# RE: For Approval: Media Inquiry following SCOPA re: OFHP

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| **From:** | "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca> |
| **To:** | "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca> |
| **Date:** | Tue, 06 Mar 2018 17:47:34 -0500 |

Thanks for quick response

**From:** Veinot, Cindy (TBS)
**Sent:** March 6, 2018 5:43 PM
**To:** Hosick, Sarah (TBS)
**Subject:** RE: For Approval: Media Inquiry following SCOPA re: OFHP

Ok with me -- Cindy

**From:** Hosick, Sarah (TBS)
**Sent:** March 6, 2018 5:41 PM
**To:** Veinot, Cindy (TBS)
**Subject:** FW: For Approval: Media Inquiry following SCOPA re: OFHP

Hi Cindy

Energy made a few edits to the media response. Most are minor, the one I'll flag is that they want to say "external" third-party experts, instead of "legal, accounting, financial and energy sector" third-party experts.

Any concerns?

Thanks
sarah

**From:** Tharani, Alisha (TBS)
**Sent:** March 6, 2018 5:10 PM
**To:** Hosick, Sarah (TBS); Laughton, Patrick (TBS)
**Cc:** Vrancart, Kate (TBS); Thiru, Durga (TBS)
**Subject:** RE: For Approval: Media Inquiry following SCOPA re: OFHP

Hi Sarah & Patrick,

We have just received feedback from Energy on the G&M media inquiry re: TBS & OFHP.

Please see attached for Energy's edits for OPCD/OTB review and approval. If we could please have your approval **by tomorrow morning at 11:00am** it would be very much appreciated.

Given the nature of the changes, I don't believe it would require DMO approval again – but please let me know if you think otherwise (of course, we will share the final response with them in any case).

Thanks very much,

Alisha

**Alisha Tharani**
Senior Corporate Issues Management Analyst | Treasury Board Secretariat
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**From:** Tharani, Alisha (TBS)
**Sent:** March 2, 2018 6:05 PM
**To:** Nelson, Dane (TBS)
**Cc:** Ue, Allison (TBS); Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Thiru, Durga (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS)
**Subject:** RE: For Approval: Media Inquiry following SCOPA re: OFHP

Hi Dane,

Thanks again for the update.

At this time, we have Finance's approval.

We are still waiting to hear back from Energy – we will be sure to wait for their go-ahead before sharing the response with MO.

We will continue to keep you updated, and thanks again for moving this quickly on your end,

Alisha

**Alisha Tharani**
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**From:** Nelson, Dane (TBS)
**Sent:** March 2, 2018 5:01 PM
**To:** Tharani, Alisha (TBS)
**Cc:** Ue, Allison (TBS); Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Thiru, Durga (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS)
**Subject:** RE: For Approval: Media Inquiry following SCOPA re: OFHP

Hey Alisha,

Further to our conversation, Helen has reviewed the proposed response and she is comfortable. However, we'll need buy-in from Energy and Finance before we send a response.

Regards,

**Dane Nelson, Senior Policy Advisor**
Treasury Board Secretariat | Deputy Minister's Office
Phone: 416-325-3617 | Mobile: 416-409-3437 | E-mail: Dane.Nelson@ontario.ca

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**From:** Tharani, Alisha (TBS)
**Sent:** March-02-18 2:08 PM
**To:** Nelson, Dane (TBS)
**Cc:** Ue, Allison (TBS); Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Thiru, Durga (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS)
**Subject:** For Approval: Media Inquiry following SCOPA re: OFHP

Hi Dane,

As discussed – following SCOPA on Tuesday afternoon, TBS's MO received a media inquiry from a reporter, Matthew McClearn, at the Globe & Mail regarding decision-making at TBS for the accounting structure for Ontario's Fair Hydro Plan.

**Please see below for the proposed response for approval.** This response has been approved by the Associate DM and Director of Communications.

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

In order to meet the needs of users, including the legislature and the public, for accountability in government reporting and decision making, 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.

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Yesterday, the reporter also followed up with an additional question for TBS (pasted below my signature), however, it's recommended that the above response addresses this question, as well.

Additionally, the reporter reached out to the Ministry of Finance regarding borrowing estimates for the OFHP. As this question more appropriately sits with the Ministry of Energy, Energy will be responding to the reporter. At this time, Energy itself has not received any direct inquiries from the reporter.

To confirm, we continue to connect with our counterparts and Energy and Finance, and this matter has also been flagged for CO Issues.

We look forward to your office's review/approval. Following your response, we will share this with MO to get respond to the reporter directly.

Please don't hesitate to let us know if you have any questions.

Thanks,

Alisha

**Alisha Tharani**
Senior Corporate Issues Management Analyst | Treasury Board Secretariat
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**Questions for TBS from Matthew McClearn, Globe & Mail**

**Part 1:** *" 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?"*

**Part 2:** *"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?"*