

Energy | CUPE / AG March 27, 2018

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Date: Tue, 27 Mar 2018 08:08:16 -0400

Good morning,

Please find below Energy's messaging for the day:

1) CUPE Appeal of Motion to Strike

- A decision is expected today—time of the decision is unknown. We'll keep in touch with MAG throughout the day.

KEY MESSAGES

- We've said all along that there is no merit to this claim.
- Our government is focused on building Ontario up and helping people in their everyday lives, and broadening the ownership of Hydro One was a crucial part of that plan.
- It allows us to invest \$4 billion in critical infrastructure across the province – including GO Regional Express Rail, light rail transit, improvements to roads and bridges, natural gas network expansion in rural and northern communities and the Ring of Fire – without raising taxes, increasing debt, or recklessly cutting public services.
- These new infrastructure projects will lead to new jobs, new investments, and will boost economic activity.
- Broadening the ownership of Hydro One has also led to an improved organization – we're already seeing the benefits of a renewed, better run utility. Hydro One has ended the practice of security deposits for new customers, and has increased choice by introducing new e-billing options and billing cycles.
- The company was also the first utility in the province to voluntarily ban winter disconnections.
- Hydro One has already reduced operational costs by \$60 million, and we look forward to continued improvements in service and cost management.

2) Continued coverage on the accounting disagreement with the Auditor General

- Coverage in the Toronto Star, CBC, and CTV
- **CBC and CTV articles included a quote from KPMG spokesperson Lisa Pappas who said that the accounting practices the auditor is questioning are a "difference of professional judgement,"**

Key Messages

- **Families in the province asked for real and immediate relief on their electricity bills and that's what we delivered.**
- **We made a policy choice to ensure that we continue to have a clean, reliable and affordable electricity system for the ratepayers of today, and the ratepayers of tomorrow.**

- The Fair Hydro Plan keeps the cost of borrowing within the rate-base, not the tax-base, because that's the logical thing to do.
- Electricity financing should remain within the electricity system.
- Officials from Treasury Board, Finance, OPG, IESO and the Ontario Financing Authority along with external advisors that included Ernst and Young, KPMG and Deloitte worked on the accounting related to the Fair Hydro Plan.
- They along with the Office of the Provincial Controller ensured that this plan was in accordance with Public Sector

Oppo (PC)

- The Conservatives will say anything to get elected.
- The Conservatives are criticizing the Fair Hydro Plan, and meanwhile they included it in their People's Guarantee magazine... but only after voting against it when it really mattered.

If asked about providing Information to AG:

- The System Operator has assured the Ministry of Energy that they have made every effort to be forthright and fully responsive to the Auditor General's requests for information.

If pressed on providing information:

- The IESO has made every effort to accommodate the Auditor General's requests by:
 - o Making accommodations to extend the duration of the Auditor General's staff on IESO premises from the initial two weeks requested, to seven weeks.
 - o During this time, the IESO received and responded to over 200 information requests from the Auditor General's staff.
 - o The IESO accommodated every meeting request; about 40 meetings took place between IESO and OAGO staff.
 - o IESO accommodated the AG's requests to meet with their Board and Audit Committee; and,
 - o Throughout their audit, the Auditor General's staff had direct access to the IESO's staff.

Have a great day,

Kevin

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