Message

From: susan.nicholson@ieso.ca [susan.nicholson@ieso.ca]
Sent: 2017-07-07 7:07:25 PM
To: Dianne Branch [dbranch@spp.org]
Subject: Re: rate regulated accounting

Thanks very much Dianne. This helps.

Sent from my iPhone

On Jul 7, 2017, at 6:06 PM, Dianne Branch <dbranch@spp.org> wrote:

> Susan,
>
> That is correct. We are revenue neutral on market transactions except for some very insignificant fees. We do have a couple things that get put on the balance sheet related to our weekly market transactions, but everything clear outs within a year. Sorry for the delay in responding. Let me know if you have any other questions.
>
> Dianne
>
> **Dianne E. Branch, CPA | Controller** | dbranch@spp.org | 501-614-3223 |
> **Southwest Power Pool** | SPP.org | twitter.com/SPPorg | facebook.com/SouthwestPowerPool
> *Helping our members work together to keep the lights on...today and in the future*
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>
> **From:** Susan Nicholson [mailto:susan.nicholson@ieso.ca]
> **Sent:** Thursday, July 06, 2017 7:34 AM
> **To:** Dianne Branch
> **Cc:** Susan Nicholson
> **Subject:** **External Email** RE: rate regulated accounting
>
> Thanks Dianne – you are correct, I did mean regulatory assets/liabilities. I am assuming since you only mention your admin fee below that all of your market transactions balance to $nil on a monthly basis. Is this correct?
>
> Susan
>
> **Susan Nicholson** | Corporate Controller, IESO | Station A, Box 4474, Toronto, Ontario M5W 4E5
> T: 905.855.6290| C: 905.301.6499 |Email: susan.nicholson@ieso.ca
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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:** Dianne Branch [mailto:dbranch@spp.org]
> **Sent:** July 06, 2017 8:31 AM
> **To:** Susan Nicholson
> **Subject:** FW: rate regulated accounting
>
> Susan,

First, SPP does use regulatory accounting in terms of reporting to FERC using its Uniform System of Accounts. Our g/l account structure is designed to be able to report on both a GAAP basis and FERC basis. I'm thinking that you are really asking why we don't have regulatory assets/liabilities on our books. Primarily because our annual administrative fee is set to recover all our cash outflows budgeted for that year, with any over/under-recovery adjusted for in the following year's rate calculation. So we never really have anything that would qualify to be deferred on our balance sheet (to be recovered for in future rates). Let me know if this doesn't answer your question.

Dianne

Dianne E. Branch, CPA | Controller | dbranch@spp.org | 501-614-3223 |
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From: Susan Nicholson [mailto:susan.nicholson@ieso.ca]
Sent: Friday, June 30, 2017 9:23 AM
To: Dianne Branch
Cc: Susan Nicholson
Subject: **External Email** rate regulated accounting

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 that SPP reports under FASB 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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