Consolidated Feedback on

Special Report – The Fair Hydro Plan: Concerns About Fiscal Transparency, Accountability and Value for Money

Section #	Page #	Ministry/Agency Source	Comments	Supporting Evidence Attached? Y/N
4.4	14	IESO	Change was a deviation from PSAS IESO Response: PSAS neither explicitly permits, nor prohibits, the recognition, measurement, presentation or disclosure of rate-regulated activities. In absence of a clear position on an issue, standard accounting practice dictates that an entity is entitled to consult another accounting standard. In this case, the IESO consulted US GAAP, the only accounting framework in North America that provides guidance on rate regulated operations. Paragraph 11 of the Introduction to Public Sector Accounting Standards ("Introduction") states: "When applying the CPA Canada Public Sector Accounting (PSA) Handbook, where the standards are silent on an issue, public sector entities should apply Generally Accepted Accounting Principles, Section PS 1150." http://www.knotia.ca/Login/ViewEmailDocument.aspx?uniqID=233710&productID=660&sGotoStr=ps+1150&pageLanguage=en	
4.5	15	IESO	Prior 5 years of financial statements re-stated to reflect regulatory assets and market accounts. IESO Response: The IESO's financial statements reported regulatory assets and market accounts beginning in 2016 and at that time we restated financial statements for 2015. Prior to the merger of IESO and OPA, the OPA did include a subset of market accounts in their audited financial statements.	
4.5	15	IESO	OEB did not consider the IESO to be an electricity rate-regulated entity like OPG. IESO response: The IESO is rate-regulated by the OEB in accordance with the Electricity Act, 1998 (the Electricity Act") and the Ontario Energy Board ("OEB") Act, 1998 (the "OEB Act"). The IESO activities subject to rate regulation by the OEB include the following: (a) IESO's expenditure, revenue requirements and fees; (b) Smart metering activities; and (c) A subset of market accounts.	