

# RE: Media Inquiry - Re: SCOPA & FHP

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**From:** "Berry, James (ENERGY)" <james.berry5@ontario.ca>  
**To:** "Demetriades, Natasha (ENERGY)" <natasha.demetriades@ontario.ca>  
**Cc:** "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>  
**Date:** Fri, 02 Mar 2018 17:12:59 -0500

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Sorry, you mean TBS, right?

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**From:** Demetriades, Natasha (ENERGY)  
**Sent:** March 2, 2018 5:12 PM  
**To:** Berry, James (ENERGY) <James.Berry5@ontario.ca>  
**Cc:** Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Nekolaichuk, Colin (ENERGY) <Colin.Nekolaichuk@ontario.ca>  
**Subject:** RE: Media Inquiry - Re: SCOPA & FHP

Hi James, MOF is following up – let me know if you have any concerns with their response before they send to the reporter, thank you. Natasha

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**From:** Demetriades, Natasha (ENERGY)  
**Sent:** March-02-18 4:04 PM  
**To:** Berry, James (ENERGY)  
**Cc:** Whittington, Matt (ENERGY); Nekolaichuk, Colin (ENERGY)  
**Subject:** FW: Media Inquiry - Re: SCOPA & FHP

Hi James: Globe and Mail reached out to TBS with a SCOPA/FHP related question.

Q and response highlighted below.

Any concerns with their proposed response?

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**From:** Tharani, Alisha (TBS)  
**Sent:** March-02-18 3:18 PM  
**To:** Shewaramani, Deepika (MOF); Demetriades, Natasha (ENERGY)  
**Cc:** @TBS-L-Issues and Media; @FIN-L-O-CSB-ISSUES  
**Subject:** RE: Media Inquiry - Re: SCOPA & FHP

Hi Natasha & Deepika,

Please see below for TBS's proposed response to the reporter.

If you could please let us know if this is ok with your ministry or advise of any issues/concerns ASAP, it would be very much appreciated.

Thanks,

Alisha

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**Question:** "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?"

**Response:** 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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**From:** Tharani, Alisha (TBS)  
**Sent:** March-01-18 4:03 PM  
**To:** @FIN-L-O-CSB-ISSUES; @ENERGY-COMM-Issues\_and\_MediaRelations  
**Cc:** @TBS-L-Issues and Media  
**Subject:** Media Inquiry - Re: SCOPA & FHP

Hi Finance & Energy colleagues,

Following yesterday afternoon's SCOPA meeting, we have received a few questions from a reporter, Matthew MacClearn, at the 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?"*

Have either of your offices received any questions from this reporter? If you could keep us updated, that would be very much appreciated.

Thanks,

Alisha

**Alisha Tharani**

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