# Hansard: Horwath to Premer (Sandals) -- Hydro-Rate Reduction Plan

**From:** "Basha, Cindy (CAB)" <cindy.basha@ontario.ca>
**To:** "Codd-Downey, Beckie (GHLO)" <beckie.codd-downey@ontario.ca>, "Ernesaks, Andrea (OPO)" <andrea.ernesaks3@ontario.ca>, "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>, "Glista, Alex (OPO)" <alex.glista@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "Lazarus, Jordan (OPO)" <jordan.lazarus@ontario.ca>, "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>, "Sumi, Craig (CAB)" <craig.sumi@ontario.ca>
**Date:** Wed, 18 Oct 2017 11:28:36 -0400

**INSTANT HANSARD**
--------------------------------

>> Andrea Horwath: My next question's also for the Premier. You know the auditor general also revealed that the government knew that the costs to hide their borrowing scheme was going to reach the astonishing additional amount of $4 billion. When did the Premier know what the cost of this scheme was going to be and when did she decide that $4 billion was an acceptable price tag?

>> Premier Wynne: Mr. Speaker, I know the president of the treasury board will want to comment but, Mr. Speaker, we heard from Ontarians across this province. They said quite clearly that the costs that had been incurred because we had to rebuild the system, Mr. Speaker, the system was degraded. It was unreliable. It was dirty, Mr. Speaker. It's clean. It is reliable. We made investments, Mr. Speaker, so that it would be -- That's a cost associated with making those improvements. We made a decision, Mr. Speaker, that we would smooth out the cost of making those improvements over a longer period of time. We were very clear that there would be a cost associated with that but that this was an asset that would be in place not just for this generation, Mr. Speaker, but for the future. And I’ve said quite clearly, Mr. Speaker, that we understand that. We understand there was a cost associated with smoothing those costs. But, Mr. Speaker, in the immediate term, people need today see relief and they are.

>> Andrea Horwath: Speaker, the auditor general has been very clear about this. The government knew that this financial trick would cost the people of Ontario an extra $4 billion, and they did it anyways. The A.G. Has the emails that prove it, Speaker. Was the Premier or any member of her office one of the officials that the auditor was referring to when she told Ontarians that the government knew the cost of this scheme?

>>Minister Sandals: Yes. Thank you very much. I do need to note the number that keeps getting thrown around here is an estimate that came from the F.A.O.. He's not a number that ever came to Cabinet for decision making. So the fact that it's out there is something the F.A.O. Put out there. But I want to go back to the issue around the accounting dispute, because clearly, with all due respect to the auditor, we are having an accounting dispute with the auditor. And the auditor did a very peculiar thing yesterday. The auditor announced in advance how she would rule on the province's books a year from now based on a transaction which has not yet occurred. Now the auditor says that the transaction is debt that should be treated like credit card debt.

>> Andrea Horwath: Speaker, after the gas plants, cover-up which two Liberal staffers are on trial for right now and the Sudbury bribery scandal, which another two Liberal operatives are in court for right now, the Premier promised that she would finally be open and transparent with the people of this province. Here's the Premier's opportunity to be true to her word finally. Will she release those emails that the auditor general referenced immediately?

>>Minister Sandals: Thank you. As I was saying, the auditor says that this is just like credit card debt. It's just like the stranded debt, that we can't turn that debt into an asset. On the other hand, we have three firms, Ian white, deloitte, KPMG, provincial comptroller who all say no, we should be using write regulated accounting. We clearly have a dispute. But the interesting thing is the transaction hasn't occurred. The market will decide who is right. Because if the market buys the asset, it's a regulated asset. The market will be the referee when O.P.G. Completes that will transaction.

*N.B.: Transcripts are captured by a closed captioning system and may contain errors.*