

Subject: IESO Draft Reply on Issues List

Attachments: Issues List - draft reply comments-July 12 2018 - for Fred.docx

Hi Terry:

As I mentioned at your direct reports meeting, we received intervenor submissions on the draft issues list for our 2018 revenue requirement submission. Of note, parties asked to add the following issues to the draft issues list:

- Are the costs associated with meeting the Long-Term Energy Plan (LTEP) initiatives appropriate and accurately tracked? (Energy Probe)
- Has IESO clearly and appropriately tracked the cost of work related to the Ontario Climate Change Plan? (Energy Probe)
- Are the carrying costs of the Fair Hydro Plan appropriate? (Energy Probe)
- Has the IESO adequately responded to the findings and recommendations of the 2017 Annual Report of the Auditor General of Ontario? (School Energy Coalition)

In our reply submission, we will be opposing the additions of the Climate Change Plan, Fair Hydro Plan and Auditor General issues, arguing that these are beyond the scope of this proceeding. With the LTEP proposed issue, we will not be opposing this issue but will be proposing edits to it. Given the legislated scope of the OEB's review of our revenue requirement (e.g. the cost effectiveness of the IESO's operations), I don't think it would be appropriate for us to argue that this is an issue that parties shouldn't explore. We will be proposing to amend the issue to read:

- Are the costs associated with *the activities identified in the IESO's meeting the Long-Term Energy Plan (LTEP) Implementation Plan* initiatives appropriate?

Attached is the draft submission that was sent to Fred Cass, our external counsel, for his review. We just received his feedback – he agrees and supports our arguments and has provided some comments to further enhance our submission.