From: Picard, Michel
To: Petsche, Nadine (TBS)
Subject: RE: another thought
Date: July 4, 2017 8:31:00 AM

Hi Nadine,

I believe so on the basis that the financial statements of the market accounts have included variance accounts approved by the OEB for a number of years before the market accounts were recognized in the IESO's financial statements. These variance accounts, which relate to the RRRP, RPP and OESP programs, met and continue to meet the recognition criteria in ASC 980.

In our view, should the IESO meet the GBE criteria or take the option offered to OGOs to use IFRS then IESO would be permitted to adopt IFRS 14 as it also meets the scope criteria in IFRS 14 paragraph 5 as follows:

"An entity is permitted to apply the requirements of this Standard in its first IFRS financial statements if and only if it:

(a) conducts rate-regulated activities; and

(b) recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP."

Regards,

Michel

From: Petsche, Nadine (TBS) [mailto:Nadine.Petsche@ontario.ca]
Sent: Friday, June 30, 2017 5:56 PM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: another thought

If the IESO was not classified as a GBE, but decided to follow IFRS anyway, then IFRS 14 might be applicable? N
