Minutes of Meeting

of the Audit Committee

of the Independent Electricity System Operator

April 11, 2017, 8:30 a.m.
16th Floor Boardroom, 120 Adelaide Street West, Toronto, Ontario

Attendees

Bruce Campbell
Susanna Han
Tim O'Neill
Deborah Whale
Carole Workman (Chair)

Regrets
Christopher Henderson

Members of Staff in Attendance

Kimberly Marshall
John Rattray
Susan Nicholson

Lia Kosic *(portion of meeting)*
Jordan Penic *(portion of meeting)*
Julia McNally *(portion of meeting)*
Rayhan Malik *(portion of the meeting)*
Anthony Martinello *(portion of meeting)*
Olga Whiteley *(portion of meeting)*
Jeannette Briggs *(portion of meeting)*

Nicholas Ingman *(portion of meeting)*
Nicola Presutti *(portion of meeting)*
Jessica Savage *(portion of meeting)*
Nik Schruder *(portion of meeting)*
Bill Pettitt *(portion of meeting)*
Doug Thomas *(portion of meeting)*
Luke Bond *(portion of meeting)*
Alexander DeAngelis *(portion of meeting)*
Shawn Cronkwright *(portion of the meeting)*
Michael Boll *(portion of meeting)*

By Invitation

Lynda Byron, Aon Hewitt *(portion of meeting)*

Mr. Matthew Betik, KPMG *(portion of meeting)*
Henry Grunberg, Ernst &Young *(portion of meeting)*

Mr. Anthony Martinello, Mr. Jordan Penic, Ms. Lia Kosic joined the meeting.

Minutes

Ms. Carole Workman chaired the meeting and Mr. John Rattray acted as Secretary.

Constitution of the Meeting

The Chair noted that due notice of the meeting had been given, a quorum of members of the Audit Committee ("Committee") were present, and that, accordingly, the meeting was duly and properly constituted.

Conflicts

The Chair enquired whether any Committee member had a conflict of interest to report. No conflict was reported.

Approval of the Proposed Agenda

The Chair reviewed the Agenda with the Committee, noting the revised approach to the organization of agenda items and the distinction between decision, discussion and information items. On motion duly made and seconded, the following resolution was unanimously carried,

BE IT RESOLVED THAT the Agenda of items for consideration at this meeting of the Committee as amended, is hereby approved.

Approval of Minutes

The minutes of the February 28, 2017 Committee meeting and Special Meetings of the Audit Committee on March 15, 2017 and March 22, 2017 had been provided to the members of the Committee for review prior to the meeting. On motion duly made and seconded, the following resolution was unanimously carried,

BE IT RESOLVED THAT the Minutes of the Meetings of the Audit Committee of the Independent Electricity System Operator held on February 28, March 15 and March 22, 2017 are hereby approved.

Corporate Financial Reporting

Communication Plan on Accounting Changes

An Agenda Item Summary and Memorandum both titled "Communications Plan on Accounting Changes", dated April 11, 2017, and a document titled "Accounting Changes Key Messages and Q&As" dated March 2017 were provided to the Committee for review prior to the meeting. Mr. Jordan Penic summarized key elements of the communications plan. The Committee questioned management regarding anticipated questions, the lack of impact on rate payer costs, contact with the Auditor General, and potential risks.

Mr. Jordan Penic left the meeting.

[redacted]

[redacted]

[redacted]

[redacted]

Rate Mitigation Update

Ms. Jeanette Briggs and Mr. Michael Boll joined the meeting.

An Agenda Item Summary and Presentation titled "Rate Mitigation Update" dated April 11, 2017 were provided to the Committee for review prior to the meeting. Mr. Michael Boll described the process and parties involved in the development of the legislative and regulatory framework to implement the Ontario Fair Hydro Plan and risks for the corporation. The Committee questioned management regarding reputational and financial risks, the potential impact of cost reductions on consumer behaviour, risks associated with representations and warranties associated with the debt financing, and the tracking of risks associated with the rate mitigation initiative in the corporate risk tolerance.

Ms. Jeanette Briggs and Mr. Michael Boll left the meeting.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Other Business

There was no other business brought before the Committee.

Conclusion

There being no further business, the meeting was concluded.

Approved by the Committee on the 13th day of June, 2017.

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Chair

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Secretary