Message

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Sent: 2017-04-03 3:26:23 PM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
Subject: Smart Metering Regulated Asset

Hi Susan,

I am adding an update on the regulated asset accounting change in the 2016 SME variance report sent to the OEB. I took what you gave me for the annual report and changed it to suit Smart Metering specifically.

Can you take a look at it and make sure I captured the intent of the change?

Thanks,
Kevin

Accounting Changes

As of January 1, 2016, the IESO changed its accounting policy regarding the recognition of assets and liabilities subject to rate regulation. The change was made to better reflect the economic substance of the Smart Metering expenses which are recovered through the Smart Metering Charge.

This change has been applied retroactively and has resulted in an amount previously unrecorded as a regulatory asset representing smart metering expenses to be recovered from future collection of the Smart Metering Charge and the reduction of previously reported accumulated deficit.

The Smart Metering regulatory asset is $21.6MM as of December 31, 2016 ($40.8MM as of December 31, 2015).