From:	Kim Marshall
To:	Veinot, Cindy (TBS)
Subject:	AG letters re IESO accounting
Date:	April 27, 2018 10:37:30 AM

I had promised you some outline re this, here is what I presented to Audit committee, fairly brief.

1. Review of the Auditor General Letters

These letters were statements as opposed to analysis. They were all very similar in use of language all were concise, a few paragraphs. Basic arguments against Fair Hydro approach are:

- PSAS silence means it is prohibited.
- Fair Hydro variance does not meet the definition of a regulated asset. Regulator is not independent, rates are Government controlled.
- Fair Hydro asset does not meet the definition of an asset – IESO is not self-sufficient, full recovery is not assured until some point in the future.

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 | LinkedIn: IESO

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