Message

From: Ouellette, Lois A [louellette@kpmg.ca]
Sent: 2017-01-23 9:27:36 AM
To: Picard, Michel [mpicard@kpmg.ca]
Subject: FW: IFRS questions
Attachments: Re: IESO - Impacts of ABCP; RE: IESO Year end audited financial statements

See email below. IESO could not find the documents outlining the market books reporting.

Lois Ouellette, CPA, CA

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From: Nicholson, Susan [mailto:susan.nicholson@ieso.ca]
Sent: Tuesday, March 03, 2009 2:22 PM
To: Vanbesien, Angie L <avanbesien@kpmg.ca>
Cc: Betik, Matthew <mbetik@kpmg.ca>; Nicholson, Susan <susan.nicholson@ieso.ca>
Subject: RE: IFRS questions

I have attached two e-mails that discuss the accounting treatment of real-time market account and the transmission rights market account and also 2 public documents that were submitted as part of our rate case for 2009. Unfortunately I do not have the any documentation from the initial discussions back in 1999. I can follow up with Ted if you require these. Let me know.

Susan

http://www.ieso.ca/imoweb/pubs/corp2/EB-2008-3040-Asset-Backed-Commercial-Paper.pdf

http://www.ieso.ca/imoweb/pubs/corp2/EB-2008-3040-ABCP-update.pdf

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From: Nicholson, Susan
Sent: March 3, 2009 2:07 PM
To: Vanbesien, Angie L
Cc: Betik, Matthew; Nicholson, Susan
Subject: RE: IFRS questions

Please see responses below. I will look again for the accounting research papers. Let me know if you need any further clarification.

Susan

From: Vanbesien, Angie L [mailto:avanbesien@kpmg.ca]
Sent: March 3, 2009 1:13 PM

To: Nicholson, Susan
Cc: Betik, Matthew
Subject: IFRS questions

Susan,

We have completed the review of the accounting impact matrix and I have a few follow up questions. As I mentioned in my voice mail, we are finalizing our deliverables now and would like to meet with you next week (if that works for your schedule).

The questions are:

1. Have there been any significant gains or losses on disposal of PP&E which would suggest that the amortization periods need to be adjusted? No – they are generally minimal $$ charged to an employee for the purchase of old hardware.

2. Have you ever looked to US GAAP (or other sources of GAAP) in determining accounting policies? – we refer to SOP98-1 for internally generated software costs

3. Do your auditors (or yourselves) have any accounting research papers about why the market accounts are off-balance sheet of IESO? Yes, I will have a look and send what I have separately – I thought I had given you something from our discussion with PwC last year pertaining to ABCP.

4. Does the Toronto office lease include both land and building? Just building

5. Note 2(f) to 2007 financials indicates that "removal costs are charged to operations as incurred". What is the nature of these costs? They are the cost of the service to have the old equipment removed from our premises – very immaterial.

6. Some of the bonuses are paid out over a three year period. How significant are the payments under this plan? The incentives are performance-based (a corporate component and an individual component) and the total expense is approx $3.7M per year. For retention purposes the senior mgmt incentives (approx $2.7M) would be subject to a deferred payment schedule, 67% paid in the first year, 8.25% paid in the second year and the balance paid in the third year (in two payments – one in March 8.25% and one in December 16.5%)

Please call me when you have a chance so that we can set a date for us to come down. If you need any clarification on the above, please let me know.

Regards,

Angie Vanbesien, CA
Senior Manager
KPMG LLP

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