

# FW: FAO Fair Hydro Plan - Consolidated Comments

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**From:** "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>  
**To:** "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>  
**Date:** Tue, 16 May 2017 13:11:18 -0400  
**Attachments:** FA1710 Combined DFR - V14 Ministry Review - MOF TBS Edits.docx (251.03 kB)

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Cindy,

The messaging here is that the FAO seems to be differing all accounting related aspects of his report to the AG (as he did for the pension report) which is problematic as he isn't retaining his independence. This suggests that he won't be open to the recommended edits either. n

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**From:** Schuurman, Tim (MOF)  
**Sent:** May 16, 2017 12:50 PM  
**To:** Thompson, Scott (MOF); Mayman, Gadi (OFA); Hughes, Karen (TBS); Veinot, Cindy (TBS); Petsche, Nadine (TBS); Kwan, Ronald (OFA); Nelms, Scott (MOF); Christie, Tim (ENERGY); Doddiba, Teuta (TBS)  
**Cc:** Tiburcio, Daniel (MOF); Esmail, Selena (MOF); Ternamian, Paul (MOF); Birks, Ryan (MOF); McLean, David (MOF)  
**Subject:** FAO Fair Hydro Plan - Consolidated Comments

FYI – attached are the combined MOF/TBS comments on the FAO report. Please let me know if there is anything we missed within the next hour or so.

Tim C – I told Jeff N that you would be sending Energy's comments separately, but that you were also on track to deliver them today.

Here is a summary of my conversation with Jeff:

- I told Jeff they would get our technical comments and edits this afternoon in line with his deadline. However, I indicated that we had 3 areas of major concern: (1) Accounting; (2) Interest Rate Assumptions; (3) Treatment of Other Electricity Cost Relief Programs.
- I requested a meeting to discuss these three areas, and indicated that we wanted KPMG there to support the discussion on the accounting piece.
- While Jeff was in agreement that a meeting was a good idea, he was resistant to having KPMG there. He indicated that the accounting piece was the AG's jurisdiction, and as such, any input from KPMG would simply be interesting to them, but not change their overall approach. He suggested that OPCD should be able to represent the accounting issues appropriately. After some back and forth, I think I convinced him it was still a good idea, but he wanted to talk to Stephen L and others about it first. He'll get back to me this afternoon.
- They are working in tight timelines. They indicated they want this report released by the time the Legislation goes to Committee for review (which will be soon).

In the meantime, my office will arrange for a follow-up meeting with the FAO and relevant ADM's tomorrow afternoon. I'll let you know when I hear back from Jeff this afternoon about the meeting.

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