2) MARKET ACCOUNTS

As of January 1, 2016 the IESO changed its accounting policy regarding the recognition of market accounts assets and liabilities on the statement of financial position. The change was made to better reflect the assets and liabilities and amounts due to and from market participants held by the IESO on behalf of the IAM at year end.

In March 2017, the Government of Ontario (the Province) announced its Fair Hydro Plan (FHP). The FHP reduces electricity bills for Regulated Price Plan (RPP) customers (as well as those non-RPP consumers who receive the 8% rebate as specified in the Ontario Rebate for Electricity Act, 2016) by approximately 25% for a period of one year, starting in the summer of 2017, and limits the increase in electricity bills to the rate of inflation over the next four years. The measures that make up the 25% average reduction include:

1. Spreading the cost of Ontario's clean energy investments over the expected lifecycle of the generation infrastructure assets. This is expected to account for 18-19% of the overall reduction.
2. Shifting the cost of the Ontario Electricity Support Program (OESP) and most of the Rural or Remote Rate Protection (RRRP) program costs from ratepayers to taxpayer-funded programs.
3. An 8% rebate equal to the provincial portion of the HST, which took effect on January 1, 2017.

As of September 30, 2017 the market accounts impacted by the FHP include: Unrecovered Global Adjustment Expenses ($101,159 thousand); Provision for Future Rural or Remote Rate Protection activity ($6,626 thousand) and Provision for Future Ontario Electricity Support Program (-$97,155 million).

(in thousands of Canadian dollars)	As at September 30, 2017	As at December 31, 2016
Cash, restricted for market activities	169,586	244,755
Market Accounts Receivable	1,363,494	1,370,053
Net Congestion Rent Receivable	1,894	5,727
Global Adjustment Other Charges Receivable	55,089	15,480
Interest Receivable	183	186
Unrecovered Global Adjustment Expenses	101,159	-
Market Assets	**1,691,405**	**1,636,201**
Revolving line of credit	(114,383)	(150,501)
HST receivable/(payable)	46,677	25,531
Market Accounts Payable	(1,336,794)	(1,326,011)
Prepayments	(49,550)	(62,980)
Market Interest Payable to IESO Corporate	(1,579)	(2,508)
Market Penalties Payable to IESO Corporate	(1,091)	(1,144)
Regulated Price Plan Variance	-	134,988
Provision for Future Transmission Rights Activity	(61,319)	(53,305)
Provision for Future Ontario Electricity Support Program Activity	(97,155)	(92,443)

Provision for Future Rural or Remote Rate Protection Activity	6,626	(4,672)
Provision for Future Enforcement Activity	(33,705)	(58,484)
Deferred Transmission Rights Revenue	(49,132)	(44,672)
Market Liabilities	**(1,691,405)**	**(1,636,201)**