FYI - KPMG and not PWC - Hansard: MPP Fedeli (PC) and MPP Tabuns (NDP) to Ministers Sousa and Thibeault -- Hydro Rate Reduction Plan and FAO report

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Hello,

Just want to point out to everyone that during today's House, Minister Sousa mentioned Price Waterhouse Coopers.

Please note it is not PWC , but KPMG that is involved .

Thanks
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Subject: Hansard: MPP Fedeli (PC) and MPP Tabuns (NDP) to Ministers Sousa and Thibeault -- Hydro Rate Reduction Plan and FAO report

MPP Fedeli (PC) to Minister Sousa (Finance) re: recent FAO report

>>MPP Fedeli: Good morning, Speaker. My question is for the **Premier**. It's not just the financial accountability officers who weighed in on the government's hydro scheme. The auditor general attended the hydro committee hearings last week and exposed yet another secret. The government plans on borrowing all these billions and not declaring it on their books. Well, the Liberals got caught again. The auditor said, quote -- for obvious reasons, this is not allowed under Canadian public sector accounting standards. They tried to bury all these billions and not have the cost of their scheme show up anywhere. Did they think they were not going to get caught, Speaker ? I ask the **Premier** why does it always take the auditor general, the financial accountability officer or the OPP for the people of Ontario to get to the truth?

>>Minister Sousa: Thank you, Mr. Speaker. I appreciate the question. Let's remind everyone in this House d that process that's being proposed is being endorsed by pricewaterhouse, by a number of accounting professionals in the system. It's being enabled to protect the interest of ratepayers and consumers, Mr. Speaker. It's enabling them to benefit from lower costs today and taking an asset that's registered and enabling it to be valued over a longer period of time and that is what's being established. It's being established to reduce rates today and enable us to provide for a good system and clean reliable system throughout the future, Mr. Speaker. And the member opposite may oppose that. He may wish not to provide for a lowering of rates. He may decide that it's not appropriate for an asset to be registered and extended over a period of time, but professionals in the accounting system has decided that that is appropriate. Thank you, Mr. Speaker.

>>MPP Fedeli: That's not what the auditor general decided. Two weeks ago we asked the government why they co-opd at o.p.g.le as the financing arm of this financing scheme. We asked if it's because the billions this hide rode scheme will add to o.p.g.'s debt won't show up on the province's books. Despite all their denials, the auditor general has confirmed that's exactly what this government was planning. They plan to spend billions now, bury that money on o.p.g.'s books and not have the province account for any of this debt. But the auditor general says no way. They got caught yet again. I ask the **Premier**, now that your scheme has been revealed, will you drop this charade with O.P.G. And properly account for these billions on the province's books?

>>Minister Sousa: So, Mr. Speaker, again I remind the member opposite that the process that's been delivered here has been done in consultations with numerous experts, over 1 jurisdictions in north America have provided and utilizing similar accounting practice within the system. We have been working with O.P.G., who by the way has the next expertise in assisting with the financing. They currently manage over $18 billion in nuclear funds that can be used in infrastructure and proceed in this field to help administer long-term financing, Mr. Speaker. This is not a novel approach. This has been done in other jurisdictionsment duke energy in North Carolina, Long Island lightning. We are moving forward to help consumers to help our people in Ontario, to help our businesses to be more competitive. The member opposite obviously don't have a plan. They don't want to invest. They've made that clear and now they're going to vote down something that's going to help the people of Ontario and our businesses, and that, Mr. Speaker ,, is a shame.

MPP Tabuns (NDP) to the Premier and Minister Thibeault (Energy) re: the recent FAO report

>> MPP Tabuns: Thank you, Speaker. To the Premier. Last week the financial accountability officer confirmed what Ontarians already knew. The Premier's wrong-headed hydro borrowing scheme will end up costing families and businesses more in the long run. The borrowing scheme will add nearly $45 billion to Ontario hydro bills after a few years of temporary relief. In light of this confirmation, now there can be no doubt about the effect of this politically motivated scheme. Does the Premier plan to present Ontarians with a better option?

>> Minister Thibeault: Thank you, Mr. Speaker. We work very closely with the financial accountability officer to provide information and analysis on our proved fair hydro plan and we welcome his final report, Mr. Speaker. The F.A.O. report confirms the foundation of the fair hydro plan, a cut in electricity rates by 25% on average for all residential consumers and as many as a half a million small businesses and farms, Mr. Speaker. And what's more rate increases will be held to the rate of inflation for four years while low-income Ontarians and those living in eligible rural and northern communities would see savings of up to 40 to 50%. And it's important to remember, Mr. Speaker, that the F.A.O.'s projection of electricity costs reflect the point-in-time estimate that demonstrates how we can ensure greater affordability and fairness in the shorter term and medium term. For the long term we are focused on our long-term energy plan which will lay out our plan to continue to keep costs down. Families in the province, Mr. Speaker, have asked for real immediate relief on their electricity bills. And that's why we are working to deliver the largest rate reduction in Ontario's history if this legislation is passed, Mr. Speaker.

>>MPP Tabuns: Speaker, again to the Premier. The F.A.O. Is a nonpartisan, independent officer of the legislature whose sole job is to protect the people of Ontario. He told us, without doubt, that Ontario families and businesses will be worse off in ten years under the Premier's hydro scheme than they would be if there was no intervention at all. How can the Premier just ignore the F.A.O. And forge ahead when she knows, knows that her plan will end up doing more damage than good?

>>Minister Thibeault: Thank you, Speaker. Again a 25% reduction in the short term, holding the cost to inflation for the next four years and bringing forward the long-term energy plan will continue to keep the rates as low as possible for families, small businesses and farms right across our great province, Mr. Speaker. And as mentioned it's important to remember the f.a.o.'s projection of electricity costs. It reflects a point in time that estimates and demonstrates how we can ensure greater fairness and affordability in the short and the medium term, Mr. Speaker. The F.A.O. Report confirmed the foundation of the fair hydro plan, that we will be reducing rates by 25% on average for families, small businesses and farms right across our province, Mr. Speaker. And for those that live in rural and northern parts of our province. They will see a 40 to 50% reduction thanks to us and the fair hydro plan, Mr. Speaker. The opposition parties are voting against that.