RE: A call from OPCD

From: "Laughton, Patrick (TBS)" <patrick.laughton@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Date: Mon, 16 Jan 2017 11:57:58 -0500

Hi Cindy –

Hope you had a good weekend.

I'm in agreement with you and think we should be engaging ENE directly and including OFA when we're providing advice. Much more helpful to have everyone on the same page at the same time. ENE can be a bit odd in the way they interact, often it's not helpful unfortunately.

P.

From: Veinot, Cindy (TBS)
Sent: January-16-17 10:43 AM
To: Laughton, Patrick (TBS); Hosick, Sarah (TBS)
Subject: FW: A call from OPCD

Patrick – question on "how things work" – see Ron's note below – why would we route accounting guidance through OFA on this (vs. sending to Energy directly)? Seems odd to me, so wondering if there is history that I'm not aware of.

From: Ronald Kwan [mailto:Ronald.Kwan@ofina.on.ca]
Sent: January-16-17 10:14 AM
To: Veinot, Cindy (TBS)
Subject: Re: A call from OPCD

Hi Cindy,

When Energy staff first told me about their Global. Adjustment option, I asked Energy staff about the fiscal impact and if they had consulted OPCD on the accounting.

They had apparently not focussed on fiscal impacts and accounting up to then. I suggested that they should consult OPCD.

While not in the deck, Energy staff also seemed to think that OEFC could carry the difference on the GA with no bottom line impact.

I noted that OEFC is not a rate-regulated entity, and it is not on US GAAP. And noted that for OEFC's own power supply contracts it records the contract expenses and the reason it as no net impact is because it also records as revenues the power supply contract recoveries.

I would think that Energy should seek an accounting view from you. **That said, as we draft our own notes on. Energy's proposals, it would be helpful if we were able to incorporate into the BN OPCD's accounting advice.**

Thanks,
Ron

On Jan 16, 2017, at 9:09 AM, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> wrote:

Yes – I saw two – one dated December and one Jan 13. We have not been contacted by Energy to discuss the accounting – not sure who they are getting advice from.

Cindy

From: Ronald Kwan [mailto:Ronald.Kwan@ofina.on.ca]
Sent: January-16-17 8:35 AM
To: Veinot, Cindy (TBS)
Subject: RE: A call from OPCD

Hi Cindy,

Did you see Energy's latest decks circulated on Saturday? They seem to leave the accounting questions open on the conservation cost proposal and the GA financing one.

Ron

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: January-13-17 4:38 PM
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: A call from OPCD

We are providing a briefing note to our Associate DM by EOD today.

Cindy

From: Ronald Kwan [mailto:Ronald.Kwan@ofina.on.ca]
Sent: January-13-17 4:28 PM
To: Kim, John (OFA)
Cc: Veinot, Cindy (TBS)
Subject: Re: A call from OPCD

Thanks John. Have a good weekend and recover from your jet lag

Copying Cindy, as neither Gadi nor I, as non-accountants admittedly, could see how this could not have a fiscal impact either, and for the same reasons.

Cindy, are you providing comments directly back to Energy, and, if so, when? Sooner rather than later would seem appropriate to me.

Ron

From: John Kim
Sent: January 13, 2017 4:13 PM
To: Ronald Kwan
Subject: A call from OPCD

Hi Ron,

Helen Graham and Cindy Veinot gave me a call. Helen called first and then asked me to a call with Cindy.

So DM of Energy appears to have engaged DM of TBS which is how OPCD received the deck. Energy asked for comments from an accounting perspective which is how OPCD seemed to have gotten engaged.

They wanted mostly clarification on Global Adjustment and what it covers. Cindy's comments were to the point that she would not see how this will not lead to a fiscal hit. That you cannot create a receivable/asset , unless there is a counterparty or unless it is a rate regulated entity.

I'm running out of steam so will be heading out shortly but will try to provide you with a note this weekend.

Thanks,

John.

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