FW: Connecting: SCOPA

From: "Hadisi, Lawvin (TBS)" <lawvin.hadisi@ontario.ca>
To: "Tharani, Alisha (TBS)" <alisha.tharani@ontario.ca>
Date: Wed, 14 Mar 2018 12:07:01 -0400
Attachments: ENERGY response - Globe and Mail media inquiry.docx (28.99 kB); OFHP - Media Briefing - Mar 2 2017.pdf (570.04 kB); OFHP - Media Briefing - Oct 17 2017.pdf (255.89 kB); Technical Briefing OFHP - February 2018.pdf (1.27 MB); Deloitte statement.pdf (95.53 kB); KPMG report to IESO and AG.pdf (4.16 MB)

From: Nekolaichuk, Colin (ENERGY)
Sent: March 12, 2018 12:42 PM
To: Hadisi, Lawvin (TBS); McClearn, Matthew
Subject: RE: Connecting: SCOPA

Hi Matt,

Thanks again for your inquiry.

Attached you'll find answers to your questions regarding the involvement of Treasury Board officials in development of the Fair Hydro Plan, as well as answers to your questions with respect to Global Adjustment refinancing.

As I mentioned previously, there have been multiple technical briefings on the financing of the Fair Hydro Plan, and the story has been covered quite extensively.

Here's a timeline of relevant milestones, reporting and communications:

- March 2, 2017 – Officials from the Ministry of Energy, Independent Electricity System Operator, Ontario Power Generation and Hydro One provide a technical briefing to media on the Fair Hydro Plan policy and financing structure (deck attached)
    - Sample media coverage:
        - Toronto Star: Hydro rate increases will be held to rate of inflation after 25-per-cent cut (https://www.thestar.com/news/queenspark/2017/03/02/hydro-rate-increases-will-be-held-to-inflation-after-25-cut.html)
- May 24, 2017 – Ontario's independent Financial Accountability Officer released its report on the fiscal impact of the Fair Hydro Plan
    - Sample media coverage:
        - The Globe and Mail: Ontarians can expect higher hydro bills to repay short-term relief: FAO (https://www.theglobeandmail.com/news/national/ontario-hydro-bills-electricity-costs/article35096250/)
- October 17, 2017 – Officials from the Ministry of Energy, Treasury Board Secretariat, Ontario Power Generation, Independent Electricity System Operator and a representative from KPMG held a technical briefing responding to the Auditor General's Special Report on the Fair Hydro Plan (deck attached)
    - Sample media coverage:
        - Toronto Star: Ontario's 25-per-cent cut to hydro rate carries $4B pricetag: watchdog (https://www.thestar.com/news/queenspark/2017/10/16/ontarios-financial-watchdog-sounds-alarm-over-hydro-rate-cut.html)

- February 6, 2018 – OPG provides a technical briefing on the Fair Hydro Trust's First Debt

Offering (deck attached)
- Sample media coverage:
  - QP Briefing: Debt markets show approval for Fair Hydro Plan financing (http://www.qpbriefing.com/2018/02/06/debt-markets-show-approval-fair-hydro-plan-financing/)

In relation to your questions on consultation with third-party accounting experts, I have a research and analysis document from KPMG, which was shared with the Auditor General. You can see their conclusion on pages 2 and 3. This document has not been shared widely, but has been offered to journalists on background to help illustrate the nature of the accounting dispute.

Deloitte was also engaged by KPMG to provide an opinion on PSAS – a summary of the report is also attached here. You'll see that both KPMG and Deloitte conclude that PSAS is silent on the rate regulated activities. EY is OPG's accountant of record, and is regularly consulted on their finances.

If you have any additional questions, please don't hesitate to reach out.

Best,
Colin

Colin Nekolaichuk | Press Secretary
Office of the Hon. Glenn Thibeault | Minister of Energy
T: 416-325-2690 C: 647-504-4928
colin.nekolaichuk@ontario.ca

From: Hadisi, Lawvin (TBS)
Sent: March-07-18 5:16 PM
To: McClearn, Matthew
Cc: Nekolaichuk, Colin (ENERGY)
Subject: RE: Connecting: SCOPA

Hi Matthew,

Thank you for your patience on this. I have cc'd my colleague Colin who I understand you have worked with in the past.

Colin will be taking over your request and should have an answer to you shortly.

Best,

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: March 6, 2018 5:35 PM
To: Hadisi, Lawvin (TBS)
Subject: RE: Connecting: SCOPA

Thanks. Will look for that tomorrow. Best regards,

Matt.

THE GLOBE AND MAIL

Matthew McClearn | Data journalist, Enterprise Team
p: 416.585.5487 | m: 416.705.6047 | e: mmcclearn@globeandmail.com

---

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Tuesday, March 06, 2018 5:05 PM
To: McClearn, Matthew
Subject: RE: Connecting: SCOPA

Hi Matthew,

I should have a response for you by EOD tomorrow. Gathering the information took longer than expected.

Appreciate your patience on this.

Best,

Lawvin

From: Hadisi, Lawvin (TBS)
Sent: March 1, 2018 3:37 PM
To: McClearn, Matthew
Subject: RE: Connecting: SCOPA

Hi Matthew,

Thank you for the follow up questions.

I will work on getting you answers for these.

I understand you don't have a deadline but still working on getting you these asap.

Best,

Lawvin

From: McClearn, Matthew <MMcClearn@globeandmail.com>
Date: Thursday, Mar 01, 2018, 3:20 PM
To: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>
Subject: RE: Connecting: SCOPA

Lawvin:

Good afternoon! Got another couple of questions for you.

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.

(Emphasis added.)

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?

Matt.

THE GLOBE AND MAIL

Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e: mmcclearn@globeandmail.com

---

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Wednesday, February 28, 2018 5:12 PM
To: McClearn, Matthew
Subject: RE: Connecting: SCOPA

I will work on getting you something on this asap.

Thanks.

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: February 28, 2018 5:09 PM
To: Hadisi, Lawvin (TBS)
Subject: RE: Connecting: SCOPA

Thanks, Lawvin. There's no immediate deadline.

Matt.

THE GLOBE AND MAIL

Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e: mmcclearn@globeandmail.com

From: Hadisi, Lawvin (TBS) [mailto:Lawvin.Hadisi@ontario.ca]
Sent: Wednesday, February 28, 2018 5:09 PM
To: McClearn, Matthew; Prins, Sebastian (TBS)
Subject: RE: Connecting: SCOPA

Hi Matthew,

Thank you for your email.

When is your deadline?

Best,

Lawvin

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: February 28, 2018 5:07 PM
To: Prins, Sebastian (TBS); Hadisi, Lawvin (TBS)
Subject: RE: Connecting: SCOPA

Thanks, Sebastian. It was nice meeting you this afternoon.

Lawvin: Thanks for your call moments ago. First questions: 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?

Matt.

THE GLOBE AND MAIL

Matthew McClearn | Data journalist, Enterprise Team
p: 416.585.5487 | m: 416.705.6047 | e: mmcclearn@globeandmail.com

---

From: Prins, Sebastian (TBS) [mailto:Sebastian.Prins@ontario.ca]
Sent: Wednesday, February 28, 2018 2:54 PM
To: McClearn, Matthew
Cc: Hadisi, Lawvin (TBS)
Subject: Connecting: SCOPA

Hello Matthew,

Was good meeting you today in the Standing Committee on Public Accounts. I wanted to take a moment to introduce you to our Press Secretary here at the Treasury Board – Lawvin Hadisi. I know that Lawvin would be happy to field any questions that you have related to Chapter 2 of Public Accounts, the 10 recommendations from the AG, or on anything discussed today at SCOPA.

Let us know how we can assist.

Sebastian.

Sebastian Prins
Issues Manager and Policy Assistant
Office of the Hon. Eleanor McMahon, MPP
President of the Treasury Board
sebastian.prins@ontario.ca | Desk: +1.416.212.1369 | Cell: +1.416.845.8237