

Message

From: MAUTI John -FIN & C CTRL [john.mauti@opg.com]
Sent: 2017-06-13 1:11:30 PM
To: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshall]; JORDA Jenny -FIN & C CTRL [jenny.jorda@opg.com]
CC: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: RE: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Kim,
We understand it may be KPMG that was pushing these issues. We were asked to get together with the firms to iron it out. Are you suggesting a call with no KPMG / EY at all or something separate right after without the firms?

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(<https://na01.safelinks.protection.outlook.com/?url=www.blackberry.com&data=01%7C01%7CAnthony.martinello%40ieso.ca%7Cac1202b5a3274263b7bb08d4b27f4917%7C7cd55abd63f243c58f4bd38ea458add8%7C0&sdata=hBaFl9UdgYsLtvibNbm0JgyYKQv01AnSXjFFf0vtMmQ%3D&reserved=0>)

From: Kim Marshall <Kim.Marshall@ieso.ca<mailto:Kim.Marshall@ieso.ca>>
Date: Tuesday, Jun 13, 2017, 12:25 PM
To: JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com<mailto:jenny.jorda@opg.com>>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>, MAUTI John -FIN & C CTRL <john.mauti@opg.com<mailto:john.mauti@opg.com>>
Subject: Re: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

Thanks for sending this is very helpful and some of what I expected. It might be useful to have a conversation around these issues and a some we might add but without the accounting firms on the call. IESO is not at a point yet where we can try to resolve the issues. Would you have a concern with that?

Sent from my iPad

On Jun 13, 2017, at 10:50 AM, JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com<mailto:jenny.jorda@opg.com>> wrote:

Hi Kim - we have two items to discuss:

1. Our understanding is that because of the 4-year moratorium on ratepayers, the IESO will be required to pay interest and third party fees to the Trust during the period of the moratorium. We have heard from the lawyers that the IESO will not be paying the Trust third party fees (legal, accounting, dealer, etc). This results in the Trust not being able to recognize revenue to offset the expense - we want to understand why the IESO can pay the interest fees, but not the other third party fees which are significantly smaller in size than interest
2. The reason why KPMG/IESO is proposing to record a liability for the full amount of the interest they will pay the Trust. It calls into question whether the Trust should record a financial asset - which we don't believe is correct because the amounts paid by the IESO related to interest just rolls into the intangible asset owing from ratepayers (i.e. whatever interest is paid to the Trust will be paid back to the IESO through the next intangible asset purchase)

Let me know if you have any questions!

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Tuesday, June 13, 2017 7:40 AM
To: Anthony Martinello; JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL
Subject: EXTERNAL - RE: Discuss OPG/IESO accounting for FHP

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Is there value in a creating a list of items to cover and sharing beforehand?

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

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From: Anthony Martinello

Sent: June 12, 2017 12:56 PM

To: JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL; Kim Marshall; Susan Nicholson; 'mpicard@kpmg.ca'<mailto:mpicard@kpmg.ca>

Subject: RE: Discuss OPG/IESO accounting for FHP

John,

Unfortunately, the IESO will need to defer this meeting to Wednesday afternoon - if your calendar permits.

Please accept our apologies.

Regards.

-----Original Appointment-----

From: JORDA Jenny -FIN & C CTRL [mailto:jenny.jorda@opg.com]

Sent: June 11, 2017 10:16 PM

To: JORDA Jenny -FIN & C CTRL; MAUTI John -FIN & C CTRL; 'Laney Doyle'; 'Brittany Keenan'; Kim Marshall; Anthony Martinello; Susan Nicholson; 'mpicard@kpmg.ca'<mailto:mpicard@kpmg.ca>

Subject: Discuss OPG/IESO accounting for FHP

When: June 12, 2017 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Local dial-in number: 416-933-3851, Conference ID: 9701134

When: Monday, June 12, 2017 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Local dial-in number: [REDACTED] Conference ID: [REDACTED]

Note: The GMT offset above does not reflect daylight saving time adjustments.

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Local dial-in number: [REDACTED]

Conference ID: [REDACTED]

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