

# MEETING OF THE AUDIT COMMITTEE THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR

**Tuesday, October 23, 2018**

8:00 a.m. – 8:30 a.m. Light Breakfast in 16<sup>th</sup> Floor Boardroom  
120 Adelaide Street West,  
Toronto, ON M5H 1T1

8:30 a.m. – 11:45 a.m. Audit Committee Meeting

## Highly Confidential

| Item                                                        | Presenter                                     | Time       | Target Time | Action      |
|-------------------------------------------------------------|-----------------------------------------------|------------|-------------|-------------|
| <b>INTRODUCTORY ITEMS</b>                                   |                                               |            |             |             |
| 1. Approval of the Proposed Agenda                          | Carole Workman                                | 5 Minutes  | 8:30 – 8:35 | Decision    |
| 2. Declaration of Potential Conflicts                       | Carole Workman                                | 5 Minutes  | 8:35 – 8:40 | Information |
| <b>CONSENT AGENDA ITEMS</b>                                 |                                               |            |             |             |
| 3. a. Minutes<br>- June 12, 2018                            |                                               |            |             | Decision    |
| b. Treasury Update                                          |                                               |            |             | Information |
| c. Pension Plan Performance                                 |                                               |            |             | Information |
| d. MDM/R CSAE Annual<br>Audit                               |                                               |            |             | Information |
| <b>CORPORATE FINANCIAL REPORTING</b>                        |                                               |            |             |             |
| 4. Q3 YTD 2018 Results vs. Plan and<br>Full Year Projection | Anthony Martinello<br>Barbara Anderson        | 5 Minutes  | 8:40 – 8:45 | Discussion  |
| 5. Review and Approve Audit Plan<br>for 2018                | Anthony Martinello<br>Matthew Betik<br>(KPMG) | 15 Minutes | 8:45 – 9:00 | Decision    |
| 6. Fair Hydro Plan Update                                   | Barbara Anderson<br>Anthony Martinello        | 15 Minutes | 9:00 – 9:15 | Discussion  |

|                                      | Item                                                  | Presenter                              | Time       | Target Time   | Action      |
|--------------------------------------|-------------------------------------------------------|----------------------------------------|------------|---------------|-------------|
| 7.                                   | Fair Hydro Debt Limit                                 | Barbara Anderson<br>Anthony Martinello | 15 Minutes | 9:15 – 9:30   | Recommend   |
| 8.                                   | Change of Accounting Policy                           | Barbara Anderson<br>Anthony Martinello | 15 Minutes | 9:30 – 9:45   | Recommend   |
| 9.                                   | RFP – External Auditor – Scope of work                | Anthony Martinello                     | 15 Minutes | 9:45 – 10:00  | Decision    |
| 10.                                  | Capitalization Policy                                 | Anthony Martinello                     | 5 Minutes  | 10:00 - 10:05 | Recommend   |
| 11.                                  | Adjustment Account Allocation                         | Barbara Anderson                       | 5 Minutes  | 10:05 – 10:10 | Recommend   |
| <b>RISK MANAGEMENT</b>               |                                                       |                                        |            |               |             |
| 12.                                  | Quarterly ERM Key Risk Mitigation Update              | Alexander De Angelis                   | 10 Minutes | 10:10 – 10:20 | Discussion  |
| <b>INFORMATION TECHNOLOGY (IT)</b>   |                                                       |                                        |            |               |             |
| 13.                                  | IT Strategy                                           | Alex Foord                             | 10 Minutes | 10:20 – 10:30 | Information |
| 14.                                  | Market Interface System (MIS) Refresh Project Closure | Alex Foord                             | 10 Minutes | 10:30 – 10:40 | Information |
| <b>ENERGY PRICING &amp; PROGRAMS</b> |                                                       |                                        |            |               |             |
| 15.                                  | Market Renewal Program (MRP) Update                   | Shawn Cronkwright                      | 10 Minutes | 10:40 – 10:50 | Discussion  |
| 16.                                  | Semi-annual Conservation Update                       | Nik Schruder<br>Candice Trickey        | 15 Minutes | 10:50 – 11:05 | Information |
| <b>INTERNAL AUDIT</b>                |                                                       |                                        |            |               |             |
| 18.                                  | Internal Audit Update                                 | Julia McNally                          | 5 Minutes  | 11:05 – 11:10 | Information |
| 19.                                  | Independence Declaration                              | Julia McNally                          | 5 Minutes  | 11:10 – 11:15 | Information |
| 20.                                  | Draft 2019 Audit Service Plan                         | Julia McNally                          | 5 Minutes  | 11:15 – 11:20 | Discussion  |

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|------------------------|-------------------------------|------------|---------------|-------------|
| 21. Ethics Line Report | Julia McNally<br>Michael Lyle | 5 Minutes  | 11:20 – 11:25 | Discussion  |
| 22. In-Camera          | Julia McNally                 | 10 Minutes | 11:25 – 11:35 |             |
| IN-CAMERA              |                               |            |               |             |
| 23. Legal Update       | Michael Lyle                  | 5 Minutes  | 11:35 – 11:40 | Information |