

Message

From: Brian Shields [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=468EFB2CCA0E4931B957239C2F39E4D8-BRIAN SHIEL]
Sent: 2017-08-11 2:34:07 PM
To: Mary Bernard [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7e3e3e8d7f9345c2b0aab3e0fd7a79f2-Mary Bernar]; Kate Longmoore [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=c7edab7b7ff941b79736d9f0bcff3464-Kate Longmo]
Subject: RE: draft email

OK, thanks for this Mary. I will send this version along to Chuck to start and see what he says. Thanks again to both of you for your thoughtful input. It has been very helpful.

Brian

From: Mary Bernard
Sent: August 11, 2017 2:32 PM
To: Kate Longmoore; Brian Shields
Subject: RE: draft email

Here is another option – still agree that we should avoid it in this instance, and explain the changes from a high level.

Mary

From: Kate Longmoore
Sent: August 11, 2017 2:22 PM
To: Mary Bernard; Brian Shields
Subject: RE: draft email

Okay let me clarify. We made two accounting changes:

- 1 – Record market transactions on books. Result: more transparency into market transactions
- 2 – Adopt regulatory accounting. Result: the amount in the IESO's variance account related to FHP (deferred GA) can be considered a 'regulatory asset' enabling it to be sold to OPG. We are technically selling them the 'right to recover' costs.

The variance account is pretty central to this and we have referenced it on our website and will continue to reference it in external communications. Maybe this will help, it's from our website:

Administering the Variance Account Under Ontario's Fair Hydro Plan

In accordance with the Fair Hydro Plan, the IESO will continue to invoice affected customers – but not collect – the full amount of Global Adjustment (GA) every month. The deferred portion of the GA not paid by these customers under the Fair Hydro Plan will be recorded in a variance account, constituting a regulatory asset. This regulatory asset may from time to time be transferred to a financing entity. The Ontario Energy Board will determine the rates, at later date, for recovery of the Fair Hydro Plan amounts through the Clean Energy Adjustment.

Let me know if you want to chat further.

Kate

Kate Longmoore | T: (416) 506-2805 | C: (905) 510-4769

From: Mary Bernard
Sent: August 11, 2017 2:11 PM
To: Brian Shields; Kate Longmoore
Subject: RE: draft email
Importance: High

Here is a proposal to avoid mentioning variance accounts – with language taken from the comms plan document.

Kate – thoughts?

Mary

From: Brian Shields
Sent: August 11, 2017 2:02 PM
To: Kate Longmoore
Cc: Mary Bernard
Subject: RE: draft email

I am generally fine with the edits Kate. It reads well but I do have a bit of a concern with the addition of the term “variance accounts”. What are these and what do they mean in the context of our role as market administrator? Is there an easy way to explain this in a few words to give context? I have no idea what they are and I suspect that others might too.

Brian

From: Kate Longmoore
Sent: August 11, 2017 1:22 PM
To: Brian Shields
Cc: Mary Bernard
Subject: RE: draft email

My edits attached. Let me know if you have any questions.

Kate

Kate Longmoore | T: (416) 506-2805 | C: (905) 510-4769

From: Mary Bernard
Sent: August 11, 2017 1:01 PM
To: Brian Shields; Kate Longmoore
Subject: RE: draft email

Here are my suggestions for your consideration.

Mary

From: Brian Shields
Sent: August 11, 2017 11:43 AM
To: Kate Longmoore; Mary Bernard
Subject: draft email

Hi Kate, Mary – can you review the attached and let me know if you think that I am on track?

Thanks,

Brian