

Draft Assignment

ECONALYSIS CONSULTING SERVICES

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August 7, 2018

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St.
Toronto, ON

Dear Ms. Walli:

Re: EB-2018-0143 – Independent Electricity System Operator (IESO) 2018 Fees

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner

Consultant for VECC

Ms. Miriam Heinz, Advisor, Regulatory Affairs
Regulatoryaffairs@ieso.ca

REQUESTOR NAME	VECC
TO:	IESO
DATE:	August 7, 2018
CASE NO:	EB-2018-0143
APPLICATION NAME	2018 Fees

1.0 EXHIBIT A

VECC-1

Reference: Exhibit A-2-2, page 19

- org. Serv. (1st)
velyn L (2nd)
- a) Please explain the 2018 impact of the announced elimination of the Green Ontario Fund on the Fees for 2018 and 2019.
 - b) In 2017 what were the FTE allocations supporting this program?
 - c) What are the current FTE allocations to this program?
 - d) How are the FTE allocations anticipated to support the Green Ontario Fund being re-allocated or reduced in 2018 and 2019?

VECC-2

Reference: Exhibit A-2-2 page 20 / Exhibit C/Tab 1/Schedule 1

- Reg Affairs (1st)
Corp Serv. (2nd)
Corp Serv.
- a) Please explain the interaction between the Corporate Performance Measure and the OEB required Scorecard.
 - b) Please provide the year-end results of the 2017 Corporate Performance Measure performance.

VECC-3

Reference: Exhibit A-3-1, page 22 & 31

- Corp Serv.
- a) What is the current balance drawn on the OFA credit facility for the purpose of IESO's role in supporting the Ontario Fair Hydro Plan?

VECC-4

Reference: Exhibit B/Tab1/Schedule 1, pages 3-

- Reg
Affairs
- a) Has the IESO made any changes since the last Fees proceeding to the methodology it uses to calculate usage fees? If yes please explain.

VECC-5

Reference: Exhibit A-2-2, page 19

- Corp
Services
- Reg
Affairs
- a) What is the estimate of gross revenues lost if the new proposed usage fees were implemented as of September 1, 2018 and without any retroactive adjustments?
 - b) Given the fact that the IESO files its application for 2018 fees at the end of April 2018 what is the rationale/support for retroactive charging of customers for the 2018 period?

VECC-6

Reference: Exhibit B/Tab 2/Schedule 1/pg.3

- MRP
+
Corp
Serv.
- a) Please describe the Market Renewal Program (MRP) capital expenditure projects that have begun or are expected to begin by or before the end of 2018.
 - b) Please provide the start date of these programs.
 - c) What are the MRP capital expenditures to-date?

VECC-7

Reference: Exhibit B/Tab 3/Schedule 1/pg. 3-4

- Corp serv/
MRP.
- a) Please provide a table, similar to Table 3, which shows the actual and budget average FTEs for each year 2015 through 2017.

VECC-8

Reference: Exhibit B/Appendix 2-AA

- MRP.
- a) Please describe the capital investments expected in 2019 and 2020 for the Market Renewal Program. Please also explain the current precision of these estimates (for example by AACE class estimate)

VECC-9

Reference: Exhibit B/Appendix 2-JC

- XP
serv.
- a) Please explain the category "Corporate Adjustments" in Appendix 2-JC.

VECC-10

Reference: Exhibit B/Appendix 2-JC

- XP
serv.
MRP
g. Affairs
- a) The Planning, Acquisition and Operations variance from 2017 actuals to 2018 forecast is 16%. Please explain why this IESO area has cost increases in significantly greater than other IESO departments.
 - b) Are any MRP costs captured in this category? If yes please provide the 2017 actual, budget and 2018 budget for these costs.
 - c) Who is the senior executive/vice president responsible for this section of the IESO?

VECC-11

Reference: Exhibit C/Tab 2/Schedule 1

- g. Affairs
MRP
reg. Affairs
MRP
- a) Which senior executive/vice president is responsible for execution of the MRP?
 - b) What OEB Scorecard and Corporate Performance Measures are related to the MRP?
 - c) How are the outcomes identified in the response to (b) related to compensation of IESO employees (including senior management/executives).
 - d) What are the measures of performance that have been developed for this program as contemplated by the Board's EB-2017-0150 Decision?

VECC-12

Reference: Exhibit C/Tab 2/Schedule 1/pg. 5-10

IESO states "[P]rior to the start of detailed design for each of the initiatives, and commencing any significant capital spending, the IESO will develop a business case for the MRP, which will be provided to the IESO Board of Directors for approval, and to stakeholders thereafter."

- MRP
- a) Please provide the expected completion date of the overall MRP business plan.
 - b) Please provide the expected completion date of the business cases for the

six initiatives set out in Tables 4 and 5.

- MRP.
- c) Please provide the business plan for the capital and OM&A 2018 forecast expenditures.

VECC-13

Reference: Exhibit A-3-1/page 28

- Corp. Serv.
- Corp. Serv.
- Corp. Serv.
- a) Please provide the segment expenses in the format provide in section 12 for 2016 and the forecast amounts for 2018 and 2019 if available.
 - b) Please list the proposed changes to SME cost allocation that the IESO intends to implement.
 - c) Do the allocations in 2018 reflect BDR's recommendations for full allocated cost allocations with respect to SME costs? If not why not.

VECC-14

Reference: Exhibit C-3-1 Attachment 1/section 3.3.2

- Corp. Serv.
- Corp. Serv.
- Corp. Serv.
- a) Please explain how the executive/senior management time for non-core and core functions is being allocated post the BDR study.
 - b) Please list the executive/senior managers (by position) which do not allocate costs to the various core IESO functions and non-core IESO activities.
 - c) Please provide the sum dollar amount of executive/senior management costs in 2017 that were allocated to core and non-core IESO functions.

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