed absolute amount.

Cost Reallocation Financing

- The OFHPA and associated regulations require the Minister of Energy to calculate the difference between the costs that would be paid under the status quo and the re-allocated costs (i.e., the Fair Allocation Amount).
  - In early years, the FAA represents amounts that are deferred. In later years, it represents the amounts to be repaid by specified consumers, along with financing costs.
- Debt is issued to finance the shortfall between the GA that would be payable under the status quo and the reduced GA (i.e., between Independent Electricity System Operator (IESO) payments to generators and conservation providers and GA collected from ratepayers).
  - Debt is also issued to provide the additional bill reduction associated with the overpayment.

Borrowing and Repayment ($M)



Note: Forecast is as provided to Ontario Power Generation (OPG) in its role as Financial Services Manager (FSM) in September 2017, assumes a 5% average interest rate over the 30-year life of the program and includes estimated OPG fees. Forecasts are subject to change based on a number of variables, including interest rates.

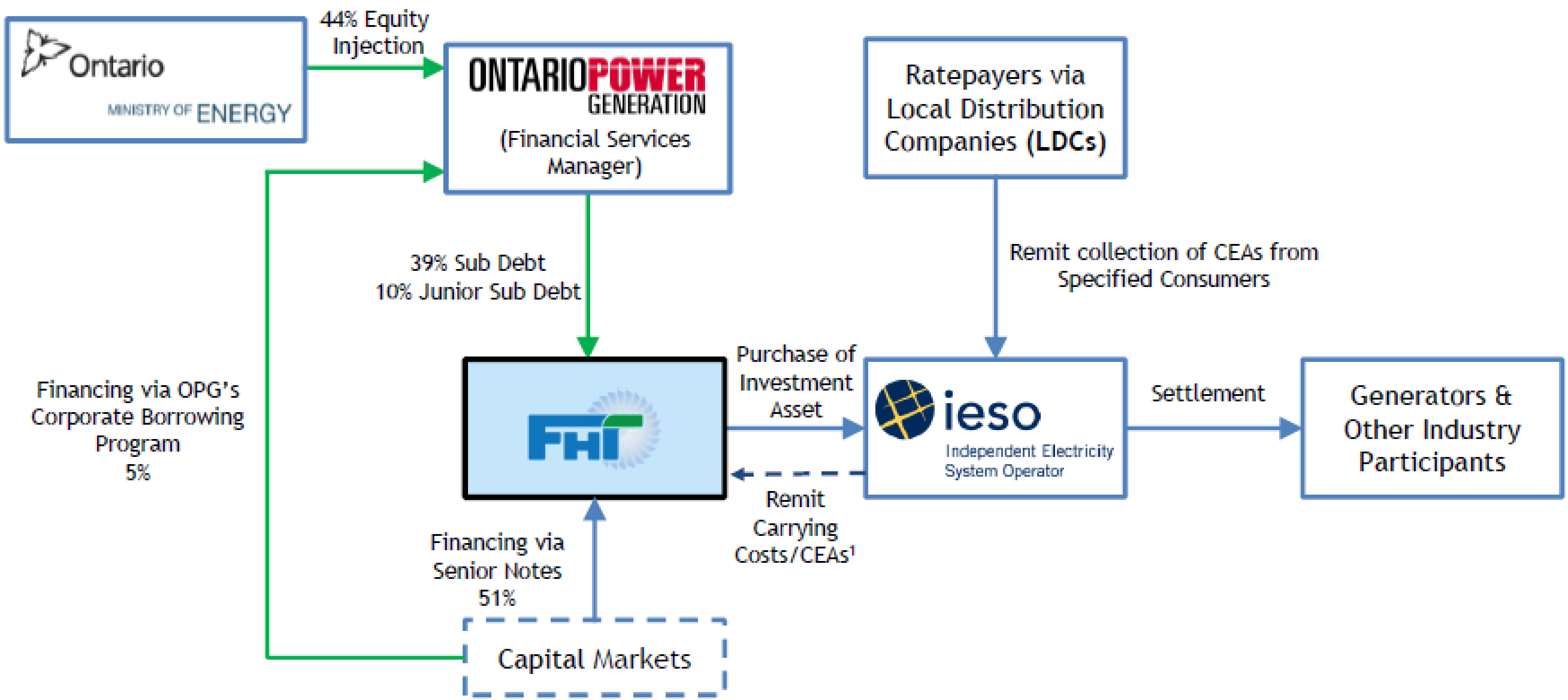
Ga Refinancing Transaction Structure / Accounting Treatment

- Under the OFHPA and associated regulations, the Independent Electricity System Operator (IESO) maintains a variance account where it records the GA deferral.
  - The deferral is recognized as a “regulatory asset”, representative of the right to recover the balance of the variance account from ratepayers in the future.

- Ontario Power Generation (OPG) is the Financial Services Manager (FSM) under the OFHPA and is responsible for:
  - Establishing a financing entity (i.e., the Fair Hydro Trust) through which debt obligations are incurred and managed; and
  - Developing a Financing Plan to ensure that debt obligations are consistent with the FAA.

- In accordance with the Act, the asset is regularly purchased by the Trust. As a result of each purchase, the Trust holds a corresponding “investment asset” (i.e., the right to collect the amounts from specified consumers in the future through a charge called the “Clean Energy Adjustment” or CEA).

GA Refinancing Transaction Structure (cont'd)

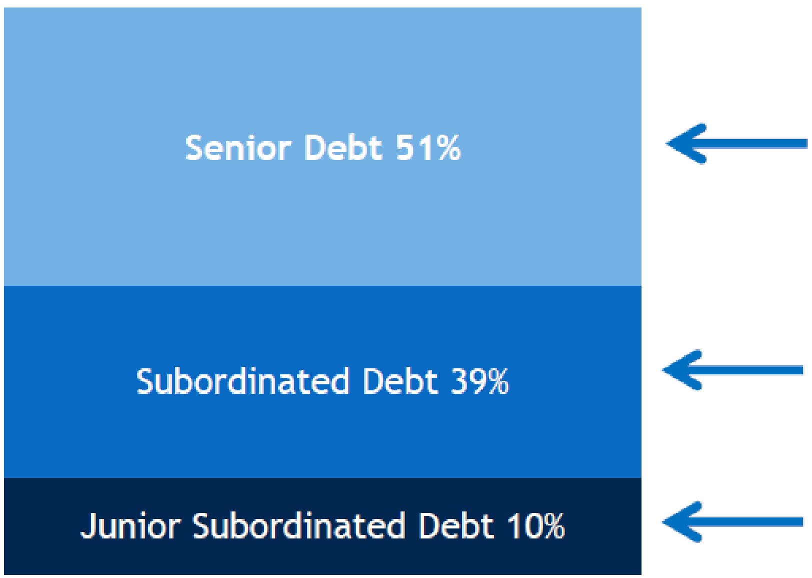


Notes: The diagram above is based on subordinated debt of 49% of all outstanding debt. The subordination level may vary but must be at least 35% of all outstanding debt. The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa. The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, Clean Energy Adjustments (CEAs) will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.[1]

Source: Ontario Power Generation

GA Refinancing Debt Composition

- In order to fund purchases of the asset from IESO, the Fair Hydro Trust (FHT) issues debt in the capital markets (“senior debt”) and to OPG (“subordinated” and “junior subordinated” debt).
  - OPG’s purchases of debt from the Trust are funded through a combination of OPG’s own corporate borrowing program and equity injections from the Province, which represent 44% of the total borrowing requirement.



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

Source: Ontario Power Generation

GA Refinancing Current Debt Summary

- In February 2018 and April 2018, OPG concluded its first two offerings of long-term debt resulting in weighted average interest rates of 3.53% and 3.71%, respectively.
  - The weighted average interest rate for all long-term debt, including both issuances, is currently 3.6%.
- Current estimates forecast peak debt at approximately $20 billion and total interest costs of less than $19 billion over the 30-year life of the program.
- The table below shows the balance of debt as of May 31, 2018 ($M):

	Senior	Subordinated	Junior Subordinated	Total
First Long-Term Issuance	500	382	98	980
Second Long-Term Issuance	400	306	78	784
Total Long-Term Debt	900	688	176	1765
Outstanding Short-Term Debt	12	9	2	23
Total Outstanding Debt	**912**	**697**	**179**	**1788**

GA Refinancing – Change of Law Protection Agreement

- The *Change of Law Protection Agreement* provides assurance to specified creditors that upon the occurrence of a “Protection Event”, the Province is required to make payments in respect of all approved obligations when due and payable.
  - Note: Specified creditors refers to any person that is owed a payment obligation by the issuer that gives rise to a finance amount in respect of the issuer.

- The occurrence of a Protection Event includes any of the following:
  - The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof;
  - The Legislature enacts or amends any other statute/
  - The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof;
  - The Lieutenant Governor in Council makes or amends any “Regulation” as in effect on the date hereof; and
  - The implementation of a change in the organization or structure of the IESO or Ontario’s electricity market undertaken at the initiative of the Province or an entity controlled by the Province.

- In each case that adversely affects the ability of the Fair Hydro Trust (FHT) to receive amounts in respect of its investment interest so that it can pay approved obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount.

- A court of competent jurisdiction determines that all or a portion of the OFHPA or associated regulations, is *ultra vires* or invalid in a way that adversely affects the ability of the FHT to receive amounts in respect of its investment interest so that it can pay approved obligations when due and payable.

Collection of Clean Energy Adjustments

- Under the OFHPA, Clean Energy Adjustment's (CEA) cannot be charged to consumers until 2021.
  - Following this four-year moratorium, the OEB will be required to calculate the rate charged to specified consumers to recover the CEA in each 6-month period.

1 **Financial Services Manager**

Determines the CEA for each month in a reference period and notifies the OEB of the CEA amount

IESO

Provides consumption forecast information and notifies the OEB

2 **OEB**

Determines volumetric rates to invoice Specified Consumers to recover CEA expressed as a cent per kWh

3 **Electricity Vendors**

Invoice Specified Consumers for CEA amount by using volumetric rate set by OEB and report the amount invoiced and collected from consumers to IESO

4 **Specified Consumers**

Must pay invoice from Electricity Vendors which includes the CEA amount

5 **Electricity Vendors**

Must collect CEA amounts from Specified Consumers, hold amounts in a segregated account and remit CEA amounts to IESO (separate from any other amount collected and remitted)

6 **IESO**

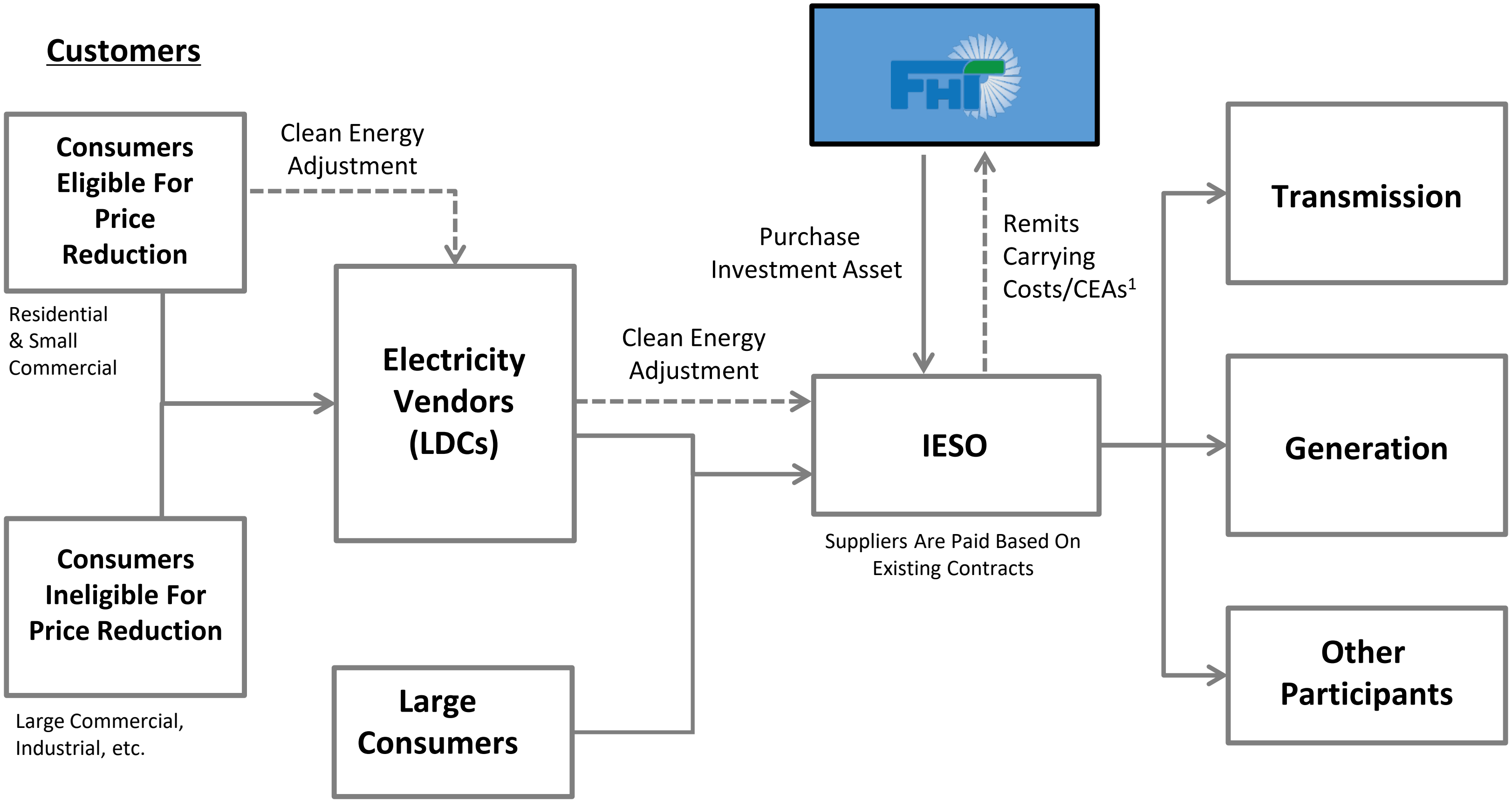
Must receive CEA amounts paid by Electricity Vendors, hold CEA amounts in trust in a segregated account and remit the CEA amounts to the Fair Hydro Trust

Note: The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

Source: Ontario Power Generation

Appendix

GA Refinancing and Ontario's Electricity Market



[1] Note: The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

Indicative Fair Hydro Trust Timeline

Expected Timing	FHT Activity	Required Action from Province
June 2018	Purchase asset from IESO	44% equity funding
July 2018	Purchase asset from IESO	44% equity funding
August 2018	Purchase asset from IESO	44% equity funding
September 2018	Issue term debt (approx. $500M senior)	N/A
September 2018	Purchase asset from IESO	44% equity funding
October 2018	Purchase asset from IESO	44% equity funding
November 2018	Purchase asset from IESO	44% equity funding
December 2018	Purchase asset from IESO	44% equity funding
January 2019	Purchase asset from IESO	44% equity funding
January 2019	Issue term debt (approx. $400M senior)	N/A
February 2019	Purchase asset from IESO	44% equity funding
End of March 2018	Deliver Financial Services Manager Report	N/A

FW_ IESO Credit Facility for FHP.pdf

From:	Young, Graham (ENERGY)
To:	Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Cc:	Talwar, Shruti (ENERGY); Yordi, Samer (ENERGY)
Subject:	FW: IESO Credit Facility for FHP
Date:	September 18, 2018 1:47:36 PM

Daniel/Tim

FYI- see email below from OFA. I believe you're tracking this through IESO already.

From: Gavin He <Gavin.He@ofina.on.ca>
Sent: September-18-18 1:35 PM
To: Young, Graham (ENERGY) <Graham.Young@ontario.ca>
Subject: IESO Credit Facility for FHP

Hi Graham,

Hope all is going well! Just a heads-up on the IESO credit facility with OFA put in place for OFHP. The credit facility was a $2 billion credit facility and so far, IESO has requested about $1 billion under this credit facility, and if IESO continues to roll over the previous balance, in the next 4 or 5 months it might reach the maximum.

We will continue to monitor this but thought I should give you a heads-up too.

Regards,
Gavin He

Fair Hydro Plan.pdf

From:	Smith, Mike (ENERGY)
To:	Talwar, Shruti (ENERGY); Yordi, Samer (ENERGY)
Cc:	Hunter, Robert A. (ENERGY)
Subject:	Fair Hydro Plan
Date:	June 15, 2018 11:43:33 AM
Attachments:	May 2018 IESO Invoice.pdf
Importance:	High

Shruti, Sam,

The Ministry received the IESO invoice for the Fair Hydro Plan programs late on June 14, 2018. SNAP and CSD have reviewed the costs and are seeking Deputy Minister approval to proceed with the Ministry's regular approval process to make these payments.

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CSD has asked that they be copied when it goes up to DMO.

Thanks,

Mike

Mike Smith
Manager
Regulatory and Agency Policy
Ontario Ministry of Energy
Office: 416-326-5752
Cell: 416-419-1386
mike.smith@ontario.ca

May 2018 IESO Invoice_1.pdf

Independent Electricity System Operator
PHYSICAL INVOICE

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON
M5W 4E5

HST: 870513959RT0002
Issue / Re-Issue Date: 14-JUN-2018

MINISTRY OF ENERGY
Hearst Block 4th Flr, 900 Bay St.
Toronto, ON M7A 2E1
Canada

Invoice: PI00023133
Invoice Date: 14-JUN-2018
MP ID: 110354
MP GST/HST: N/A

Please send payment by WIRE or EFT to:

Bank Name: **TD Bank**
Bank ID Number: **0004**
Bank Account Number: **0690-0458762**

Bank Acc Type: **Settlement Clearing**
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For all inquiries contact:
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Tel: 905-403-6900
Toll Free: 1-888-448-7777

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Invoice Total: $CAD 111,844,686.42

Payment Due Date 18-JUN-2018

This invoice also constitutes a debit/credit note for GST/HST purposes

RE_ EXTERNAL   FW_ IESO_OPG GA deferral data re....pdf

From:	GO Matthew -TREASURY
To:	Christie, Tim (ENERGY)
Cc:	LEE John -TREASURY; Cayley, Daniel (ENERGY); LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; Lightbody, Ava (ENERGY)
Subject:	RE: EXTERNAL – FW: IESO/OPG GA deferral data request
Date:	July 4, 2018 3:10:38 PM
Attachments:	MOE Data Request_20180614.xlsx

Hi Tim,

See attached for the information requested. Note, this is for the period May 15, 2018 to June 14, 2018. This aligns with the monthly period which interest is accrued and paid on the warehouse.

Let me know if you have any questions.

Thanks,
Matt

From: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Sent: Wednesday, May 30, 2018 9:40 AM
To: GO Matthew -TREASURY <matthew.go@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

Hi Matt, this information will be used to support our internal tracking and reporting of the FHT.

Tim

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: May-29-18 4:37 PM
To: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

We do have this data available, however it would take additional time and effort to compile and consolidate this into a report. Would still like to provide assistance if possible, so if we can understand how this information will be used, we can try to figure something out that can help. Please let us know.

Matt

From: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Sent: Tuesday, May 29, 2018 4:02 PM
To: GO Matthew -TREASURY <matthew.go@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

We'd like to get it monthly on an ongoing basis once it's available.

Tim

From: GO Matthew -TREASURY [mailto:matthew.go@opg.com]
Sent: May-29-18 4:01 PM
To: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

Hi Tim,

For what period of time are you looking for in regards to this data?

Thanks,
Matt

From: Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Sent: Tuesday, May 29, 2018 3:54 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; GO Matthew -TREASURY <matthew.go@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

Hi Lubna, I'm checking on when this information will be available. In addition to what we've already requested, I'd also like to get the monthly weighted average interest rates for warehouse debt (broken down by senior, subordinated, and junior), monthly interest payment amounts for warehouse debt, and carrying costs charged to IESO (and paid by IESO), broken down by component (fees, interest amounts, etc.). Please let me know if there are any issues providing this data.

Tim

From: Christie, Tim (ENERGY)
Sent: March-21-18 1:55 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; GO Matthew -TREASURY <matthew.go@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

Hi Lubna, the information you propose below would satisfy our needs. Please send it to Daniel and myself. Thanks for your help.

Tim

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: March-20-18 12:48 PM
To: Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; Cayley, Daniel (ENERGY); GO Matthew -TREASURY; LAURETA LAPIRA May -TREASURY
Subject: RE: EXTERNAL – FW: IESO/OPG GA deferral data request

Hi Tim,
We can provide the information you requested on a monthly basis.

1. You already receive notification when we decide to purchase an asset from the IESO. The only change would be notifying you if we don't plan to purchase an asset in a particular month.
2. We can provide the weighted average interest rate associated with warehoused debt on a monthly basis. Please note, part of the weighted average rate is estimated based on last known rates, which gets trued up on a monthly basis when we receive the invoice.

Let me know if this meets your needs, and who this information should be sent to.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Christie, Tim (ENERGY) [mailto:Tim.Christie@ontario.ca]
Sent: Friday, March 16, 2018 9:11 AM

To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; Cayley, Daniel (ENERGY)
<Daniel.Cayley@ontario.ca>
Subject: EXTERNAL – FW: IESO/OPG GA deferral data request

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Hi Lubna, in order for us to better track OFHP and keep our forecasts updated, we require some data from OPG on an ongoing basis, including the current weighted average interest rate on warehoused debt and confirmation of plans on sale of investment assets (as well as the results of any sales). Would it be possible to provide this information to us monthly?

Tim

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MOE Data Request_20180614.pdf

Fair Hydro Trust
MOE Data Request
For the month ending June 14, 2018

Period Start	05/15/2018
Period End	06/14/2018
Period	6

Warehouse Interest

	Senior	Subordinated
Percentages	51%	39%
Weighted Average Rate	2.5788%	2.6879%
Interest Payments	26,155.37	20,750.52

Carrying Costs Information

Requested to IESO

Item	Amount
Warehouse Interest	70,000
Warehouse Commitment Fee	500,000
Term Notes Interest Accrual 2018-1	3,100,000
Term Notes Interest Accrual 2018-2	2,500,000
Legal	250,000
Rating Agency	65,000
OPG Management Fee Accrual	402,000
Other	459,371
Under/(Over) from Prior Submission	- 1,046,371
Total	**6,300,000**

Paid by IESO	6,300,000.00

Jr. Subordinated	Weighted Average/Total
10%	100%
2.6879%	2.6323%
5,319.54	52,225.43

RE_ Fair Hydro Plan.pdf

From:	Talwar, Shruti (ENERGY)
To:	Smith, Mike (ENERGY); Yordi, Samer (ENERGY)
Cc:	Hunter, Robert A. (ENERGY)
Subject:	RE: Fair Hydro Plan
Date:	June 15, 2018 12:25:39 PM

I was with the DM and he was fine with these invoices being processed.
Samer, you could flag to DMO as FYI.

From: Smith, Mike (ENERGY)
Sent: June 15, 2018 11:44 AM
To: Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>; Yordi, Samer (ENERGY) <Samer.Yordi@ontario.ca>
Cc: Hunter, Robert A. (ENERGY) <Robert.A.Hunter@ontario.ca>
Subject: Fair Hydro Plan
Importance: High

Shruti, Sam,

The Ministry received the IESO invoice for the Fair Hydro Plan programs late on June 14, 2018. SNAP and CSD have reviewed the costs and are seeking Deputy Minister approval to proceed with the Ministry's regular approval process to make these payments.

Program	Payment Amount
On-Reserve First Nations Delivery Credit	$1,697,691.55
Distribution Rate Protection	$14,942,022.97
Rural and Remote Rate Protection	$20,917,843.44
Ontario Electricity Support Program	$14,014,835.82
Ontario Rebate for Electricity Consumers	$60,272,292.64

Total	**$111,844,686.42**

Please note:

- All programs are in Legislation and Regulation under the *Fair Hydro Plan Act, 2017* or the *Ontario Rebate for Electricity Consumers Act, 2016*.
- The Ministry receives the reports and invoice from the IESO through their portal on the 10th business day of the month. It is then processed for approval and the OFA issues the payment directly to the IESO within the following 2 business days.
- The costs associated with a delayed payment process would impact the IESO and the Local Distributors in a negative manner and could cause cash flow issues with all entities. As per Chapter 9, Section 6.14 of the IESO Market Rules, if the full settlement amount from the Ministry is not received by close of banking business on the due date, the Ministry will be subject to interest charges for the delayed payment.
- Payment for this IESO invoice is due before 5:00pm on June 18, 2018.

CSD has asked that they be copied when it goes up to DMO.

Thanks,

Mike

Mike Smith
Manager
Regulatory and Agency Policy
Ontario Ministry of Energy
Office: 416-326-5752
Cell: 416-419-1386
mike.smith@ontario.ca