Auditor General's comments on IESO Accounting Policy

I wanted to let you know that Ontario's Auditor General provided statements in the Government of Ontario's Public Accounts, released today, that included some criticism related to recent changes made to the IESO's accounting policies.

The IESO, the Board of Directors and our external auditors thoroughly reviewed the accounting changes and ultimately disagreed with the Auditor General's position. The changes align the IESO with the accounting practices used by other North American independent system operators, and provide increased transparency around the value of transactions that flow through the market, which was approximately $17 billion last year.

The accounting changes also enable more transparency around the IESO's right to collect the deferred costs described in the Fair Hydro Plan in the future. However, the IESO would maintain these accounting changes regardless of future government policy.

As you are no doubt aware, this past spring, the Ontario government passed legislation – referred to as the "Fair Hydro Plan" – intended to lower electricity bills by 25 percent on average for eligible customers. To facilitate this reduction, the Fair Hydro Plan enables the IESO to work with a financing entity to spread the costs of electricity investments over a longer period of time.

In early August, the IESO began posting the monthly deferred amounts under the Fair Hydro Plan. You can find that information here.

If you have any questions or concerns, please feel free to speak to any member of the executive team. If you receive any media queries related to this issue, please refer them to the IESO's media line: 416-506-2823 or media@ieso.ca.

Peter