

Message

From: Picard, Michel [mpicard@kpmg.ca]
Sent: 2017-01-26 9:22:21 AM
To: Bruce Campbell [/O=IMO/OU=MSX1/cn=Recipients/cn=Bruce Campbell]
Subject: Fwd: Accounting analysis

*** EXTERNAL email. Please be cautious and evaluate before you click on links, open attachments, or provide credentials. ***

Sent from my iPhone

Begin forwarded message:

From: "Hume, Steen (ENERGY)" <Steen.Hume@ontario.camailto:Steen.Hume@ontario.ca>
Date: January 26, 2017 at 09:16:05 EST
To: "Picard, Michel" <mpicard@kpmg.camailto:mpicard@kpmg.ca>
Subject: RE: Accounting analysis

Thank you, Michel.

I'll confirm re OEB.

Cheers.

-----Original Message-----

From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: January-26-17 9:06 AM
To: Hume, Steen (ENERGY)
Subject: Re: Accounting analysis

Steen,

Will wait.

I thought Serge told me that she was aware along with three other OEB members.

Sent from my iPhone

On Jan 26, 2017, at 08:45, Hume, Steen (ENERGY) <Steen.Hume@ontario.camailto:Steen.Hume@ontario.ca>> wrote:

Hi Michel. Appreciate you checking in on this. For the time being, please don't engage with Rose.

We've haven't formally engaged the OEB on this matter. I'll keep you posted when we have done so.

Cheers, Steen

-----Original Message-----

From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: January-26-17 8:43 AM
To: Hume, Steen (ENERGY)
Subject: Re: Accounting analysis

Steen,

I am attending a conference and Bruce Campbell and Rosemarie Leclair are also in attendance.

I would like to discuss with Rose the setting up of a regulatory asset.

Am I allowed?

Sent from my iPhone

On Jan 26, 2017, at 06:59, Picard, Michel
<mpicard@kpmg.camailto:mpicard@kpmg.ca><mailto:mpicard@kpmg.ca>> wrote:

fyi

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]

Sent: Wednesday, January 25, 2017 2:57 PM
To: Picard, Michel <mpicard@kpmg.ca<mailto:mpicard@kpmg.ca><mailto:mpicard@kpmg.ca>>
Subject: RE: Accounting analysis

Thanks Michel - agreed -- all of these components of the standard need to be taken into consideration and these are helpful.

Totally unrelated - would you be able to get someone to send me what KPMG has on audit committees - public sector if possible, but will take public company publications as well. I'll have someone see what's online, but thought I would ask as well in case we miss something.

Thanks,

Cindy

From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: January-25-17 1:57 PM
To: Veinot, Cindy (TBS)
Subject: Accounting analysis

Cindy,

Other useful sections of the accounting standards:

.22 A government's ability to take temporary control of another organization in exceptional circumstances, such as a crisis situation like bankruptcy or a board failure, does not, in and of itself, constitute control for the purposes of this Section. Such circumstances would arise as a result of a specific event that caused the government to intervene in the activities of the organization. Temporary control is short term in nature with the intention to relinquish control as soon as the crisis has been addressed.

.23 A government's ability to regulate an organization does not, in and of itself, constitute control. Government may establish the regulatory environment in an industry or sector within which organizations operate and impose conditions or sanctions on their operations. The governing bodies of those regulated organizations make independent decisions within the regulatory framework. A government may require the organization to submit reports to demonstrate compliance with the regulations. These reports are not considered evidence of control because the government's interest in these organizations extends only to the regulatory aspects of operations.

.24 An organization's financial dependence on the government, in and of itself, does not constitute control. While financial dependence would usually give rise to a relationship based on influence, it is unlikely that financial dependence alone would enable the government to control an organization. The governing body of that organization may make independent decisions on its financial and operating policies. A government may require the organization to submit reports to demonstrate compliance with the terms and conditions of funding. These reports are not considered evidence of control because the government's interest in the organization extends only to the funding aspects of operations. For example, a private sector day care service that receives government funding may be required to demonstrate compliance with the terms and conditions of government funding. However, the governing body retains discretion as to whether it will take funding from, or do business with, the government.

Best regards,

Michel Picard, CPA, CA

Partner, Accounting Advisory Services

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8b3b942b?authType=NAME_SEARCH&authToken=oVKr&locale=en_US&trk=tyah&trkInfo=clickedVertical%3Amynetwork%2CclickedEntityId%3A107441415%2CauthType%3ANAME_SEARCH%2Cidx%3A1-1%2CtarId%3A1478640064654%2Ctas%3Amichel%20pi>

Lois Ouellette, CPA, CA

Partner, Audit

KPMG LLP

80 King Street, Suite 620

P.O. Box 1294 Stn Main

St. Catharines, ON L2R 7A7

From: Picard, Michel
Sent: Tuesday, January 24, 2017 6:30 PM
To: Ouellette, Lois A <louellette@kpmg.ca><mailto:louellette@kpmg.ca><mailto:louellette@kpmg.ca>>
Subject: Fwd: Accounting analysis

Begin forwarded message:
From: "Picard, Michel" <mpicard@kpmg.ca>
To: "Scott.Nelms@ontario.ca" <mailto:mpicard@kpmg.ca>
<mailto:mpicard@kpmg.ca>
<mailto:mpicard@kpmg.ca>
<mailto:mpicard@kpmg.ca>
Subject: FW: Accounting analysis
Can we discuss?

333 Bay Street, Suite 4600
Toronto, Ontario, M5H 2S5
T 416 777 8414
M 416 560 2569
mpicard@kpmg.ca<mailto:mpicard@kpmg.ca><mailto:mpicard@kpmg.ca>
LinkedIn<https://www.linkedin.com/in/michel-picard-
8b3b942b?authType=NAME_SEARCH&authToken=oVKr&locale=en_US&trk=tyah&trkInfo=clickedVertical%3Amynetwork%2C
clickedEntityId%3A107441415%2CauthType%3ANAME_SEARCH%2Cidx%3A1-1-
1%2CtarId%3A1478640064654%2Ctas%3Amichel%2Op>

ISO-N-0007277

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