Re: Debt Financing the Global Adjustment

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Date: Fri, 13 Jan 2017 22:19:16 -0500

Cindy,
The OPA had its accounting for rate regulated assets reviewed a few years back (by DT I believe), and based on the nature of the assets, it was determined that they could account for them the same under PSAB. Since then, OPA and IESO have merged, and such assets/liabs may be treated the same (to be confirmed). If the OEB would allow for the costs to be recovered on a different basis/timeline, then the cost differential would be treated as a regulatory asset and recognized as an expense in the same periods in which revenue is recovered in rates. Our accounting commentary should suggest that the IESO's external auditors be consulted to confirm likely accounting assumptions and impact. N

From: Veinot, Cindy (TBS)
Sent: Friday, January 13, 2017 6:31 PM
To: Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: Debt Financing the Global Adjustment

Hi Nadine – thanks for working with Helen on this briefing note. I'm assuming you authored the accounting section and I have a few questions re: the content.

Given IESO follows PSAS, I don't see how the gap between the amount paid to the producers and the amount collected from the rate payers could be accounted for as an asset?

Can you take a look at what I've edited and let me know if I'm missing something.

We need to get this to Karen before Monday morning.

Thanks,

Cindy Veinot
Provincial Controller and Assistant Deputy Minister, Office of the Provincial Controller
Treasury Board Secretariat
Frost Building South
7 Queen's Park Crescent East
Toronto, Ontario M7A 1Y7

T: 416-325-8017
E: cindy.veinot@ontario.ca

TBS