IESO Accounting Info

Key Messages:

- **This has been in our publicly issued audited financial statements ever since the change and therefore part of our ongoing annual review by the OEB. Totally public throughout and simply a function of change in accounting rules from commercial Generally Accepted Accounting Principles to Canadian Public Sector Accounting Standards determined to be more relevant to the IESO.**

- **This item was always part of our balance sheet under GAAP, the former accounting principles. The difference in moving to the new accounting principles is that we were required to separate it out and show it separately in our statements.**

- **IESO fees have been reduced over the period.**

Background Only:

Effective January 1, 2011, the IESO adopted Canadian public sector accounting standards with a transition date of January 1, 2010. The adoption of PSAB was accounted for by retroactive application with restatement of prior periods subject to the requirements in Section PS 2125, *First-time Adoption by Government Organizations*. The corresponding change to pension and other-post employment benefits resulted in previously unrecognized actuarial losses and past service costs of $80,617 thousand at the date of transition being charged to the accumulated deficit.

The IESO includes a portion of the accumulated deficit resulting from the PSAB transition items in the annual proposed expenditures to the OEB for recovery through system fees.

IESO also notes that their fee dropped from 0.137 cents per kilowatt hour in 2010 to 0.124 cents per kilowatt hour in 2015. Further, our proposal if approved by the Ontario Energy Board would see a further reduction to 0.113 cents per kilowatt (or approximately one-tenth of one cent per kilowatt hour)