Message

From: Chris Graham [/O=IMO/OU=MSX1/CN=RECIPIENTS/CN=GRAHAMC]
Sent: 2016-10-26 11:31:35 AM
To: Terry Young [/O=IMO/OU=MSX1/cn=Recipients/cn=Terry Young]
Subject: FW: Recent media stories

Thanks – regardless if I was a catalyst or not.

Cheers,
Chris

From: Employee Communications
Sent: October 26, 2016 11:17 AM
To: IESO - All Employees
Subject: Recent media stories

There have been media stories yesterday and today that claim an $80-million actuarial loss in the IESO's accounts represents additional expenses for ratepayers.

Unfortunately, the IESO's perspective was not included in the stories. Here are some points that the IESO has subsequently made to the reporter that provide further context:

- Effective January 1, 2011, the IESO adopted Canadian public sector accounting standards with a transition date of January 1, 2010. This was a change from using Generally Accepted Accounting Principles (GAAP).

- Under the new accounting standards, this item was required to be listed separately. Previously, it was included on the IESO's balance sheet, it just wasn't listed separately.

- This item represents actuarial losses and past service costs related to pension and other post-employment benefits prior to 2010 that were previously unamortized.

- This item has been in the IESO's publicly issued audited financial statements ever since the change. It does not represent any new expense or charge and has been covered in the IESO fee approved by the OEB, both before and after the accounting standards change.

- Furthermore, the IESO's fee has gone down from 0.137 cents per kWh in 2010 to 0.124 cents per kWh in 2015, and our proposal before the OEB would see that decline to 0.113 cents per kWh in 2016, if approved.

The Minister responded to questions in the legislature yesterday, saying "we need to be very clear there's no new additional impact to ratepayers. Accounting experts determined over which period the payments would need to be taken. All government agencies use these standards." Premier Wynne also responded, noting that "this issue goes back to 2010," and reiterating that "there are no additional impacts to ratepayers."