

# SCRUMS AFTER THE AG'S PRESS CONFERENCE ON FAIR HYDRO ACCOUNTING

October 17, 2017

## Location:

Outside Media Studio, Legislature.

## Speakers:

Peter Tabuns, MPP; Todd Smith, MPP.

## Media Outlets:

Giovanetti – Globe; Smith Cross – QP Briefing; Crawley - CBC Radio/TV; Lamoureux - Radio Canada TV; Carter – Global;

## Media Questions:

### Questions for MPP Tabuns:

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| Q:                                                                                                                                                   | (joined in progress)....an extra \$4B that they're going to be putting on peoples' hydro bills. \$4B that people are going to have to pay off after this election. That is there only, so the books look good, only so Liberals can say, we don't have a deficit. No other reason.                                                                                                                            |
| Q. Carter: Is intentional misleading by the Kathleen Wynne government?                                                                               | Absolutely. I mean listen to what she had to say, look at her report. They knew what they were doing. They didn't want these numbers to show up on their books. They are willing to spend \$4B and put it on peoples' hydro bills just so they can say no, we don't have a deficit (inaudible).                                                                                                               |
| Q. Smith Cross: Would an NDP government take this debt onto the government's books if you win in 2018?                                               | We actually have a different plan for dealing with the hydro expense which we set out earlier this year. We would end the privatization of the system, we would look at structural changes, we would do a variety of things to reduce bills. We would not be setting up a phony accounting measure to deal with the problems we have with hydro.                                                              |
| Q. Smith Cross: Would you dismantle the structure that they will have set up by then, and would you then take on the debt onto the government books? | Although we have to have a longer discussion about that, we would not allow a phony structure to go forward. We would not allow that.                                                                                                                                                                                                                                                                         |
| Q. Giovanetti: Should there be a rule forbidding governments from using any other accounting standards?                                              | It's a good question. Frankly it will affect the credibility of this government, the financial markets, if people don't believe that they're being honest and fair in the way they present things. So I don't know if there should be a rule but certainly anyone who actually cares about the integrity of Ontario's public finances should care about the fact they follow rules that are publicly set out. |

### Questions for MPP Smith:

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| Q. Carter: (Joined in progress) accounting | No, it's not an accounting dispute and I think you heard |
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| dispute, is it not?                                                                                                                                                                                           | that loud and clear from the auditor general. What this is, is a mission by the Ontario Liberal Party to try and hide this from taxpayers, ratepayers of Ontario. This is an orchestrated and very complex effort by the Liberals to hide the actual cost of electricity. And what it is going to do, at the end of the day, is drive up the cost of electricity to record highs after the next election. So this was simply a ploy to hide the actual cost of this borrowing scheme, which is going to be \$40 billion. And, at the same time, tell people of Ontario that they had balanced the budget, which clearly the auditor doesn't agree with.                                                                                                                                                                                                                   |
| Q. Carter: Do you have a hydro plan yet?                                                                                                                                                                      | Do I have a hydro plan? Absolutely.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Q. Carter: Are you and the Progressive Conservatives going to let the province know what your hydro plan is?                                                                                                  | We have, we have the resolutions that are up on our website that our members are going to be voting on. And they will be voting on...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Q. Carter: You have no plan.                                                                                                                                                                                  | Oh, no, absolutely, the plan is there. It's ready to go. And we will be releasing that on our terms, not Alan Carter's terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Q. Smith Cross: Same question I had for the NDP, what would a PC government do about this? Would you dismantle what the government has done? Would you take any debt (inaudible) onto the government's books? | Well, certainly, we would be open and transparent about it and not mischievous and deceitful like this current government is being by hiding it, and actually ending up costing taxpayers and ratepayers more at the end of the day. This is an extra \$4 billion that is going to be added on to the borrowing cost because they wanted to hide it from Ontarians. And, you know, I think the auditor general went to great lengths today to point that out without actually calling the government shady or deceitful. But I think that's what I heard loud and clear, is that this government doesn't want Ontarians to know the cost of this borrowing plan.                                                                                                                                                                                                          |
| Q. Smith Cross: But that's not an answer to the question. What would you actually do about it?                                                                                                                | So what we would do is actually deal with the underlying costs of electricity in Ontario. There are a number of things that we've talked about, including ending the Green Energy Act; going back and looking at the contracts that are currently in place. And we know that a lot of those contracts could be cancelled without repercussion because they haven't met the terms of the contract. There is some heavy lifting that needs to be done and I think even the energy industry realizes that this was the quick fix by the government. They were getting killed in the media, they were getting killed in public opinion polls because of the soaring cost of electricity. Newsflash here, the government hasn't done anything, actually, to reduce the cost of electricity. They are just hiding it and it's going to end up costing billions of dollars more. |
| Q. Lamoureux: But right now, people are seeing or are starting to see some reduction on their bills. So if the prices go up in 10                                                                             | I think people who understand what has happened here, don't agree with what is happening here. The government is not fixing the problems that they've created. They know                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| years, right now it really doesn't affect them. So do you think that's going to have an impact in the next election? | that after the next election, the price of electricity is going to soar to record highs because the government isn't undertaking the heavy-lifted necessary to remove costs out of the system. They are just borrowing to try and buy time and take electricity off the table as an issue. We know that...and yesterday we had our manufacturing sector that was here, we're losing tens of thousands of jobs as a result of the mistakes that the Liberals have made on energy file. And every day that goes by without actually dealing with the underlying cost of electricity, is costing us jobs (inaudible).                                                                                           |
| Q. Crawley: So, therefore, you would not borrow the money?                                                           | No, I'm not saying that. But I'm saying that what we want to do is get into a position where we can actually see the situation that currently exists at the ministry of energy and what a mess that the Liberals have actually made. We have a pretty good idea where we are sitting right now of the mistakes that have been made and what it is going take to rectify those issues. But the government isn't doing anything to tackle any of those issues. They are just simply borrowing more money and driving up the cost of electricity higher.                                                                                                                                                        |
| Q. Crawley: But you would still borrow the money then?                                                               | At this point, we would borrow some money, but we would be very transparent about the way that we are doing it. What the government isn't doing is being honest about what they are doing and the auditor certainly agrees with that. The auditor is very much taking issue with the accounting standards that the government is using right now and with good reason because it is deceitful, it's dishonest and it's shady.                                                                                                                                                                                                                                                                                |
| Q. Giovanetti: Would a PC government forbid non-Canadian accounting standards?                                       | I'm sorry?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Q. Giovanetti: Would a PC government forbid non-Canadian accounting standards?                                       | Well, that's not something that I've talked about, but certainly we would be open and honest about what is happening. And we would rely on the independent officers of the legislature, like our auditor general. Instead of removing powers from the auditor general, we would encourage the auditor general to have more oversight on our energy sector because it's clearly needed. And what we are seeing now is a Liberal government that is playing funny games with the energy sector, and it's not very funny for electricity customers out there who, at the end of the day, are not seeing the true costs of electricity reflected on their bills because the government is hiding it over at OPG. |
| <i>N.B.: Comments captured are not verbatim quotes</i>                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

