

Energy | March 26, 2018

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Good morning,

Please find below Energy's issues for the day:

1) Auditor-General blasts province over 'bogus' hydro accounting strategies (Globe & Mail)

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.
- While the Auditor General is welcome to her opinion, our plan has been **approved by her peers** at some of Canada's top accounting firms including Ernst and Young, KPMG and Deloitte.
- In the development of the Fair Hydro Plan, we also consulted with numerous third party advisors in the application of accounting standards.

Providing Information to AG:

- The IESO 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.

- The IESO has cooperated with the Office of the Auditor General to provide information, including the 2017 financial statements prepared by management, and for access to management for assistance in understanding such information.

If pressed on providing information:

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