

Hansard: Smith to Thibeault -- Hydro Rate Reduction Plan / Accounting

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INSTANT HANSARD

>> **MPP Smith:** Thanks, Speaker. My question is for the Minister of energy this morning. There remains serious questions. Mr. Speaker, about the Liberals' very expensive hydro plan that the Minister was just talking about. In regards to Ernst & Young, Deloitte and KPMG, the auditor general has said the sum of all this work does not equate to the approval of the accounting of their scheme and the financial books. Mr. Speaker, the Minister of energy, is the auditor general correct?

>> Minister Thibeault: Thank you, Mr. Speaker. So let's be clear, Mr. Speaker. Families in this province asked for real and immediate relief on their electricity bills, and that's what we delivered, Mr. Speaker. We made a policy choice, not a bumper sticker slogan but a policy choice, Mr. Speaker, to ensure that we continue to have clean, reliable and affordable electricity for ratepayers of today and the ratepayers of tomorrow. Fair hydro plan, Mr. Speaker, keeps the cost of borrowing within the rate base, not the tax base, because that's the logical thing to do, Mr. Speaker. Electricity financing should remain within the electricity system. So officials from the treasury board, finance, O.P.G., the IESO and the Ontario financing authority, along with external advisors, that included Ian Wise, KPMG and Deloitte, worked with 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 accounting, Mr. Speaker.

>> MPP Smith: Thank you, Speaker. That was a lot of rubbish that really said nothing at all, Mr. Speaker. The fact that the Minister can even refer to this very expensive hydro plan as fair is unbelievable to the

people of Ontario who are going to be paying record high electricity rates after the next election because they're doing nothing to address the costs of electricity in Ontario. So to the Minister of energy. He said this a while ago -- our plan has been approved by her, speaking of the auditor general -- by her peers at some of Canada's top accounting firms like kg, Ernst & young and deloitte. The auditor general has said that that's not true, Mr. Speaker. Did the accounting firms really approve the plan? That's what we want to know. To the Minister of energy. Did those accounting firms really approve the plan?

>> Minister Thibeault: Yes, Mr. Speaker. The official opposition is again up here criticizing a plan that has reduced electricity rates by 25% on average for all families and as many as half a million small businesses and farms, Mr. Speaker. That plan is saving families in eligible and rural and northern communities up to 40 and 50% on their hydro bills. First, Mr. Speaker, they voted against it and then they included in their own platform just a few months back and now their five-month-old people's guarantee is absolutely gone and so is any type of plan for the electricity sector, Mr. Speaker. But let's see, Mr. Speaker, what two world-class accounting firms had to say in their statements regarding rate regulated accounting. Mr. Speaker, on the basis of our extensive research, deliberations and an opinion from another major accounting firm, we believe that the accounting policies adopted by the IESO are in accordance with the Canadian public sector accounting. Deloitte concluded that regulatory assets and liabilities recognized are appropriate to the applications of these policies -- and I'll have more in the supplementary.

>> MPP Smith: Thank you, Mr. Speaker. The Minister of energy said and I quote -- of course we work with KPMG. We worked with Ernst & young. We worked with deloitte. All of them agree that the accounting standards are accurate. The auditor general, the independent officer of the legislature, has said that that's not true. You know, I think anybody looking at this will realize that we can trust the auditor general a heck of a lot more than we can trust the Liberal government in Ontario. So my question, Mr. Speaker, is was the Minister telling the truth when he said these things?

>> Minister Thibeault: Thank you, Mr. Speaker. Once again, KPMG said, on the basis of our extensive research, deliberations and an opinion from another major accounting firm, we believe that accounting policies adopted by the IESO are in accordance with the Canadian public sector accounting standards. Deloitte concluded that any regulatory assets and liabilities recognized through the appropriate application of these policies would meet the criteria for recognition under the Canadian public sector accounting standards. Additionally, Ernst & young is O.P.G.'s financial auditor and is consulted on an ongoing basis, Mr. Speaker. And finally the officials that work within these departments, the Treasury Board, Finance, O.P.G., IESO and the Ontario financing authority worked on the accounting related to the fair hydro plan, Mr. Speaker, and all agreed with the Canadian accounting standards that we've moved forward, Mr. Speaker. So we'll continue --

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