RE: Media Request - Globe and Mail

From: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
To: "Lazarus, Jordan (OPO)" <jordan.lazarus@ontario.ca>, "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>
Cc: "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>
Date: Wed, 07 Mar 2018 15:04:54 -0500

this works for me.

From: Lazarus, Jordan (OPO)
Sent: March 7, 2018 2:58 PM
To: McPhail, Blane (OPO); Forgione, Andrew (OPO)
Subject: RE: Media Request - Globe and Mail

Are you guys good with this?

Ontario's Fair Hydro Plan, a plan that lowers electricity prices for all Ontarians on average by 25% was developed by the Ministry of Energy. 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 provincial controller signed off on the fact that this plan was in accordance with Public Sector Accounting Standards. It's also important to note that the accounting treatment used in this plan is used in jurisdictions across North America including Alberta, New England, New York, Minnesota and Texas.

From: Lazarus, Jordan (OPO)
Sent: March 7, 2018 2:36 PM
To: Hadisi, Lawvin (TBS)
Cc: Rubin, Jack (TBS); Gallant, Gabrielle (TBS); Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY); @OPO-Media Relations and Issues Management
Subject: RE: Media Request - Globe and Mail

Adding the group

From: Hadisi, Lawvin (TBS)
Sent: March 7, 2018 2:31 PM
To: Lazarus, Jordan (OPO)
Cc: Rubin, Jack (TBS); Gallant, Gabrielle (TBS); Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: Media Request - Globe and Mail

Hi Jordan,
We got a request from Globe and Mail last week after SCOPA about FHP. I have cc'd Energy who can provide feedback. Their office also received a request from the same reporter so I want to make sure we are all on the same page when it comes to messaging.
Let me know if you have any questions or concerns.
Best,

Lawvin

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Request:

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?

The Hansard of the proceedings of the Standing Committee on Estimates on Oct. 24, 2017 indicates Ms. Sophie Kiwala said the following:

> Our plan has been approved by the peers of the Auditor General 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 advisers in the application of accounting standards. IESO's management, IESO's audit committee, IESO's board of directors, IESO's external auditor and the Office of the Provincial Controller all support this accounting treatment.

Who at the Office of the Provincial Controller signed off on the financial/accounting structure of the Fair Hydro Plan? What form did that approval take?

Response:

The Treasury Board Secretariat (TBS) was not responsible for developing the financial structure for 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 OFHP proposed by the Ministry of Energy and assess the accounting treatment of 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 external third-party experts to provide advice and ensure due diligence was completed. OFHP operates under a financial and accounting framework that is appropriate for the intended purpose.

In order to meet the need 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.

Lawvin Hadisi
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