Message

From: Yan Bechamp [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=59B4C84CDF4D40FFB657D0B2A2141BAE-YAN BECHAMP]
Sent: 2018-02-05 11:08:24 PM
To: Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]
CC: Idalin McKenzie [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=d7d5b89cca6a4afa88ab3660c7e6c103-Idalin McKe]
Subject: RE: RPP Variance Account

Jeannette,

I reconciled treasuries numbers with ours, but, they don't reconcile with KPMG's email for November, we are still $24M short even after considering carrying costs and interest.

I do have questions:

1. How did the $198,894,804 get entered in the general ledger?
2. Are we sure KPMG didn't make the error in the email?

Regards,

Yan Béchamp, P.Eng | Supervisor | Customer Billing – Corporate Services
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From: Jeannette Briggs
Sent: February 05, 2018 2:19 PM
To: Yan Bechamp
Cc: Idalin McKenzie
Subject: FW: RPP Variance Account

We need to help Anthony

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Anthony Martinello
Sent: February 05, 2018 1:48 PM
To: Michael Boll; Jeannette Briggs
Subject: FW: RPP Variance Account

FYI - This is my life.

From: Betik, Matthew [mailto:mbetik@kpmg.ca]
Sent: February 05, 2018 1:44 PM
To: Anthony Martinello
Cc: Susan Nicholson; De Caire, Justin J
Subject: RPP Variance Account

Anthony – as a follow up to our discussion on Friday (and please forward to Jeannette if necessary – I cannot seem to find her e-mail).

Our inquiries are basically how do we support/substantiate the following:

1. Recoverable asset in Market Account 215010 RPP Variance-Default (balance of $198,894,804 + adjustment of $3,620,000,000)
2. Recoverable asset of $194,894,386, IESO Settlement that is included in Market Account 113010 (PI00021363)

Furthermore, we note that the $194,894,386 IESO Settlement is offset by credits in market participant accounts to an equal amount.

We wondered how the debits and credits arose and were disposed of, and based on what I have gathered so far, this is what I think. Please confirm or correct me.

I would like to get the account details for 215010 RPP Variance, which would help me confirm this.

For the November 2017 invoicing, based on info provided by the LDCs by the 4th business day of December, the following entry was made for November 30:
Dr. IESO Settlement 198,894,804
Cr. Due from LDCs (summary entry) 198,894,804
Later in December, the IESO Settlement had to be funded, an entry was record as follows:
Dr. 215010 RPP Variance 198,894,804
Cr. 113010 IESO Settlement 198,894,804
Dr. Cash 198,894,804
Cr. Line of Credit 198,894,804

- To record the funding of settlement

At the end of December, there looks like there was a cash surplus, as such, the Line of Credit may have been reduced to nil with a corresponding reduction in cash

At some point in time, the 215010 RPP Variance will be sold to the Fair Hydro Trust

Similarly, for the December 2017 invoicing, based on info provided by the LDCs by the 4th business day of January, the following entry was made for December 31
Dr. IESO Settlement 194,894,385
Cr. Due from LDCs (summary entry) 194,894,385

We understand that this amount was funded by a line of credit loan in January. We tested this as part of our testing routine.

While the $198M is similar to $194M, it seems like the $198M is from November and $194M is for December.

Do I have this right? Am I missing anything?

Matthew Betik, CPA, CA, CPA (Illinois)
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