Message

From: Kim.Marshall@ieso.ca [Kim.Marshall@ieso.ca]
Sent: 2017-11-27 4:33:38 PM
To: Alexander DeAngelis [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=98aa7a2d7069420da02cf8a091ee45d1-Alexander D]
CC: Rayhan Malik [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=e37b6a6f611d4718afc70148fd49ad58-Rayhan Mali]; Lia Kosic [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=73708c51cf2349cfb6fb2106d496b3ab-Lia Kosic]
Subject: Re: Follow Up On OFHP for Board

When I spoke with Peter and Michael boll today Michael indicated he had circulated a memo and Peter wants something uploaded in next few days

Sent from my iPhone

On Nov 27, 2017, at 4:30 PM, Alexander DeAngelis <Alexander.DeAngelis@ieso.ca> wrote:

> Rayhan,
>
> As we discussed today, here is the information related to the information that must be pulled together for Fair Hydro to be discussed at the upcoming Audit Committee. Kim asked to see the information by the end of the week. Can you please follow up and keep this moving along. If you need any of the files, you can find them in the Ontario Fair Hydro subfolder I have in the 2017 ERM folder. The material that was submitted to the board at the special meeting can be found at \\pafilesrv\bpfa$\2018 - 2020 Business Plan\ELT materials\Nov 23rd meeting\ERM Materials\Ontario Fair Hydro Plan
>
> Alexander
>
> ---
>
> **From:** Alexander DeAngelis
> **Sent:** November 24, 2017 9:40 AM
> **To:** Michael Boll; Anthony Martinello; Jeannette Briggs; Susan Nicholson
> **Cc:** Lia Kosic
> **Subject:** Follow Up On OFHP for Board
> **Importance:** High
>
> All,
>
> I thought I would kick off the conversation regarding the items the board asked for follow up to be brought to the December 6 meeting.
>
> As per my notes, the board wanted:
>
> 1. <!--[if !supportLists]--><!--[endif]-->A more in-depth discussion of the risk 'Accounting treatment for Ontario Fair Hydro Plan in disputed'. The discussion is focused on the impact of the risk as there are differing views regarding whether the impact is accurately stated. My plan is to define the factors (e.g. reputation, impedes effective delivery of OFHP, potential litigation, financial impact, reduction in service quality / inefficiencies) used to arrive at the impact rating and allow the board to discuss. Outcome would be a final decision of the overall rating for the risk.
>
> 2. <!--[if !supportLists]--><!--[endif]-->For risk 11, 'The IESO provides security to the financing entity that it has priority over IESO receivables', a better definition of this risk is required. I look

to you all to define what the ultimate wording of the risk should be describing the implications of the IESO providing the security.

3. <!--[if !supportLists]--><!--[endif]-->There was an in-depth discussion driven by Carole Workman regarding the reputational risk that MPs are no top of list for receivables, the likelihood that MPs could lose financially (concept of financial winners and losers), what the potential magnitude of loss could be and whether MPs will challenge this due to fiscal concerns. Michael / Jeannette, I'd ask you to take the lead on this. The question is whether we need an additional risk here, but at the very least, it breaks down to providing the board the potential impact and likelihood of this risk occurring. If you could define the risk, then I could circulate the assessment template to assess it.

I'm not clear whether we need to submit something with board materials that will be due on Monday , but I think it would be best that we have the information ready by Monday just in case.

If I've mischaracterized anything or have directed items to the wrong individuals, please let the group know.

Thank you,

Alexander De Angelis | Manager, Enterprise Risk & Corporate Performance
Independent Electricity System Operator (IESO) | T: (905) 855-6299
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca | Twitter: IESO_Tweets | LinkedIn: IESO

"Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals"