Message

From: Jeannette Briggs [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=148095610F7242F48A5A9DA24B1A8A87-JEANNETTE B]
Sent: 2018-05-01 12:31:46 PM
To: Mansoor Ahmad [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7a60875c05674f2db1e7f3cd0e1a8a71-Mansoor Ahm]
Subject: RE: Market note in quarterly financial statement

Thanks and that makes sense since we will recovery through CEA the life to date balance. I was mostly interested in RRRP variance note for Peter as he is talking to the head of the OEB and we are trying to get the rate changed so that we can deplete our borrowed variance.

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
Independent Electricity System Operator (IESO)| T: 905-855-6364 | C: 416-997-6364
Station A, Box 4474, Toronto, ON, M5W 4E5
Web: www.ieso.ca | Twitter: IESO_Tweets | LinkedIn: IESO
Conservation: www.saveONenergy.ca | Twitter: saveONenergyOnt | LinkedIn: saveONenergy

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From: Mansoor Ahmad
Sent: May 01, 2018 12:27 PM
To: Jeannette Briggs
Subject: RE: Market note in quarterly financial statement

Hi Jeannette,

We have updated part of Market note, to change from YTD to LTD, as follows:

The cumulative amount recorded in the Deferred Global Adjustment Variance account to the end of March 2018 was $1,788,841 thousand. To date a total of $1,639,000 thousand has been transferred to the Fair Hydro Trust.
As a result, as at March 31, the Deferred Global Adjustment Variance account balance was $149,841 thousand, including interest and carrying charges.

Regards,
Mansoor

From: Mansoor Ahmad
Sent: April 30, 2018 3:41 PM
To: Jeannette Briggs
Cc: Natalie Schaus
Subject: RE: Market note in quarterly financial statement

Hi Jeannette,

See updated Note# 2, below:

Independent Electricity System Operator
Notes to Financial Statements (unaudited)

March 31, 2018

1) INTERIM FINANCIAL STATEMENTS

The interim financial statements follow the same accounting policies and methods of their application as the 2017 IESO annual financial statements.

The interim financial statements have been prepared on a going concern basis and should be read in conjunction with the 2017 IESO annual financial statements.

2) MARKET ACCOUNTS

As of January 1, 2016 the IESO changed its accounting policy regarding the recognition of market accounts assets and liabilities on the statement of financial position. The IESO-administered markets is a balancing system and includes amounts due from market participants (e.g. LDCs) and amounts due to market participants (e.g. generators). The net position of market accounts will settle to a $nil balance.

In 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.

The cumulative amount recorded in the Deferred Global Adjustment Variance account to the end of March 2018 was $609,841 thousand. To date a total of $$460,000 thousand has been transferred to the Fair Hydro Trust. As a result, as at March 31, the Deferred Global Adjustment Variance account balance was $149,841 thousand, including interest and carrying charges.

In consideration of the implementation of the FHP, the OEB rescinded the OESP charge and determined to fund the program through the credit balance in the Ontario Electricity Support Program Variance account. As of March 31, the OESP variance account had been depleted with the exception of $8 thousand of interest.

On July 1, 2017 the OEB set a new rate for the RRRP program that has resulted in the IESO paying eligible markets participants more than rate collection permits. The balance in the RRRP variance account to March 31, 2018, was $14,107 thousand net of interest.

Components of the market accounts are as follows:	As at March 31, 2018	As at December 31, 2017
Cash, restricted for market accounts	190,250	454,174
Amounts due from market participants	1,260,437	1,253,417
Interest receivable	223	217
Regulatory assets/liabilities	163,940	187,203
HST receivable	80,056	110,156
Market Debt	(13,766)	(13,252)
Amounts due to market participants	(1,479,690)	(1,855,206)
Other net liabilities	(201,450)	(136,709)
Closing balance	-	-

Regulatory assets/liabilities consist of the following:	As at March 31, 2018	As at December 31, 2017
Deferred Global Adjustment Variance	149,841	199,475

Regulated Price Plan Variance	-	0
Ontario Electricity Support Program Variance	(8)	(24,892)
Rural or Remote Rate Protection Variance	14,107	12,620
Closing balance	**163,940**	**187,203**

Regards,
Mansoor

From: Jeannette Briggs
Sent: April 30, 2018 3:24 PM
To: Mansoor Ahmad
Cc: Natalie Schaus
Subject: RE: Market note in quarterly financial statement

Mansoor,

See Natalie's request below

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
Independent Electricity System Operator (IESO)| T: 905-855-6364 | C: 416-997-6364
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Conservation: www.saveONenergy.ca | Twitter: saveONenergyOnt | LinkedIn: saveONenergy

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From: Natalie Schaus
Sent: April 30, 2018 3:22 PM
To: Jeannette Briggs
Subject: RE: Market note in quarterly financial statement

Hi Jeannette, Susan was working with Mansoor on it on Friday as I am trying to get our provincial reporting done for tomorrow.
Mansoor, can you please share final version with Jeannette.
Thanks,

From: Jeannette Briggs
Sent: April 30, 2018 3:20 PM
To: Natalie Schaus
Subject: Market note in quarterly financial statement
Importance: High

Are you any closer to completing this note. I have been asked about the RRRP note from Regulatory Affairs as it is part of Peter's speaking notes with the head of the OEB.

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
Independent Electricity System Operator (IESO)| T: 905-855-6364 | C: 416-997-6364
Station A, Box 4474, Toronto, ON, M5W 4E5
Web: www.ieso.ca | Twitter: IESO_Tweets | LinkedIn: IESO
Conservation: www.saveONenergy.ca | Twitter: saveONenergyOnt | LinkedIn: saveONenergy

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