

Message

From: susan.nicholson@ieso.ca [susan.nicholson@ieso.ca]
Sent: 2017-06-22 6:51:30 PM
To: mpicard@kpmg.ca
CC: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshall]; Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]; mbetik@kpmg.ca
Subject: Fwd: rate regulated accounting

I'm not certain you will learn anything from a phone call. Sounds like they didn't even consider it for their market accounts.

Sent from my iPhone

Begin forwarded message:

From: "Estrada, Dennis" <DEstrada@caiso.com>
Date: June 22, 2017 at 6:47:01 PM EDT
To: 'Susan Nicholson' <susan.nicholson@ieso.ca>
Subject: RE: rate regulated accounting

We do have the right to collect in the future. Currently, market transactions can be corrected up to 36 months and we do have the right to collect until then, even if the participant has left the market.

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



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From: Susan Nicholson [mailto:susan.nicholson@ieso.ca]
Sent: Thursday, June 22, 2017 3:39 PM
To: Estrada, Dennis <DEstrada@caiso.com>
Subject: Re: rate regulated accounting

Thanks again. One last question. Does your market have any timing differences in its settlement which gives you a right to collect in the future.

Sent from my iPhone

On Jun 22, 2017, at 6:34 PM, Estrada, Dennis <DEstrada@caiso.com> wrote:

Hello Susan,

The adjustment of fees applies only to costs associated with administering our market (market services, system operations and CRR services).

Dennis

Dennis Y. Estrada, CPA CGMA | Assistant Controller
California Independent System Operator Corporation
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<image001.jpg>

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From: Susan Nicholson [<mailto:susan.nicholson@ieso.ca>]
Sent: Thursday, June 22, 2017 3:20 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

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<image001.jpg>

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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 CallISO 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.

Susan Nicholson | Corporate Controller, IESO | Station A, Box 4474, Toronto, Ontario M5W 4E5
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