# RE: Consultation Draft v4

**From:** "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <carolyn.calwell@ontario.ca>
**To:** "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Rehob, James (ENERGY)" <james.rehob@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
**Cc:** "Huang, Jackson (MEDG/MRIS)" <jackson.huang@ontario.ca>, "Nelms, Scott (MOF)" <scott.nelms@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
**Date:** Thu, 22 Jun 2017 18:32:23 -0400

Got it – thanks for taking this on with OPG and IESO.

**From:** Veinot, Cindy (TBS)
**Sent:** June-22-17 6:29 PM
**To:** Calwell, Carolyn (ENERGY/MEDEI/MRI); Rehob, James (ENERGY); Petsche, Nadine (TBS)
**Cc:** Huang, Jackson (MEDG/MRIS); Nelms, Scott (MOF); Hosick, Sarah (TBS)
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That  decision needs to be made based on what the goal is – cash basis or accrual basis.  Some of the text needs to change, but the cash vs. accrual basis will dictate that.  Let me see if I can connect with the OPG and IESO accounting folks to see what they have envisioned.

If accrual basis is desired, 5(2)1 should come out, but there would also be changes to other sections required because as noted 5(1)2iii  and v both use the term “received” which is a cash basis term – it would be “receivable” if an accrual based calculation was desired.

**From:** Calwell, Carolyn (ENERGY/MEDEI/MRI)
**Sent:** June 22, 2017 5:21 PM
**To:** Veinot, Cindy (TBS); Rehob, James (ENERGY); Petsche, Nadine (TBS)
**Cc:** Huang, Jackson (MEDG/MRIS); Nelms, Scott (MOF); Hosick, Sarah (TBS)
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Thanks very much, Cindy.  On my read of this and if I’m following your comments correctly, then it would seem that 5(2)1 add uncertainty because it’s not clear how it would be applied and therefore should come out  because it creates ambiguity.  5(2)2, 5(2)3 and 5(2)4 seem to provide more certainty because they shay how to determine the amounts at different points in time (based on cash amounts).  Do you agree?  We’re trying to figure out how to respond to Leg Counsel’s comments in a practical way.

**From:** Veinot, Cindy (TBS)
**Sent:** June-22-17 4:03 PM
**To:** Rehob, James (ENERGY); Petsche, Nadine (TBS)
**Cc:** Calwell, Carolyn (ENERGY/MEDEI/MRI); Huang, Jackson (MEDG/MRIS); Nelms, Scott (MOF); Hosick, Sarah (TBS)
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Hi James – based on my read, there is a disconnect between using the term “cash basis of accounting” in 5(2)1. and the descriptions in 3. and 4.

Cash basis of accounting is generally understood to be a method that records transactions when the cash is received or paid.  Sections 3. and 4.  of 5(2) refer to including amounts that are not yet paid (which would be appropriately included under an accrual basis of accounting).  Under the cash basis of accounting, these amounts would not be included and yet it seems the intent is to include them.

The language in 5(1)1. and 2. imply a mix of cash and accrual concepts – amounts that are "payable" during the period could mean either that an amount has to be paid during the period to be included (cash basis) or that a liability has been incurred, therefore, the amount is payable during the period (accrual basis). In 2.iii. the use of the term "received" would generally only be interpreted to be a cash basis concept.

What is the intention of this section re: cash vs. accrual?

I'm reviewing the balance of the draft and will send along my comments re: s. 14 once I'm through it.

Cindy

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**From:** Rehob, James (ENERGY)
**Sent:** June 22, 2017 3:35 PM
**To:** Veinot, Cindy (TBS)
**Cc:** Calwell, Carolyn (ENERGY/MEDEI/MRI); Huang, Jackson (MEDG/MRIS); Nelms, Scott (MOF)
**Subject:** RE: Consultation Draft v4

Cindy, I am also hoping to receive your feedback to the NTDs from Legislative Counsel under s.5(2) ("Finance Amount") relating to "cash-basis accounting".
Many thanks!
Best,
James

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**From:** Rehob, James (ENERGY)
**Sent:** Thursday, June 22, 2017 11:40 AM
**To:** Veinot, Cindy (TBS)
**Cc:** Calwell, Carolyn (ENERGY/MEDEI/MRI); Huang, Jackson (MEDG/MRIS); Nelms, Scott (MOF)
**Subject:** FW: Consultation Draft v4

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June 22, 2017

Good morning, Cindy. We are pleased to attach the next consultation draft for the proposed General Regulation which, if approved, would be made under the OFHPA.

Cindy, we are hoping to receive your feedback in particular on the detailed "Financing Plan" principles enunciated in s.14. Let us know if those pose any concerns for you from an accounting perspective.

You may also note that Legislative Counsel, due to drafting practices, has removed some of the definitions. They were creating some confusion. Legislative counsel's intention was to communicate concepts in a more direct fashion, particularly about the relationship between various types of "amounts" and "the period of time" in which they are (or are to be) paid or received.

In many cases the substantive provisions themselves elaborate the principles previously provided for in the definitions.

We ask that you please give careful consideration to the approach and the language Legislative Counsel has proposed with a view to making the approach work if it is possible.

Thank you,

James

**James P. H. Rehob**

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