

Question: “Who were the senior decision-makers at Treasury Board responsible for the accounting/financial structure with the Fair Hydro Plan? And what were their roles in establishing the accounting/financial structure?”

Response: The Treasury Board Secretariat (TBS) was not responsible for developing the financial structure for the ~~Ontario’s~~ Fair Hydro Plan (OFHP). Senior TBS officials and their staff worked with officials from the Ministries of Finance and Energy, Ontario Power Generation, Independent Electricity System Operator and Ontario Financing Authority, as well as their external advisors, to understand the structure of ~~the Ontario Fair Hydro Plan (the “OFHP”)~~ as proposed by the Ministry of Energy and assess the accounting treatment of ~~the~~ OFHP in the consolidated financial statements of the Province. The consolidated financial statements of the Province are prepared in accordance with Public Sector Accounting Standards.

In developing Ontario’s Fair Hydro Plan, the government considered a range of implementation options and consulted with ~~legal, accounting, financial and energy sector external~~ third-party experts to provide advice and ensure due diligence was completed. ~~The~~ OFHP operates under a financial and accounting framework that is appropriate for the intended purpose.

In order to meet the needs ~~s of users, including the legislature and the public,~~ for accountability in government reporting and decision making, ~~for the legislature and the public,~~ it is essential that public sector financial statements reflect the economic substance of the government’s activities, and the accounting is in accordance with Public Sector Accounting Standards.