Neil Brodie

From:	Neil Brodie
Sent:	April 25, 2018 7:10 AM
To:	Rosemarie Leclair; Mary Anne Aldred
Subject:	Legislative Affairs

Today's events

April 25 10:30 a.m. — Toronto
Auditor General Bonnie Lysyk will release her pre-election report on the governmentfinances at Queen's Park and speak with media at 12 p.m. in the Media Studio.

Funding announcements

Ministry of Infrastructure
• Eastern Ontario Regional Network and Telesat-Ontario have received more than$91 million to boost rural broadband access. This funding is part of the
government's $500 million budget commitment to improving internet connectivity in rural and northern communities.

Question Period

PC

Hydro One executive compensation
• Fedeli asked Energy Minister Glenn Thibeault when the government knew that Hydro One CEO Mayo Schmidt was awarded a $6.2 million salary and $10 million severance.
o Thibeault reminded the House that firing Schmidt, as PC leader Doug Ford has promised to do, would do nothing to lower hydro bills for ratepayers.

Mr. Victor Fedeli: Back to the Premier: Does the Premier approve of both the Hydro One CEO's $6-million salary and his $10-million severance?

Hon. Glenn Thibeault: When it comes to costs, the board—the **Ontario Energy Board** that is, Mr. Speaker—sets rates, so by talking about firing the CEO of Hydro One, that doesn't take anything off anyone's bills. The board is the energy sector's independent regulator with a mandate to protect ratepayers, and that is how it's going to continue to deliver on that mandate.

For instance, last fall, the **Ontario Energy Board** capped the portion of executive compensation Hydro One electricity customers are required to fund at 10% of base salaries, saving ratepayers $30 million over this year and next. The **Ontario Energy Board** will continue to monitor. We'll continue to work with Hydro One to help them become a better company.

Natrural gas rates and cap and trade

Mr. Monte McNaughton: Back to the Minister of Finance: When the Liberals and NDP brought in the cap-and-trade carbon tax, they knew it was going to hit families where it hurt—from keeping their car on the road to keeping their home heated through winter. It makes everything in the province more expensive. Not only is the cap-and-trade carbon tax hidden on natural gas bills, it also has HST on top of it.

Is this government willing to hike the carbon tax on natural gas from $80.50 per year to $336 per year?

Hon. Charles Sousa: Minister of Energy.

Hon. Glenn Thibeault: I'm pleased to rise and talk about cap-and-trade and, of course, the decision that was talked about earlier, when we talked about consumers' bills.

Cap-and-trade and the decision on how to present that on consumers' bills was made by the **Ontario Energy Board**, and that's an independent, arm's-length regulator for the province's energy sector. It did so based on extensive consultations with consumers, utilities and environmental stakeholders, including over 40 written—

Hon. Glenn Thibeault: In their decision, the **Ontario Energy Board** highlighted that cap-and-trade costs are part of doing the business of delivering natural gas to homes and businesses. To quote the board and the **OEB's** view: "Separating out cap-and-trade-related costs as a line item on the bill is inconsistent with the manner in which all other ongoing costs of operating the utility are reflected on"—

Rate regulated accounting approval

• Fedeli asked Thibeault about the disagreement between KPMG, Ernst & Young and Deloitte and Auditor General Bonnie Lysyk over rate-regulated accounting, which is being used to keep debt incurred by the Fair Hydro Plan off provincial books.

o Thibeault said that keeping the cost of the Fair Hydro Plan on the rate base and not the tax base was the right thing to do.

o He read a public statement from KPMG saying rate-regulated accountingmeets public sector accounting standards.

Neil