Message

From: Kim Marshall [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=KIM MARSHALL9F5]
Sent: 2017-03-22 2:58:30 PM
To: Picard, Michel [mpicard@kpmg.ca]
Subject: can you pls call conf line....

Local Dial In: 416-343-2654

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Conference ID: 4149199

Kimberly Marshall | VP, Corporate Services & CFO
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From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: March 22, 2017 2:26 PM
To: Kim Marshall
Subject: RE: role of oeb versus is creating regulatory asset

Of course it can. However, if it is set by the IESO Board then it would reduce substantially the risks to the lenders.

The question is Whether the IESO Board currently sets the rates for the market books?

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Wednesday, March 22, 2017 2:08 PM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: RE: role of oeb versus is creating regulatory asset

Only issue may be that rates set by the IESO board – maybe something set by OEB

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From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: March 22, 2017 12:10 PM

To: Kim Marshall
Subject: RE: role of oeb versus is creating regulatory asset

Kim,

ASC 980 is the US guidance for entities with regulated operations. Section 10-15-2 states:

"The guidance in the regulated operations topic applies to general-purpose external financial statements of an entity that has regulated operations that meet all the following criteria:

A The entity's rates for regulated services or products provided to its customers are established by or are subject to approval by an independent, third party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers."

If the market books are regulated by its own governing body then you do not need the OEB approval.

I have spoken to Matt and he believes that the legislation and regulations of the EA provide the framework for regulatory accounting, setting of market rules, with rates set by the IESO Board.

Can you ask your legal team to confirm Matt's view and also to provide a summary that addresses that the IESO Board is empowered by the EA to establish the rates related to the market books?

We can discuss further at 2:30pm. Alternatively, you may want to ask John to give me a call.

Michel

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Wednesday, March 22, 2017 10:14 AM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: Re: role of oeb versus is creating regulatory asset

Perfect pls call my office

Sent from my iPhone

On Mar 22, 2017, at 10:07 AM, Picard, Michel <mpicard@kpmg.ca> wrote:

2:30pm

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Wednesday, March 22, 2017 9:59 AM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: RE: role of oeb versus is creating regulatory asset

What time is good?

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From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: March 22, 2017 9:58 AM
To: Kim Marshall
Subject: RE: role of oeb versus is creating regulatory asset

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sure

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Wednesday, March 22, 2017 9:54 AM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: role of oeb versus is creating regulatory asset

Is legislation enough? Ieso preference? Can we have a quick conversation either at 2, 2;30 or loater today when I am in the car? Thx Need to decide on discussion with cindy.

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