Message

From: Susan Nicholson [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=F668E601BD2B4865A5C31DCA531047C8-SUSAN NICHO]
Sent: 2017-05-13 6:49:38 AM
To: Petsche, Nadine (TBS) [Nadine.Petsche@ontario.ca]; Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
Subject: Re: Your assistance please

Hi Nadine. I am out of the office until Wednesday morning. I will ask my accounting manager to take a look at your request in my absence.

Sent from my BlackBerry 10 smartphone on the Bell network.
  Original Message
From: Petsche, Nadine (TBS)
Sent: Friday, May 12, 2017 7:42 PM
To: Kim Marshall
Cc: Susan Nicholson
Subject: RE: Your assistance please

Thanks Kim (and Susan).

Susan -- perhaps we can chat on Monday morning so I can provide additional context.

Thanks.
Nadine

-----Original Message-----
From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: May-12-17 7:36 PM
To: Petsche, Nadine (TBS)
Cc: Susan Nicholson
Subject: Re: Your assistance please

Thank goodness you do your job and I don't. Am copying susan who will probably stickhandle this. Thanks

Sent from my iPad

> On May 12, 2017, at 7:22 PM, Petsche, Nadine (TBS) <Nadine.Petsche@ontario.ca> wrote:
>
> Sorry, it is the consolidated financial statements (as included in the public accounts). For further clarity, what I'm hoping to do is to lay out clearly the IESO-related items which are subject to rate regulation. It's an educational component of the paper. Similar info will be provided for OPG.
> Nadine
>
> -----Original Message-----
> From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
> Sent: May-12-17 5:07 PM
> To: Petsche, Nadine (TBS)
> Subject: Re: Your assistance please
>
> You are killing me what is cfs
>
> Sent from my iPad
>
>> On May 12, 2017, at 5:02 PM, Petsche, Nadine (TBS) <Nadine.Petsche@ontario.ca> wrote:
>>
>> Hi Kim.
>> I'm currently working on a paper on the Province's CFS reporting for the FHP. It would be helpful if you could help to complete/expand on the extract below as it relates to various activities of the IESO.
>> Thanks in advance. Have a wonderful weekend.
>> Nadine
>> p.s. I know how much you like to read on the weekend, so I thought I'd attach a copy of a CICA research study undertaken some years back. Although IESO isn't a GBE (i.e. not profit oriented), the fact that is does not receive transfers from the government (so is self-sustaining) and has reasonable expectations that it will recover its costs through future rates, might from a user's perspective lend itself to a reasonable conclusion that it should follow the same accounting treatment that the task force recommended for GBEs.   Just my own opinion.
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>> Details of IESO's Rate Regulated Activities:

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>> 1.   IESO is rate regulated by the OEB in accordance with the Electricity Act, 1998 and the Ontario Energy Board (“OEB”) Act, 1998 but currently does not recognize the economic impacts of rate regulation in its general purpose financial statements.
>> 2.   Various aspects of the IESO’s business subject to rate regulation include:
>> 1.   In accordance with XXX, the OEB’s function in IESO’s operations is to approve a rate to meet IESO’s projected revenue requirement to recover its operational costs incurred in association with their responsibility to maintain the reliability of the IESO-controlled grid and to provide settlement services for balances due/from generators, transmitters, and market participants.
>> 2.   Smart Meter database – per XXX, the IESO is able to recover costs for maintaining the reliability of the IESO-controlled grid and providing settlement services for balances due/from generators, transmitters, and market participants. (confirm that the OEB approves the deferral of the recovery of these expenses. i.e. confirm that the OEB rate order regarding Smart Meter Charges (effective from May 1, 2013 to Oct. 31, 2018) constitutes support for reporting a rate regulated asset under ASC 980.
>> 3.   Pensions - XXX
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>> 4.   GA cost - in accordance with the Electricity Act, 1998 and the OEB Act, 1998, the IESO has approved variance accounts to record all amounts payable or receivable by it in connection with the amounts paid to generators, the Financial Corporation, distributors and to entities with whom the IESO has a procurement contract. (i.e. costs incurred in the past will be fully recovered through future rates).
>> Note that the Market Accounts track the point in time balances of due to/due from generators, transmitters and market participants for market transactions. They are not rate regulated balances for the IESO, but are rather reported as they represent activities of the entity with 3rd parties to which the IESO is a counterparty and should therefore be reported on the entity’s books to support transparency and accountability in reporting.
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>> <Financial Reporting by Rate-regulated Enterprises CICA Research Study.pdf>