

Press Conference Summary - Auditor General's 2017 Annual Report

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Date: Wed, 06 Dec 2017 13:02:20 -0500

Good afternoon –

Below is a summary of this afternoon's press conference on the 2017 Auditor General's Annual Report. Only noted are portions relating to Energy. A full transcript will follow when available.

Media Studio, December 6th, 2017
12:00pm

Host: Auditor General Bonnie Lysyk

Key Points

- Ontario's electricity market is vulnerable to manipulation, and it has been exploited costing ratepayers millions of dollars.
- Chapter 2 on the Annual Report highlights concerns with Fair Hydro Plan.

Media Question and Answer:

Q: Referencing IESO expenditures – when would you advice calling the police?

A: The IESO staff have conducted investigations, but program changes were not implemented. We think there should have been more considering for OEB reports. OEB asked for an assessment that has not been done yet. It's up to the IESO and the OEB.

Q: How does a 3,000 landscaping bill get passed on to ratepayers?

A: Those programs should both be reimbursed?

Q: 30 Million per year in overpayment?

A: There is something called a standby cost, which is a reimbursement for gas. etc – the OEB panel said it was too generous, but the IESO keeps reimbursing for all costs. OEB said it wasn't necessary.

Q: To be clear, we are paying 30 million per year extra?

A: It equates to about 30 million per year.

Q: Should you shake your hydro bill in anger?

A: It's up to the IESO and the OEB to work out

Q: Unintelligible

A: We have made the IESO aware that we intend to audit the IESO. There are three ways to do this. We will be conducting an audit.

Q: Is it unprecedented for your office?

A: We haven't audited IESO's financial statements before, but the electricity act provides that opportunity.

Q: Are these disputes over accounting part of your report?

A: Our position on the rate reduction are well documented. It will be part of our report.

Q: What is the breakdown of the IESO expenses?

A: We don't have a complete breakdown, but we were concerned with what they had identified as issues. The OEB did their job in identifying issues, and there needs to be accountability at the IESO level to make changes, or explain why changes weren't made.

Q: Do you have any sense of why they didn't... (trail off)

A: That's where the OEB comes in, and says give us the reports that say why these expenses. These programs have been around since 2002, 2003 – time to revisits.

Q: Does the IESO have too close a relationship with the private companies that are making money?

A: The only thing is to look at the market redesign initiative. There may not be enough representation for the residential ratepayer or small business representation – these (larger) companies are part of the group redesigning the market. It's in our report. Goreway was removed. This is an organization discussion – over time people change. The technical panel has membership that we would question.