

RE: KPMG media response

From: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
To: "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Feenstra, Mike (ENERGY)" <mike.feenstra@ontario.ca>
Cc: "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Date: Wed, 28 Mar 2018 10:44:10 -0400

Great, thanks.

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: Berry, James (ENERGY)
Sent: March-28-18 10:44 AM
To: Nekolaichuk, Colin (ENERGY); Feenstra, Mike (ENERGY)
Cc: Den Heijer, Kevin (ENERGY); Whittington, Matt (ENERGY)
Subject: RE: KPMG media response

Yeah, KPMG Canada works. Just confirmed with them.

From: Nekolaichuk, Colin (ENERGY)
Sent: March 28, 2018 10:34 AM
To: Berry, James (ENERGY) <James.Berry5@ontario.ca>; Feenstra, Mike (ENERGY) <Mike.Feenstra@ontario.ca>
Cc: Den Heijer, Kevin (ENERGY) <Kevin.DenHeijer@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>
Subject: RE: KPMG media response

Getting this queued up for the Gallery. Who can we attribute this to? Is it just "KPMG Canada"?

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: Berry, James (ENERGY)
Sent: March-27-18 4:08 PM
To: Feenstra, Mike (ENERGY)
Cc: Nekolaichuk, Colin (ENERGY); Den Heijer, Kevin (ENERGY); Whittington, Matt (ENERGY)
Subject: FW: KPMG media response

Here's KPMG's media statement. As of right now, they haven't approved of us sharing it publicly. It pushes the "difference of professional judgement" message. And albeit high level – it gives a reasoned, rationale argument to some of the AG's claims.

KPMB media response

We would like to highlight two key points: The concerns referred to by the AGO result from a difference of professional judgement. Secondly, KPMG has been transparent with the AGO and made every effort to be responsive to the AGO's requests for meetings and information.

The concerns referred to by the AGO result from a difference of professional judgement. The AGO has taken issue with an accounting standard and in the way the standard is being applied. The standards for public sector organizations such as IESO are principles based standards and, accordingly, require the exercise of considerable professional judgement. In many cases, there is more than one acceptable approach that is compliant with the applicable standards.

On the basis of our extensive research, deliberations and an opinion from another major accounting firm, we believe that the accounting policies adopted by IESO are in accordance with Canadian public sector accounting standards.

KPMG has been transparent with the AGO, and made themselves fully available to consider the concerns raised by the AGO. The AGO was aware of all changes to the accounting policies of the IESO in March of 2017, which was more than 4 months before the completion of their audit of the Province.

KPMG and IESO have made every effort to be responsive to the AGO's requests for meetings and information and have repeatedly invited the AGO to provide any input she feels relevant, all of which has been carefully considered by KPMG.

We appreciate the importance of this matter, and believe that the concerns expressed by the AGO result from a difference of opinion in the application of professional judgement.

From: Papas, Lisa [<mailto:lpapas@kpmg.ca>]
Sent: March 27, 2018 3:57 PM
To: Berry, James (ENERGY) <James.Berry5@ontario.ca>
Subject: KPMG media response

Hi James,

I've attached a copy of our media statement. As we agreed this morning, this is for MOE background information only and not public disclosure.

On a separate note, I want to give you a heads up that the AG asked us to respond to her today regarding extracts from yesterday's (March 26, 2018) hansard. Our email to her will state that we concur with the statement made in the legislature by the Minister of Energy on March 26, 2018, that *officials from the Treasury Board, finance, OPG, the IESO, the Ontario Financing Authority, along with external advisers that include Ernst and Young, KPMG and Deloitte, worked on the accounting related to the fair hydro plan.*

Best regards,
Lisa

Lisa Papas
Managing Director, Strategic Communications
KPMG Management Services LP

T 416 777 8390
M 416 710 4432
lpapas@kpmg.ca

Bay Adelaide Centre
Suite 4600, 333 Bay St
Toronto, Ontario M5H 2S5

This email was sent to you by [KPMG](http://info.kpmg.ca) (<http://info.kpmg.ca>). To sign up to receive event invitations and

other communications from us (we have some informative publications that may be of interest to you), or to stop receiving electronic messages sent by KPMG, visit the [KPMG Online Subscription Centre](http://subscribe.kpmg.ca) (<http://subscribe.kpmg.ca>).

At KPMG we are passionate about earning your trust and building a long-term relationship through service excellence. This extends to our communications with you.

Our lawyers have recommended that we provide certain disclaimer language with our messages. Rather than including them here, we're drawing your attention to the following links where the full legal wording appears.

- [Disclaimer concerning confidential and privileged information/unintended recipient](http://disclaimer.kpmg.ca) (<http://disclaimer.kpmg.ca>).
- [Disclaimer concerning tax advice](http://taxdisclaimer.kpmg.ca) (<http://taxdisclaimer.kpmg.ca>).

If you are unable to access the links above, please cut and paste the URL that follows the link into your browser.
