

RE: house note changes

From: Kim Marshall <kim.marshall@ieso.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc: Jordan Penic <jordan.penic@ieso.ca>, "Donaldson, Mark (TBS)" <mark.donaldson@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Date: Fri, 01 Sep 2017 13:00:34 -0400

We are comfortable with the use of the language re OPA financial statements as an example of regulatory assets and market accounts have been previously in the provincial books. Want to ensure it is understood that the IESO's 2016 regulatory assets – smart meter and pension related, not an example within the OPA f/s

- 2016 is not the first year that amounts due to power generators have been included in the financial statements.
 - o IESO is the amalgamation of the former IESO and the Ontario Power Authority (OPA).
 - o OPA, when it was a standalone entity, prepared its financial statements in accordance with Public Sector Accounting Standards, and recognized on its financial statements, the amounts due to the power generators and the amounts due from the IESO. These financial statements were audited by a public accounting firm, and an unqualified opinion was issued. The inclusion of the amounts due to the power generators was not raised as a concern by the current auditor general in 2013-14 or 2014-15 or by previous auditors general in the years since the OPA was established in fiscal 2004-2005.
 - o OPA and IESO were amalgamated during 2015-16 and 2015-16 was the only year that balances related to a portion of the market accounts were not included in the province's consolidated financial statements.

Kimberly Marshall | VP, Corporate Services & CFO
Independent Electricity System Operator (IESO) | T: (416) 969-6232 | C: (416) 545-7202
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals.

Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: August 31, 2017 3:29 PM
To: Kim Marshall
Cc: Jordan Penic; Donaldson, Mark (TBS); Hosick, Sarah (TBS)
Subject: RE: house note changes

Thanks Kim – the snapshot below is from KPMG's memo – issue 2, page 5 of 57 – it speaks to the other ISOs with respect to both the inclusion of market accounts and RR accounting -- Cindy

There are nine ISO entities in North America; seven in the U.S. and two in Canada (IESO and AESO). It is important to note that, similar to IESO, 7 of the 8 other ISO entities across North America are not-for-profit organizations (the 8th one is an LLC, non-stock company), 7 of the other 8 entities recognize the balances of the market participants and 6 of the other 8 entities recognize the economic effects of rate regulation (see Appendix D for a summary of these nine entities). All these entities state in the notes to their financial statements that their activities include the recovery of administrative fees for collecting amounts from the distributors of electricity and paying the contracts of the generators of electricity.

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: August 31, 2017 3:20 PM
To: Veinot, Cindy (TBS)
Cc: Jordan Penic
Subject: house note changes

Happy to discuss

Kimberly Marshall | VP, Corporate Services & CFO
Independent Electricity System Operator (IESO) | T: (416) 969-6232 | C: (416) 545-7202
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals.

Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

From: Jordan Penic
Sent: August 31, 2017 8:57 AM
To: Kim Marshall; Terry Young
Cc: Susan Nicholson
Subject: RE: Updated KMs and Q&As re: Accounting Changes

Kim,

Please find attached the TBS house book notes edited to reflect the messaging developed by the IESO. These notes get into more detail around accounting practices than ours, so let me know if I have misunderstood anything with my edits.

Cheers,

Jordan

Jordan Penic | Senior Manager, Communications & Government Affairs
Independent Electricity System Operator (IESO) | T: (416) 506-2815
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

From: Kim Marshall
Sent: August 31, 2017 8:18 AM
To: Jordan Penic; Terry Young
Subject: RE: Updated KMs and Q&As re: Accounting Changes

I would like to share with kpmg as fyi, but am ok doing that after ministry. Provincial controller followed up with me yesterday so whatever you need let me know, thx

Kimberly Marshall | VP, Corporate Services & CFO
Independent Electricity System Operator (IESO) | T: (416) 969-6232 | C: (416) 545-7202
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals.

Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

From: Jordan Penic
Sent: August 30, 2017 9:30 PM
To: Terry Young; Kim Marshall
Subject: Updated KMs and Q&As re: Accounting Changes

The updated key messages and Q&A is attached (clean and tracked changes) incorporating the feedback from earlier today. Please let me know if you think I have missed anything.

Kim – earlier today you mentioned there may be some next steps in regards to KPMG, I believe that Michael Boll had flagged that as well. Can you advise on whether we need to engage them on anything in this document?

If we've landed on our messages we can use them to update the TBS messages, which I can do first thing in the morning. I will also need to share the KM and Q&A with the Ministry tomorrow.

Regards,

Jordan

Jordan Penic | Senior Manager, Communications & Government Affairs
Independent Electricity System Operator (IESO) | T: (416) 506-2815
120 Adelaide Street West, Suite 1600, Toronto, ON M5H 1T1
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.