

RE: For MO Prep: Qs and Reactive Stmt re. Globe Article

From: "Tharani, Alisha (TBS)" <alisha.tharani@ontario.ca>
To: "Sullivan, Bryant (TBS)" <bryant.j.sullivan@ontario.ca>, "Hadisi, Lawvin (TBS)" <lawvin.hadisi@ontario.ca>, "Rubin, Jack (TBS)" <jack.rubin@ontario.ca>, "Poopalapillai, Christine (TBS)" <christine.poopalapillai@ontario.ca>
Cc: "Vrancart, Kate (TBS)" <kate.vrancart@ontario.ca>, "Miller, Amanda (TBS)" <amanda.miller@ontario.ca>, "Skoberne, Vivienne (TBS)" <vivienne.skoberne@ontario.ca>, "Ue, Allison (TBS)" <allison.ue@ontario.ca>
Date: Mon, 23 Apr 2018 10:09:13 -0400
Attachments: Issues Note and QAs - OFHP Accounting - April 23 2018 v7.docx (51.26 kB)

Hi Lawvin, Jack, and Christine,

We have just received Energy's fact check and QAs. Please see the updated issues note.

Changes include --

1. TBS QA #8, Page 7, second bullet has been updated:
 - ~~The assets reflected as a result of the Fair Hydro Plan is the portion of the reduction in electricity rates that will be recovered from taxpayers in the future, as a result of reallocating electricity system costs to those benefitting from the costs. The amounts are recoverable based on the legislation in the Ontario Fair Hydro Act and subject to the rate setting process of the Ontario Energy Board.~~
 - The regulatory assets created as a result of Ontario's Fair Hydro Plan represent the reduction in Global Adjustment (GA) costs and associated interest and fees that will be recovered from taxpayers in the future, as a result of reallocating electricity system costs to better align these costs with the consumers benefitting from the investments. The amounts are recoverable based on the Ontario Fair Hydro Plan Act.
2. Beginning on page 9, we have added a section "Questions and Answers from the Ministry of Energy", which includes three new QAs.
3. Instances of "the Fair Hydro Plan" were changed to "Ontario's Fair Hydro Plan."

Other than these edits, the note remains the same.

Please let us know if you have any questions at all,

Alisha

Alisha Tharani

Senior Issues & Media Advisor | Treasury Board Secretariat
416-327-3803 | Alisha.Tharani@ontario.ca

From: Sullivan, Bryant (TBS)
Sent: April 22, 2018 7:59 PM
To: Hadisi, Lawvin (TBS); Rubin, Jack (TBS); Poopalapillai, Christine (TBS)
Cc: Vrancart, Kate (TBS); Tharani, Alisha (TBS); Miller, Amanda (TBS); Skoberne, Vivienne (TBS); Ue, Allison (TBS)
Subject: For MO Prep: Qs and Reactive Stmt re. Globe Article

Hi Lawvin, Jack and Christine,

As discussed, to support your prep for tomorrow please find attached a set of QsAs and reactive Minister's statement. I haven't had the statement translated because I wasn't sure if we'd need it – but happy to do so if you think it would help.

We've added the Qs to the end of the existing issue note, which we've also updated now that the story has run, so you have everything in one place.

A couple of points in the Qs are still undergoing Energy fact check, and there will be a couple of additional Energy Qs coming later, which we'll add to the package and send back to you. For now I wanted to get you this given the time.

Also wanted to flag that the AG's IESO audit report was actually posted on the OAGO [website](#) on April 11. It's buried deep on a page dedicated to Standing Committee on Public Accounts (about three quarters down the page). Obviously no fanfare associated with this posting given no one even noticed it. So as far as we know nothing new is being released tomorrow.

I've also pasted an updated media summary below my signature. Let me know if you need anything else.

Bryant

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Communications Branch
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Summary of Coverage

[“Bad Books: How Ontario’s new hydro accounting could cost taxpayers billions”](#) by Matthew McClearn, Globe & Mail, April 21, 2018

Updated: Sunday April 22, 2018 – 4:00pm

- Currently the top story on the Globe & Mail online. The news outlet continues to tweet the story every two hours.
- Over 3,000 social shares.

- The video accompanying the article has had at least 10,000 views.
- At the time of writing, the article has not been shared by the leader of the official opposition nor the leader of the third party.

Related coverage:

- At the time of writing and since the Globe & Mail article was published, there have been no further articles specifically regarding accounting for the Fair Hydro Plan.
- However, articles of related interest include:
 - “[Sorry Howie, you were right about Hydro](#),” Editorial, Toronto Sun, April 22, 2018. This piece is critical of hydro costs and references the Auditor General:
 - “Sound familiar? Kathleen Wynne, the current Premier, has a pre-election plan to temporarily lower hydro bills by 25% by spending \$39.4 billion - an \$18.4 billion loan for the rate reduction itself and \$21 billion in interest down the road. However, after the election electricity rates will again start rising through 2021 and by 2028 ratepayers will pay more than the actual cost of electricity "to pay back the borrowings," Ontario Auditor General Bonnie Lysyk reported in 2017.”
 - “[Ontario's 'lost decade' under the Liberals](#),” Lorrie Goldstein, Toronto Sun, April 21, 2018. The focus of this article is the province's debt and cites both the Auditor General and Financial Accountability Officer:
 - “Their average surplus was \$1 billion and that's conceding Wynne's argument her government had a \$642 million surplus in 2017-2018. Both the Auditor General and Financial Accountability Office say this was achieved through accounting tricks and there is actually a \$4 billion to \$4.5 billion deficit in 2017-18.”

Tweets of interest include:

Journalists

Lorrie Goldstein

@sunlorrie

As David Herle would say, 'SQUIRREL!' Auditor General on Wynne's Hydro accounting: 'If you get away with doing something ... inappropriate ... the next time you'll do it again ... Pretty soon they won't have any numbers that will have any integrity ... ’

theglobeandmail.com/canada/investi...

11:47pm • 21 Apr 2018 • Twitter Web Client

12 RETWEETS 16 LIKES

Lorrie Goldstein

@sunlorrie

Auditor General Bonnie Lysyk will soon deliver her opinion on the integrity of Premier Kathleen Wynne's bookkeeping, prior to the June 7 election. Lysyk's already objected 2

the Wynne govt's accounting for 2 public pension plans & its Fair Hydro Plan, so it should be interesting

11:58pm • 21 Apr 2018 • Twitter Web Client

10 REPLIES 43 RETWEETS 85 LIKES

- Jacquie McNish

@jacquiemcnish

Apr 21

This is a must read: Bad books, How Ontario's new hydro accounting is shielding the reality of how the government is mortgaging the province to delay huge hydro cost increases /via @globeandmail

0 replies 3 retweets 2 likes

- Colin Freeze

@Colinfreeze

This is a pretty damning #onpoli @globeandmail article by @quant_wire about electricity subsidies and allegedly cooked books. Among the eyepopping figures are \$4B in unnecessary debt , a \$112K FOI charge demanded and \$2M for accounting consultants

4:24 PM - 21 Apr 2018

6 replies 29 retweets 24 likes

- David Hains

@DavidHains

The Globe requested documents relating to the Fair Hydro Plan from Ontario's Ministry of Energy. They were told that would cost \$112,000 in FOI fees. #cdnfoi #broken cc @jpags theglobeandmail.com/canada/investi...

11:48am • 21 Apr 2018 • TweetDeck

2 REPLIES 7 RETWEETS 2 LIKES

- Christina Blizzard

@chrizblizz

Anyone still considering voting Liberal in the next provincial vote should read Matthew McClearn's excellent analysis of hydro accounting in the @globeandmail . Provincial auditor Bonnie Lysyk has been sounding accounting alarm for years. This explains why. #onpoli

10:16am • 21 Apr 2018 • Twitter Web Client

1 REPLY 16 RETWEETS 17 LIKES

Stakeholders

- André Marin

@Ont_AndreMarin

Bad books: How Ontario's new hydro accounting screwed all of us by billions /via @globeandmail

7:52 AM - 22 Apr 2018

2 replies 4 retweets 6 likes

- Shawn D. Whatley

@shawn_whatley

"Using that new accounting, the government declared it had balanced the province's books for the fiscal year ended Mar. 31, 2018, just months before a general election. But Ms. Lysyk said that was not true."

#onpoli

7:41 AM - 22 Apr 2018

5 Retweets 7 Likes

- John Bowker

@bowker_john

The so-called "Fair Hydro Plan" uses debt to artificially reduce hydro bills before the election, but then bills will skyrocket by 70% over the next 10 years. And the govt is concealing this off its books using a private financing scheme that needlessly costs an extra \$4B #onpoli

The Globe and Mail @globeandmail

How Ontario used creative accounting to make billions in debt disappear.

Read the full investigation here: trib.al/BRoWMr5

5:25pm • 21 Apr 2018 • Twitter for iPad

1 REPLY 21 RETWEETS 22 LIKES

-
Politicians

- Peggy Nash

@PeggyNashNDP

Well this certainly doesn't inspire trust in govt. Ontarians will be paying the price for bad #hydro decisions for years to come. The books should be transparent not off limits.

The #NDP would shine a light on this essential service and its costs.

theglobeandmail.com/canada/investi...

3:06pm • 22 Apr 2018 • Twitter for iPad

1 RETWEETS 3 LIKES

- Gilles Bisson

@BissonGilles

It's a long read but it revealed to what extent the Wynne Liberals manipulated things to hide debt they are incurring with Fair Hydro Plan. Well worth reading #onpoli

The Globe and Mail @globeandmail

Bad books: How Ontario's new hydro accounting could cost taxpayers billions

trib.al/hszYu4v From @Quant_Wire

2:15pm • 22 Apr 2018 • Twitter for Android

4 RETWEETS 2 LIKES

- Peter Tabuns Retweeted

John Bowker

@bowker_john

Apr 21

More

At the Public Accounts committee, @peter_tabuns demanded that the government release the documents that were described in the Auditor-General's report

[https://www.ontariondp.ca/news/horwath-wynne-release-emails-tell-ontarians-why-you ...](https://www.ontariondp.ca/news/horwath-wynne-release-emails-tell-ontarians-why-you...)'re-charging-4b-extra-hydro-bills #onpoli

1 reply 8 retweets 10 likes

Catherine Fife

@CFifeKW

This 2 minute video truly exposes the liberal hydro plan for what it is...a scheme. I believe the AG & the FAO.

Worth watching. #onpoli

The Globe and Mail @globeandmail

How Ontario used creative accounting to make billions in debt disappear.

Read the full investigation here: trib.al/BRoWMr5

9:02am · 22 Apr 2018 · Twitter for Android

1 REPLY 11 RETWEETS 10 LIKES

Bob Bailey Retweeted

The Globe and Mail

@globeandmail

4h4 hours ago

Bad books: How Ontario's new hydro accounting could cost taxpayers billions

<https://trib.al/Jc2gNyK> From @Quant_Wire

2 replies 15 retweets 22 likes

Gillian Smith

@gilliansmith73

A brilliant long-form investigative piece in today's Globe on the @OntLiberal Fair Hydro Plan. Once you see the Libs' treacherous ways of operating, it's impossible to un-see.

@OntarioPCParty theglobeandmail.com/canada/investi...

8:50am · 21 Apr 2018 · Twitter for iPhone

5 Elements Espresso, Canada

1 REPLY 7 RETWEETS 9 LIKES