

Message

From: Susan Nicholson [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=F668E601BD2B4865A5C31DCA531047C8-SUSAN NICHOLSON]
Sent: 2018-01-29 9:20:33 AM
To: Mansoor Ahmad [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7a60875c05674f2db1e7f3cd0e1a8a71-Mansoor Ahm]; Alefiya Jivajee [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=752d18b7818e4c3092f22a37e0b298d6-Alefiya Jiv]; Natalie Schaus [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=58bb43f7d031480696ce362cf240759c-Natalie Sch]
CC: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicholson]
Subject: market accounts

The formatting for the paragraphs needs to be cleaned up. We need to think about the partial reduction sentence because I think that would be included in the amount purchased by OPG trust. Also we need to talk to the total amount less the amount purchased for the variance account.

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.

In March 2017, the Government of Ontario announced its Fair Hydro Plan (FHP). Under this Plan, the IESO continues to settle the transactions between generators and distributors, but collects only a portion of the Global Adjustment from eligible customers, identified in the Ontario Fair Hydro Plan Act.

As at December 31, Deferred Global Adjustment Variance was \$195,855 thousand. This balance includes the variance created by the partial implementation of the FHP prior to the effective date of July 1, 2017. The partial reduction granted from May 1 to June 30, resulted in a variance of \$239,452 thousand.

The FHP also shifted 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.

With the implementation of the FHP on May 1, 2017, only payments to OESP eligible customers are currently being made and the balance at December 31, 2017 was in a credit position of \$26,352 thousand, net of interest.

A new rate for the RRRP program under the FHP was effective July 1, 2017.

The new rate has resulted in an under collection for the RRRP settled through the market accounts, resulting in balance in the variance of \$12,620 thousand as at December 31, 2017.

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