Message

From: susan.nicholson@ieso.ca [susan.nicholson@ieso.ca]
Sent: 2017-06-22 6:20:14 PM
To: Estrada, Dennis [DEstrada@caiso.com]
Subject: Re: rate regulated accounting

Dennis. Thank you very much for your reply. Does the adjustment of fees during the year apply to your admin costs only or also to rates set to settle market transactions.

Sent from my iPhone

On Jun 22, 2017, at 6:01 PM, Estrada, Dennis <DEstrada@caiso.com> wrote:

Hello Susan

Way back in 1997, after a lengthy discussion with our auditors (PriceWaterhouseCoopers), the CAISO decided not to adopt FAS 71 due to a variety of reasons. Primary among these is that our tariff allows us to recover or refund certain costs or revenues that are either in excess or deficient (based on the adopted budget that was approved by the Board, our "regulator"). During the year, we are can adjust our rates (under certain conditions) up or down, to ensure our revenue requirement for the year is met. Additionally, after year-end, any over-recovery or under-recovery is considered in a succeeding year's revenue requirement. Thus, the need to defer costs or revenues (under FAS 71) in no longer necessary in our case.

Please contact me if you have any other questions on this matter.

Dennis

Dennis Y. Estrada, CPA CGMA| Assistant Controller
California Independent System Operator Corporation
250 Outcropping Way | Folsom | CA | 95630
O: 916.351.2235| C: 916.802.6582| F: 916.608.5071
<image001.jpg>

From: Gordon, April
Sent: Thursday, June 22, 2017 12:49 PM
To: Walsh, Denise <dwalsh@caiso.com>; Estrada, Dennis <DEstrada@caiso.com>
Subject: FW: rate regulated accounting

Hello,

Please see IESO's question below.

Thanks,

April

From: Susan Nicholson [mailto:susan.nicholson@ieso.ca]
Sent: Thursday, June 22, 2017 9:59 AM

To: Gordon, April <agordon@caiso.com>
Cc: Susan Nicholson <susan.nicholson@ieso.ca>
Subject: rate regulated accounting

< EXTERNAL email. Evaluate before clicking. >

Hello, my name is Susan Nicholson and I am the Corporate Controller here at Ontario's IESO.

I have a quick question that I am hopeful yourself or someone else in your accounting area would be able to answer for me.

My understanding is the CalISO reports under GASB yet it does not recognize regulatory accounting and I am curious as to why.

If this is something that is better to discuss by phone, then I am happy to arrange a conference call.

Thank you for your assistance.

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