Message

From: Alefiya Jivajee [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=752D18B7818E4C3092F22A37E0B298D6-ALEFIYA JIV]
Sent: 2017-10-18 9:39:28 AM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
CC: Natalie Schaus [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=58bb43f7d031480696ce362cf240759c-Natalie Sch]
Subject: RE: RPP Balance - Update

Hi Susan,

That discrepancy is mainly due to interest accrual. Since interest on the RPP debt is paid mid-month, an accrual is booked in the GL based on the number of days in month. This accrual is not included in the amount provided by Treasury. In September, the accrual entry was for $207,179.31.

Delta	- 196,068.31
Oct Interest Accrual	207,179.31
True Variance	11,111.00

The $11k variance I believe is made up of 3 things. The total variance that I had identified between OPA invoice and Settlements was 3,065k but I think Idalin was only able to account for $3,054k. Also, there is a small rounding difference as well from previous years. Details of the variance are below:

CT	Charge Type Description	Finance	Settlements	Variance
112	Ontario Power Generation Rebate	2,924,651.88	2,914,713.40	**9,938.48**
192	Regulated Price Plan Balancing Amount	141,231.61	139,288.49	**1,943.12**
	Rounding (Mainly from 2007)	- 689.66		**- 689.66**
	Total Variance	**3,065,193.83**	**3,054,001.89**	**11,191.94**

Regards,
Alefiya

From: Jeannette Briggs
Sent: October 18, 2017 8:32 AM
To: Anthony Martinello; Alefiya Jivajee; Susan Nicholson
Cc: Natalie Schaus; Olga Whiteley; Idalin McKenzie; Yan Bechamp
Subject: RE: RPP Balance - Update

I did notice a continued discrepancy in what we are reporting for the deferral value versus accounting balances:

RPP with interest (all I presume for the deferral account)	$755,230,855.75
Non RPP	$62,747,075.94
Total Deferral Balance	$817,977,931.69

Unrecovered Global Adjustment Expenses	$818,174,000.00
Delta	**($196,068.31)**

I guess we are not yet there….

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals

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From: Anthony Martinello
Sent: October 18, 2017 6:59 AM
To: Alefiya Jivajee; Susan Nicholson
Cc: Natalie Schaus; Olga Whiteley; Idalin McKenzie; Yan Bechamp; Jeannette Briggs
Subject: RE: RPP Balance - Update

Susan/Alefiya

All three amounts noted below 1, 2, 3 were "received" by fOPA into their RBC General account.

The fOPA only had 4 RBC bank accounts (General, Payroll, Security Deposits in trust, and CFNR/Conservation), and therefore at the date of the merger the RBC General bank account was tagged as an IESO "corporate" g/l account.

I need to make a real $ deposit/transfer of the monies for each #1, #2 into my RPP bank account in order for me to reduce the RPP debt borrowings, …since I do not recall that we made these transfers at the time of the merger or since.

My preliminary review suggests the following real $ transfers:

1. Transfer from corporate bank $4,006,072.02 to RPP bank;
2. Transfer from corporate bank $3,054,001.89 to RPP bank;
3. Transfer from market bank $1,782,975.38 to corporate bank – as we discussed last week;

I am offsite (fair hydro) until about 3pm today – we should discuss before to ensure the bank transfers and g/l entries are aligned.

Regards.

From: Idalin McKenzie
Sent: October 13, 2017 10:09 AM
To: Alefiya Jivajee; Jeannette Briggs; Yan Bechamp
Cc: Natalie Schaus; Anthony Martinello; Susan Nicholson
Subject: RE: RPP Balance - Update

Please see update below in green.

Idalin McKenzie | Senior Manager | Market Settlements | Settlements - Corporate Services
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From: Idalin McKenzie
Sent: October 12, 2017 5:12 PM
To: Alefiya Jivajee; Jeannette Briggs; Yan Bechamp
Cc: Natalie Schaus; Anthony Martinello; Susan Nicholson
Subject: RE: RPP Balance

Please see comments below in red based on our discussions.

Thanks!
Idalin McKenzie | Senior Manager | Market Settlements | Settlements - Corporate Services
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From: Alefiya Jivajee
Sent: October 12, 2017 2:57 PM
To: Idalin McKenzie; Jeannette Briggs; Yan Bechamp
Cc: Natalie Schaus; Anthony Martinello; Susan Nicholson
Subject: RE: RPP Balance

Hi all,

I further investigated the $8 million variance and broke it out in 3 parts. It would be much appreciated if you could help us address the questions below that have arisen as part of this analysis.

1) CT 190 – Fixed Energy Rate Balancing Amount
   - The fOPA received $4,006,072.02 in 2007-2008 in relation to this pre-RPP program. As per Idalin, adjustments to this program were made in error to the fOPA and should have been made to the OEFC.
   - Should this amount remain in the regulatory asset account or should it be transferred to the OEFC as part pf physical invoicing? ~~We will create a "Settlement issue" and process this amount payable to the OEFC on the September 30, 2017 preliminary settlement statement.~~ **We have found new evidence to indicate that fOPA indicated that they will accept this money on behalf of the OEFC. Therefore the OEB RPP report will need to be updated to reflect this amount. Please note that CT 190 was retired in January 2005 but IESO continued to receive adjustments between 2005 and 2008. Adjustments received between 2005 to 2006 went OEFC which explains the exclusion from the OEB RPP spreadsheet. However, once funds started to go fOPA the spreadsheet should have been updated to reflect these amounts and it was not. Action :Settlements will update the OEB RPP spreadsheet to reflect these amounts.**

2) CT 112 – OPG Rebate
   - The fOPA received $3,054,001.89 between 2006 and 2009 due to OPG Rebate requests. However, this amount was excluded from the variance factor spreadsheet, as per Idalin.

- Should this amount remain in the regulatory asset account or should it be refunded through GAM? Given that these amounts were intended to reduce the RPP rate which did not happen. Settlements will take action and update the OEB RPP Variance spreadsheet to reflect these amounts.

3) CT 199 – Retailer Balancing Amount
   (a) The first part relates to the amounts deemed missing in the GL account, which formed part of the OPA invoice, for a total of -$7,460,031.07 from 2005 to 2011. Upon further investigation, I discovered these amounts were actually recorded as regulatory assets (in the liability section) and then fully amortized by the end of 2011 by the fOPA. The amortization expense was then recovered through the usage fee. Let's assume this was done correctly. - ok
   (b) The second part relates to post-program adjustments of $1,782,975.38 received by the fOPA in 2012-2013. These amounts are currently part of the RPP variance account and were not expensed off.
      - Should this amount remain in the regulatory asset account or should it be refunded through GAM? - As per our discussion, we are in agreement that these funds should be used to reduce the corporate expenses in alignment that the initial intent was to fOPA manages these amounts through its fees.

Kindly let me know if you have any questions or if we need to have a meeting to discuss this further. Many Thanks.

Regards,
Alefiya