

Independent Electricity System Operator
Statements of Financial Position
Unaudited

As at (in thousands of Canadian dollars)	Previous Policies	Adjustments	Pro-forma rate regulated
	December 31, 2016		December 31, 2016
	\$		\$
FINANCIAL ASSETS			
Cash and cash equivalents	33,005		33,005
Accounts receivable	31,103		31,103
Long-term investments (Note 3)	40,355		40,355
Regulatory assets		65,065	65,065
Market accounts - assets (Note XX)		1,646,565	1,646,565
TOTAL FINANCIAL ASSETS	104,463		1,816,093
LIABILITIES			
Accounts payable and accrued liabilities (Note 4)	38,964		38,964
Accrued interest on debt	315		315
Rebates due to market participants (Note 5)	12,551		12,551
Debt (Note 6)	90,000		90,000
Accrued pension liability (Note 7)	34,620		34,620
Accrued liability for employee future benefits other than pension (Note 7)	90,251		90,251
Market accounts - liabilities (Note XX)		1,646,565	1,646,565
TOTAL LIABILITIES	266,701		1,913,266
NET DEBT	(162,238)		(97,173)
NON-FINANCIAL ASSETS			
Net tangible capital assets (Note 8)	105,047		105,047
Prepaid expenses	6,614		6,614
TOTAL NON-FINANCIAL ASSETS	111,661		111,661
ACCUMULATED DEFICIT			
Accumulated deficit from operations (Note 5)	(58,483)	65,065	6,582
Accumulated remeasurement gains	7,906		7,906
ACCUMULATED DEFICIT	(50,577)		14,488

On behalf of the Board:

Tim O'Neill
Chair
Toronto, Canada

To be appointed
Director
Toronto, Canada

Independent Electricity System Operator
Statement of Operations and Accumulated Deficit

For the year ended December 31 (in thousands of Canadian dollars)	Previous Policies 2016	Adjustments	Pro-forma rate regulated 2015
	Actual		Actual
IESO CORE OPERATIONS	\$		\$
System fees	189,443	(3,912)	185,531
Other revenue (Note 9)	2,531		2,531
Interest and investment income	2,157		2,157
Core operation revenues	194,131		190,219
Compensation and benefits	(105,570)		(105,570)
Professional and consulting	(16,844)		(16,844)
Operating and administration	(34,336)		(34,336)
Core operating expenses	(156,750)		(156,750)
Amortization	(19,577)		(19,577)
Interest	(1,341)		(1,341)
Core expenses	(177,668)		(177,668)
Core operations annual surplus before rebates	16,463		12,551
Rebates due to market participants	(12,551)		(12,551)
Core operations annual surplus	3,912		0
MARKET SANCTIONS AND PAYMENT ADJUSTMENTS			
Market sanctions and payment adjustments	3,889		3,889
Compensation and benefits	(2,180)		(2,180)
Professional and consulting	(770)		(770)
Operating and administration	(705)		(705)
Customer education and market enforcement expenses	(3,655)		(3,655)
Market sanctions and payment adjustments annual surplus/(deficit)	234		234
SMART METERING ENTITY			
Smart metering charge	46,651	(19,225)	27,426
Compensation and benefits	(2,661)		(2,661)
Professional and consulting	(14,659)		(14,659)
Operating and administration	(5,705)		(5,705)
Smart metering operating expenses	(23,025)		(23,025)
Amortization	(3,861)		(3,861)
Interest	(540)		(540)
Smart metering expenses	(27,426)		(27,426)
Smart metering entity annual surplus	19,225		-
ANNUAL SURPLUS	23,371	(23,137)	234
ACCUMULATED DEFICIT FROM OPERATIONS, BEGINNING OF PERIOD	(81,854)	88,202	6,348
ACCUMULATED DEFICIT FROM OPERATIONS, END OF PERIOD	(58,483)		6,582