RE: IESO related analysis

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Sun, 12 Feb 2017 16:30:21 -0500

Cindy,
The merge itself (Jan 1/15) may not have triggered the entity being a GBE, it could be that the entity was misclassified in the past, or that the nature of the entity should have been re-assessed as at Jan 1/15 (when considering the applicability of IFRS14, one would consider the past accounting practices of both the IESO and the OPA).
n

From: Veinot, Cindy (TBS)
Sent: February-12-17 10:40 AM
To: Petsche, Nadine (TBS)
Subject: RE: IESO related analysis

Were either the OPA or the IESO classified as a GBE before the merger? If not, I don't see how that merger would have been a trigger for reclassification to a GBE.

Also – I don't see how the entity would be a GBE now re: the borrowing from the OFA for GA Smoothing.

You mentioned you were working on a flowchart re: decisions – I think that would be really useful for tomorrow morning (I sent out an email re: whether we could regroup at 8:30 tomorrow morning.)

Cindy

From: Petsche, Nadine (TBS)
Sent: February-11-17 3:50 PM
To: Lee Anne Probert; Suzie Gignac
Subject: Re: IESO related analysis

Hi Lee Anne. Thanks for your comments. I think that the change to a GBE might be considered in conjunction with the recent merger of the OPA and the IESO, or perhaps it was erroneously classified previously.

With regards to IFRS 14, I think we'd have to give that some additional thought. I know the BC Hydro was able to adopt IFRS 14, even though it wasn't following pure US GAAP previously. Perhaps there is room for flexibility and judgment.

Thanks.
Nadine

From: Lee Anne Probert
Sent: Saturday, February 11, 2017 10:21 AM
To: Petsche, Nadine (TBS); Suzie Gignac
Subject: RE: IESO related analysis

Hi Nadine,

We have started to look at them and I'll coordinate with Suzie to get comments to you.

One comment we can provide now is that we're concerned that even if you take the position that the IESO is a GBE and have it prepare financial statements in accordance with IFRS, the guidance in the Basis for Conclusion of IFRS 14 would prevent the IESO from applying IFRS 14 and recognizing regulatory amounts because it has not recognized regulatory amounts under its previous GAAP (PSAB). If you agree, does this cause you to reconsider whether this is a path you want to go down?

We also thought it would be helpful to understand whether you think (a) there has been a distinct event that would cause the IESO to change from a GNPO to a GBE (amalgamation with the PSA?), (b) the change from a GNPO to GBE is the result of changes in circumstances that have happened over a period of time, or (c) the IESO always should have been a GBE.

Regards,
Lee Anne

LeeAnne Probert | Senior Manager | Assurance Services

Ernst & Young LLP
Office: 416 943 3554 | leeanne.probert@ca.ey.com

From: Petsche, Nadine (TBS) [mailto:Nadine.Petsche@ontario.ca]
Sent: Friday, February 10, 2017 10:30 PM
To: Lee Anne Probert; Suzie Gignac
Subject: IESO related analysis

Lee Anne/Suzie,
Looking forward to hearing your feedback on the IESO-related docs provided earlier (GBE and control related analysis). We'd still like to hear back by then, if possible.
Thanks.
Nadine