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Memorandum

To: THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS
of the Independent Electricity System Operator

From: Jeannette Briggs, Director Settlements
Yan Béchamp, Supervisor – Customer Billing

Date: February 20, 2018

Re: 2017 IESO Administered Markets Settlements

In 2017, Internal Audit conducted an Entity Level Control audit for the Board. A recommendation of the audit was for Management to work with the Board to enhance current Board reporting to ensure appropriate overviews of market activities and outcomes to support the efficient and effective execution of Board governance responsibilities.

Please find an attachment to this memo, which serves as Management's response to the Board's request for additional financial market reporting Settlement activities including references to global adjustment and uplift charges for year end 2017.

We would be happy to discuss and answer questions on the attachment with Audit Committee at the February meeting.

IESO-N-0010778

Appendix

IESO Administered Markets Settlement	Non IESO Administered Market Settlement	Ministry Directed (Tax or Otherwise Funded)
[redacted]		

[redacted]

[redacted]

Not included in the numbers above is the settlement for the government's Fair Hydro Plan (FHP). In 2017, we deferred **$1.378B of $11.9 B** GA under this FHP. When combined with the Ontario Rebate for Electricity Consumers 8% reduction the FHP should on average result in a 25% reduction in the invoiced amount on specified consumers' invoices.

[redacted]