Message

From: Susan Nicholson [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=F668E601BD2B4865A5C31DCA531047C8-SUSAN NICHO]
Sent: 2018-01-30 7:38:58 PM
To: Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]
Subject: Re: market accounts note in financial statements

It's not my intent to exclude the interest I just need to confirm if it's included in the variance account amounts in Lawson.

Sent from my iPhone

On Jan 30, 2018, at 7:30 PM, Jeannette Briggs <jeannette.briggs@ieso.ca> wrote:

Susan,

Can I ask a more general question. Why exclude interest from variances that are to be inclusive of interest i.e. this is not IESO interest income?

Regards

Jeannette Briggs
416 997-6364

From: jeannette.briggs@ieso.ca
Sent: January 30, 2018 6:06 PM
To: susan.nicholson@ieso.ca; Anthony.Martinello@ieso.ca
Subject: RE: market accounts note in financial statements

Based on what is on our website, I have the total number at $1.378B before deferral in my Audit Committee document. Does the posted number include interest Anthony?

Susan see attached on OESP - if I take the interest away I do not get your number. I was just on a Ministry call so the numbers were stuck in my head but maybe you have something different for F/S reporting versus what we have been giving the government?

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Susan Nicholson
Sent: January 30, 2018 5:51 PM
To: Jeannette Briggs; Anthony Martinello
Cc: Susan Nicholson; Natalie Schaus
Subject: market accounts note in financial statements

Hi there, here is the first draft at the note for the financial statements. Can you please confirm that these figures agree with your numbers.

I believe the under collection for the Global Adjustment (deferred GA variance) would be $1.375 billion ($1.179 + $0.196) before interest and carrying charges.

I appreciate any comments/corrections. Thank you.

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1. MARKET ACCOUNTS

a) In March 2017, the Government of Ontario announced its Fair Hydro Plan (FHP). Under this Plan, the IESO continues to settle the transactions between generators and distributors, but collects only a portion of the Global Adjustment from eligible customers, identified in the Ontario Fair Hydro Plan Act. The FHP also shifted the cost of the Ontario Electricity Support Program (OESP) and most of the Rural or Remote Rate Protection (RRRP) program costs from ratepayers to taxpayer-funded programs.

As at December 31, **Deferred Global Adjustment Variance** was $195,855 thousand. The under collection in the account to the end of December 2017 was $xyz thousand. On December 21, 2017 $1.179 billion was transferred to the Fair Hydro Trust. This amount included OPG carrying costs.

With the implementation of the FHP on May 1, 2017, only payments to **OESP** eligible customers are currently being made and the balance at December 31, 2017 was in a credit position of $26,352 thousand, net of interest.

A new rate for the **RRRP** program under the FHP was effective July 1, 2017. The balance in the RRRP variance account to June 30, 2017 was $6,626 thousand. The new rate has resulted in an under collection of $5,994 thousand (net of interest) in the second half of the year for the RRRP settled through the market accounts, resulting in balance in the variance of $12,620 thousand as at December 31, 2017.

Components of the market accounts are as follows:

As of December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Cash, restricted for market activities	543,391	244,755
Amounts due from market participants	1,186,326	1,391,260
Interest receivable	217	186
Regulatory assets/liabilities	182,123	37,873
Total Market Assets	**1,912,057**	**1,674,074**
Market Debt	(13,252)	(150,501)
HST receivable	110,162	25,531
Amounts due to market participants	(1,867,757)	(1,387,971)
Other net liabilities	(141,210)	(161,133)
Total Market Liabilities	**(1,912,057)**	**(1,674,074)**
Closing balance	-	-

Regulated assets consist of the following:

As of December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Deferred Global Adjustment Variance	195,855	-
Regulated Price Plan Variance	-	134,988
Ontario Electricity Support Program Variance	(26,352)	(92,443)
Rural or Remote Rate Protection variance	12,620	(4,672)
Closing balance	**182,123**	**37,873**

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