FHP & Accounting

KEY MESSAGES:

- Our government respects independent officers of the legislature, and values the important perspective they bring.
- With that said, we do not agree with the assertions and conclusions expressed in the Auditor General's Fair Hydro Plan report.
- Ontario has a strong track record of producing high-quality financial reports on a timely basis and continues to present the province's finances fairly and accurately and in accordance with Canadian Public Sector Accounting Standards.
- In developing the Fair Hydro Plan, we consulted with third-party experts - like KPMG, EY and Deloitte - to provide advice and ensure that we had done our due diligence.
- We looked to other Canadian entities, like OPG and Hydro One, both of whom use rate-regulated accounting.
- The Fair Hydro Plan is in accordance with Public Sector Accounting Standards and ensures the goals underlying the program are achieved in a cost-effective manner.
- And when I say goals of the program, what I am really saying is ensuring that energy in Ontario is more affordable
- I know that the Minister of Energy will be eager to speak to the policy benefits of our Fair Hydro Plan, and remind this legislature of the intended purpose of the policy in the supplementary

On PSAS:

- As I said yesterday, the Public Sector Accounting Standards are silent on the use of rate-regulated accounting.
- The Public Sector Accounting Standards acknowledges that it does not provide guidance on all possible transactions.
- That it is necessary to refer to other sources of guidance.
- That's why we consulted with third-party experts like KPMG, EY and Deloitte.
- Why we looked to the best practices of Canadian entities like OPG and Hydro One.
- The guidance we received time and again was that rate-regulated accounting is appropriate.
- When we look at IESO-like entities across North America, it's the same story – rate-regulated accounting.