

Hansard: Fedeli to Thibeault -- Hydro Rate Reduction Plan

From: "Pichette, Marc (MOF)" <marc.pichette@ontario.ca>
To: "Strathy, Anna (OFA)" <anna.strathy@ofina.on.ca>, "Bowie, Heather (MOF)" <heather.bowie@ontario.ca>, "Chinchon, Francisco (OFA)" <francisco.chinchon@ofina.on.ca>, "Chiodi, Victoria (MOF)" <victoria.chiodi@ontario.ca>, "Drummond, Alison (MOF)" <alison.drummond@ontario.ca>, "Elamin, Mohamed (MOF)" <mohamed.elamin@ontario.ca>, "Garcia-Wright, Agatha (MOF)" <agatha.garcia-wright@ontario.ca>, "Georgakakos, Angie (OFA)" <angie.georgakakos@ofina.on.ca>, "Giroux Namian, Orli (MOF)" <orli.girouxnamian@ontario.ca>, "Gobeil, Diana (MOF)" <diana.gobeil@ontario.ca>, "Harten, Jayne (MOF)" <jayne.harten@ontario.ca>, "Inglis, Liane (MOF)" <liane.inglis@ontario.ca>, "Ingram, Kelsey (MOF)" <kelsey.ingram@ontario.ca>, "Jeanes, Bridget (MOF)" <bridget.jeanes@ontario.ca>, "Kelly, Maureen E. (MOF)" <maureen.e.kelly@ontario.ca>, "Kerr, Emily (OFA)" <emily.kerr@ofina.on.ca>, "Kim, John (OFA)" <john.kim@ofina.on.ca>, "Kobrinisky, Liza (MOF)" <liza.kobrinisky@ontario.ca>, "Koukoulas, Sophia (MOF)" <sophia.koukoulas@ontario.ca>, "Kwan, Ronald (OFA)" <ronald.kwan@ofina.on.ca>, "LeBlanc, Jenna (MOF)" <jenna.leblanc@ontario.ca>, "Maloney, Martha (MOF)" <martha.maloney@ontario.ca>, "Martin, Jessica (MOF)" <jessica.martin@ontario.ca>, "Mayman, Gadi (OFA)" <gadi.mayman@ofina.on.ca>, "McLean, David (MOF)" <david.mclean@ontario.ca>, "Menon, Nisha (MOF)" <nisha.menon@ontario.ca>, "Milana, Natale (MOF)" <natale.milana@ontario.ca>, "Mohammad, Humaira (MOF)" <humaira.mohammad@ontario.ca>, "Moore, Brynne (MOF)" <brynne.moore@ontario.ca>, "Smith, Graham (MOF)" <graham.smith2@ontario.ca>, "Spadoni, Peter (MOF)" <peter.spadoni@ontario.ca>, "Tekle, Jonathan (MOF)" <jonathan.tekle@ontario.ca>, "Thompson, Scott (MOF)" <scott.thompson@ontario.ca>, "Tiburcio, Daniel (MOF)" <daniel.tiburcio@ontario.ca>, "Zahid, Usman (OFA)" <usman.zahid@ofina.on.ca>, "Weir, Mike (MOF)" <mike.weir@ontario.ca>
Date: Tue, 24 Apr 2018 11:22:40 -0400

INSTANT HANSARD

>> **Vic Fedeli:** Thank you, Mr. Speaker. My question is to the Minister of energy, in speaking about the auditor general's comments on the Liberal hydro scheme, the Minister of energy had the following to say "Our plan has been approved by her peers at some of Canada's top accounting firms KPMG, Ernst and Young and Deloitte. The auditor General has said that's not true." Mr. Speaker, did the accounting firms mentioned approve the plan.

>> **Minister Thibeault:** Mr. Speaker, what we have are two world class accounting firms and I will outline what they had to say in statements about regulated accounting within the public sector accounting standards. Mr. Speaker, So KPMG said on the bases of our extensive research, deliberations and an opinion from another major accounting firm, we believe that the accounting policies adopted by the independent electricity system operator are in accordance with the Canadian public sector accounting standards. Deloitte, Mr. Speaker, they stated that concluded any regulatory assets and liabilities recognized through the appropriate application of these policies would meet the criteria for recognition under the Canadian public sector accounting standards. Mr. Speaker, Additionally, Ernst and Young is financial auditor and consulted on this, Mr. Speaker, on an ongoing basis.

>> **Vic Fedeli:** Well, thank you, Mr. Speaker. Back to the Minister of energy he uses phrases which have nothing to do with what we're talking about. In regards to kpmg, Ernst and young, and deloitte the auditor general said the sum of all of the work the Minister was just speaking about does not equate to the approval of the hydro scheme. To the Minister is the auditor general correct?

>> Minister Thibeault: Thank you, Mr. Speaker. Once again, I don't believe I need to reiterate and read, reread what the accounting firms have said because I know the Honourable member had just heard those, Mr. S but they do talk about it and I will say, agains, as KPMG said these accounting policies are in accordance with Canadian public sector accounting standards. Deloitte, meet the criteria for recognition under the accounting standard, Mr. Speaker. And I know, Mr. Speaker, we've said this before and I'll say it again it was a policy choice made by this government. We made this policy choice to ensure that we continue to have a clean, reliable and affordable electricity system for the rate payers of today and the rate payers tomorrow because, Mr. Speaker, the fair hydro plan. Not on the tax base because that's the logical thing to do, Mr. Speaker, and how it's been done in the past.

>> Vic Fedeli: Well thank you, Mr. Speaker. Back to the Minister of energy the Minister has said "Of course we worked with KPMG and Ernst and young and worked with deloitte." All of them agree the accounting standards are accurate except the auditor general has said that is not true. They didn't approve the books. So Mr. Speaker, will the Minister of energy come clean.

>> Minister Thibeault: I will reiterate here's what KPMG said. On the base bases and -- we believe the accounting policies adopted by the independent elect system operator are in accordance with the Canadian public sector accounting standards, Mr. Speaker. And the policies and the implementation of this process for the fair hydro plan were designed, Mr. Speaker, and extensively reviewed by senior bureaucratic officials from my ministry, Mr. Speaker, the Minister of energy the ministry of finance, the treasury board secretariat the office of the provincial controller, Cabinet office. The Ontario financial authority, the iso, opg and work with the third party executives accounting firms, Mr. Speaker. We will continue to look at and monitor Ensure due diligence was completed.

N.B.: Transcripts are captured by a closed captioning system and may contain errors.