

Ministry of Energy

Office of the Deputy Minister

Hearst Block, 4th Floor
900 Bay Street
Toronto, ON M7A 2E1
Tel: 416-327-6758
Fax: 416-327-6755

Ministère de l'Énergie

Bureau du sous-ministre

Édifice Hearst, 4^e étage
900, rue Bay
Toronto, ON M7A 2E1
Tél: 416-327-6758
Télééc.: 416-327-6755



May 11, 2015

Mr. André Marin
Ombudsman of Ontario
Bell Trinity Square
483 Bay Street
10th Floor, South Tower
Toronto ON M5G 2C9

Dear Mr. Marin:

Thank you for providing me with a copy of your Preliminary Report on Hydro One. I am writing to you today with the Ministry of Energy's response to Recommendation 66 of the Preliminary Report.

To allow Hydro One to operate in the same way as other publicly traded companies, the oversight and control of the company must be modified. Oversight responsibilities for Officers of the Legislature, including the Ontario Ombudsman, would fall away with a transition period. The Ombudsman would have six months to complete any outstanding reviews, but could still issue a report after that date. This will ensure that Hydro One is subject to the same rules and oversight as other publicly traded companies. Similar changes took place in other instances when ownership was broadened, including Air Canada, CN Rail, Petro-Canada and the Nova Scotia Power Company.

To maintain public trust throughout the Initial Public Offering (IPO), former Auditor General of Canada Denis Desautels has agreed to serve as Special Advisor to the Minister of Energy to provide advice about the processes related to the engagement of financial advisors and other service providers for the IPO. Hydro One would also be required to establish a dedicated Ombudsperson similar to those found at other public companies. Mr. Desautels will provide advice on how best to establish this dedicated Ombudsperson's office to ensure transparency, objectivity and accountability. In addition, the Ontario Energy Board (OEB) would continue to protect the public interest, and the powers of the OEB would be further enhanced, including the creation of a consumer advocacy role.

Thank you again for providing me with copy of your Preliminary Report on Hydro One.

Sincerely,

A handwritten signature in blue ink, appearing to read "Serge Imbrogno".

Serge Imbrogno
Deputy Minister