

## ENERGY PROBE INTERROGATORY 1

### Issue # 1.0

Strategic Objective # 1- POWER SYSTEM PLANNING-Plan for an adequate, reliable and sustainable system that integrates conservation, generation and transmission and implements the Minister's directives

### Issue # 1.1

2009 Operating Budget for Strategic Objective #1-Power System Planning

- Is the Operating Budget of \$ 5.790 million allocated to Strategic Objective # 1 reasonable and appropriate?

### Interrogatory # 1

Ref: Exhibit B, Tab 1, Schedule 1, page 7

- Please confirm that in Table 1, the column titled "2008 Budget" refers to the approved expenditures on page 11 of the Decision and Order in the EB-2007-0791 proceeding, issued May 15, 2008, in the section titled "Conclusions".
- Please provide an update to the far right column of Table 1 titled "2008 Forecast" so that it will list "2008 Actual Unaudited" expenditures.

## RESPONSE

- Overhead costs directly consumed and allocated to the strategic objectives in the 2008 Revenue Requirement Submission are now included in Strategic Objective 5. The table below illustrates the difference between the reporting methods:

1

Operating Costs by Strategic Objective				
2008				
(\$'000)				
		2008 Budget as filed in EB-2007-0791	2008 Budget as filed in EB-2008-0312	Variance
	Strategic Objective 1	10,445	5,631	4,814
	Strategic Objective 2	26,445	23,186	3,259
	Strategic Objective 3	8,364	8,120	244
	Strategic Objective 4	1,252	667	585
	Strategic Objective 5	17,800	26,702	(8,902)
	Contingency Fund	3,215	3,215	0
<b>Total</b>		<b>67,521</b>	<b>67,521</b>	<b>0</b>

2

3 b) The requested information is provided in the table below:

Strategic Objective #1  
 Operating Costs  
 2008 Actual Unaudited  
 (\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	4,060	3,468	592	3,579	3,601
Professional & Consulting Costs	1,458	1,994	(536)	1,694	988
Operating & Administration Expenses	272	169	103	123	199
<b>Total Costs</b>	<b>5,790</b>	<b>5,631</b>	<b>159</b>	<b>5,396</b>	<b>4,788</b>

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## ENERGY PROBE INTERROGATORY 2

### Issue # 2.0

Strategic Objective #2- CONSERVATION – Plan and procure conservation resources to meet the requirements identified in the IPSP and promote sustainable conservation practices that contribute to a culture of convention.

### Issue #2.1

2009 Operating Budget for Strategic Objective # 2 - Conservation

- Is the Operating Budget of \$ 20.072 million allocated to Strategic Objective # 2 reasonable and appropriate?

### Interrogatory # 2

Ref: Exhibit B, Tab 2, Schedule 1, page 15

- a) Please confirm that in Table 3, the column titled “2008 Budget” refers to the approved expenditures on page 11 of the Decision and Order in the EB-2007-0791 proceeding, issued May 15, 2008, in the section titled “Conclusions”.
- b) Please provide an update to the far right column of Table 3 titled “2008 Forecast” so that it will list “2008 Actual Unaudited” expenditures.

## RESPONSE

a) Please see the response to Energy Probe Interrogatory 1a) at Exhibit I-2-1.

b) The requested information is provided in the table below:

Strategic Objective #2  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	7,642	8,199	(557)	7,638	7,411
Professional & Consulting Costs	7,533	9,931	(2,398)	8,349	5,758
Conservation / Technology Initiatives	4,061	4,034	27	2,775	2,743
Operating & Administration Expenses	836	1,022	(186)	913	644
<b>Total Costs</b>	<b>20,072</b>	<b>23,186</b>	<b>(3,114)</b>	<b>19,675</b>	<b>16,557</b>



## ENERGY PROBE INTERROGATORY 3

### Issue # 3.0

Strategic Objective # 3- SUPPLY PROCUREMENT AND CONTRACT MANAGEMENT- Plan and design procurement processes and enter into procurement contracts for generation resources to meet the requirements identified in the IPSP and to embed “best in class” contracting practices that support investment in necessary infrastructure and contribute to a sustainable electricity system

### Issue # 3.1

2009 Operating Budget for Strategic Objective # 3 - Supply Procurement and Contract Management

- Is the Operating Budget of \$ 7.732 million allocated to Strategic Objective # 3 reasonable and appropriate?

### Interrogatory # 3

Ref: Exhibit B, Tab 3, Schedule 1, page 8

- Please confirm that in Table 1, the column titled “2008 Budget” refers to the approved expenditures on page 11 of the Decision and Order in the EB-2007-0791 proceeding, issued May 15, 2008, in the section titled “Conclusions”.
- Please provide an update to the far right column of Table 1 titled “2008 Forecast” so that it will list “2008 Actual Unaudited” expenditures.

## RESPONSE

- Please see the response to Energy Probe Interrogatory 1a) at Exhibit I-2-1.
- The requested information is provided in the table below:

Strategic Objective #3  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	3,334	3,089	245	2,880	2,877
Professional & Consulting Costs	4,205	4,717	(512)	4,254	3,756
Operating & Administration Expenses	193	314	(121)	245	267
<b>Total Costs</b>	<b>7,732</b>	<b>8,120</b>	<b>(388)</b>	<b>7,379</b>	<b>6,900</b>

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## ENERGY PROBE INTERROGATORY 4

### Issue # 4.0

Strategic Objective # 4 –BARRIERS TO THE DEVELOPMENT OF ECONOMICALLY SUSTAINABLE CONSERVATION AND SUPPLY RESOURCES- Identify and assess barriers to the development of economically sustainable conservation and supply resources and develop solutions to address these barriers in cooperation with stakeholders

### Issue # 4.1

2009 Operating Budget for Strategic Objective # 4 – Barriers to Resource Development

- Is the Operating Budget of \$ 1.031 million allocated to Strategic Objective # 4 reasonable and appropriate?

### Interrogatory # 4

Ref: Exhibit B, Tab 4, Schedule 1, page 6

- Please confirm that in Table 1, the column titled “2008 Budget” refers to the approved expenditures on page 11 of the Decision and Order in the EB-2007-0791 proceeding, issued May 15, 2008, in the section titled “Conclusions”.
- Please provide an update to the far right column of Table 1 titled “2008 Forecast” so that it will list “2008 Actual Unaudited” expenditures.

## RESPONSE

- Please see the response to Energy Probe Interrogatory 1a) at Exhibit I-2-1.
- The requested information is provided in the table below:

Strategic Objective #4  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	635	448	187	488	460
Professional & Consulting Costs	360	159	201	159	154
Operating & Administration Expenses	36	60	(24)	49	15
<b>Total Costs</b>	<b>1,031</b>	<b>667</b>	<b>364</b>	<b>696</b>	<b>629</b>





## ENERGY PROBE INTERROGATORY 5

### Issue # 4.0

Strategic Objective # 4 –BARRIERS TO THE DEVELOPMENT OF ECONOMICALLY SUSTAINABLE CONSERVATION AND SUPPLY RESOURCES- Identify and assess barriers to the development of economically sustainable conservation and supply resources and develop solutions to address these barriers in cooperation with stakeholders

### Issue # 4.1

2009 Operating Budget for Strategic Objective # 4 – Barriers to Resource Development

- Is the Operating Budget of \$ 1.031 million allocated to Strategic Objective # 4 reasonable and appropriate?

### Interrogatory # 5

Ref: Exhibit B, Tab 4, Schedule 1

In EB-2007-0791, the Ontario Power Authority 2008 Fees Review, Strategic Objective 4 is listed as follows:

Sector Development - Define sector development goals and facilitate the efficient allocation of risk between customers and investors in conservation and generation

- Please comment on the utility of the Board Panel in this proceeding reviewing the variance between the 2008 Budget for Sector Development in proceeding EB-2007-0791 and the 2009 Budget proposed for Barriers to Resource Development in the current proceeding.
- Please advise the reason that the financial evidence in this Exhibit was presented as a variance between two different strategic objectives.

## RESPONSE

- Although the Strategic Objective reflects a change in wording from 2008, the overall objective of sector development remains the same.

The OPA's strategic objectives are stated in such a way as to communicate goals clearly to both internal parties (who are charged with achieving these objectives) and external parties (who have an interest in the results). The four main strategic initiatives for the OPA have not changed year-over-year, although with experience, the company may adjust its proposed initiatives to achieve them, and will restate the overall objective accordingly. A comparison of the wording of all four main strategic objectives between 2008 and 2009 will illustrate this.

- 1 Under these circumstances, it is appropriate, and useful, for the Board Panel to review
- 2 the year-over variances for Strategic Objective 4.
- 3 b) Please see the response to a), above.

## ENERGY PROBE INTERROGATORY 6

### Issue # 5.0

Strategic Objective # 5 – ORGANIZATIONAL CAPACITY -Maintain and develop organizational capacity to achieve all other strategic objectives.

### Issue # 5.1

2009 Operating Budget for Strategic Objective # 4 – Barriers to Resource Development

- Is the Operating Budget of \$ 30.448 million allocated to Strategic Objective # 5 reasonable and appropriate?

### Interrogatory # 6

Ref: Exhibit B, Tab 5, Schedule 1

Please provide an update to the far right column of Table 1, Table 2, Table 3 and Table 5 titled "2008 Forecast" so that it will list "2008 Actual Unaudited" expenditures.

## RESPONSE

The requested information is provided in the tables below:

**Table 1**

Strategic Objective #5  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Division	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Chief Executive Office	1,235	1,210	25	1,510	1,490
Finance	3,511	3,938	(427)	3,293	3,369
Human Resources	1,487	1,380	107	1,337	1,414
Business Services	6,452	6,107	345	5,860	5,988
Legal & Regulatory	9,497	10,025	(528)	9,394	11,502
Communications	6,766	4,042	2,724	4,971	5,013
Contingency Fund	1,500	3,215	(1,715)	0	0
<b>Total Costs</b>	<b>30,448</b>	<b>29,917</b>	<b>531</b>	<b>26,365</b>	<b>28,776</b>

**Table 2**

CEO  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	985	920	65	1,018	1,100
Professional & Consulting Costs	157	200	(43)	200	93
Operating & Administration Expenses	93	90	3	292	296
<b>Total Costs</b>	<b>1,235</b>	<b>1,210</b>	<b>25</b>	<b>1,510</b>	<b>1,490</b>

**Table 3**

Finance  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	1,540	1,423	117	1,405	1,431
Professional & Consulting Costs	309	503	(194)	392	544
Operating & Administration Expenses	173	147	26	(176)	302
Amortization	1,489	1,365	124	1,319	1,029
Interest	0	500	(500)	353	62
<b>Total Costs</b>	<b>3,511</b>	<b>3,938</b>	<b>(427)</b>	<b>3,293</b>	<b>3,369</b>

**Table 5**

Human Resources  
Operating Costs  
2008 Actual Unaudited  
(\$'000s)

Major Cost Category	2009 Budget	2008 Budget	Variance	2008 Forecast	2008 Actual Unaudited
Compensation & Benefits	766	452	314	575	520
Professional & Consulting Costs	317	350	(33)	300	168
Operating & Administration Expenses	404	578	(174)	462	726
<b>Total Costs</b>	<b>1,487</b>	<b>1,380</b>	<b>107</b>	<b>1,337</b>	<b>1,414</b>

## ENERGY PROBE INTERROGATORY 7

### Issue # 6.0 General

#### Issue # 6.4

#### Workforce Hiring Practices

- Has the OPA responded appropriately to the expectation of the Board Panel in respect of workforce hiring practices as stated on page 11 of the Decision and Order in the EB-2007-0791 proceeding?

#### Interrogatory # 7

Ref: Exhibit A, Tab 2, Schedule 1, page 3, last bullet point.

On page 11 of the Decision and Order in the EB-2007-0791 proceeding, issued May 15, 2008, the Board Findings in the Section titled "Workforce" stated:

"...the Board has noted that the OPA's 2008 budget reflects a substantial increase in its overall workforce – it increases from 137.0 in 2007 to 183.8 Full Time Equivalents in 2008. In the CDM area specifically, the OPA is doubling its workforce to 66.2 Full Time Equivalents. The Board has also noted from OPA's testimony that the OPA is currently not in a position to forecast its workforce requirements and acknowledged that in the future its workforce could be reduced. The possibility for a reduction in the future has not altered the OPA's practice in continuing to augment its existing workforce with full-time permanent employees. While the Board accepts the OPA's budget associated with its workforce for the 2008 year, in light of the uncertainties for future workforce requirements acknowledged by the OPA, the Board expects the OPA to review its hiring practices for 2008 and to fully justify increases to its permanent full-time workforce in its 2009 fees application."

- a) As part of the most significant initiatives planned for the 2009-2011 period, the Evidence at Page 3, in the last bullet, states that the OPA will be implementing internal strategies and tools critical to achieving the organization's goals and deliverables, including a "holistic talent management system". Please advise what steps have been taken by the OPA to respond to the Board's expectation of a review of its hiring practices, especially the practice of continuing to augment its existing workforce with fulltime permanent employees.
- b) Please provide total workforce full time equivalents in the following tables:

## Total OPA Headcount

### Regular

2006 Board Approved	2007 Board Approved	Variance %	2007 Board Approved	2008 Board Approved	Variance %	2008 Board Approved	2009 Budget	Variance %

### Temporary

2006 Board Approved	2007 Board Approved	Variance %	2007 Board Approved	2008 Board Approved	Variance %	2008 Board Approved	2009 Budget	Variance %

c) Please provide total workforce full time equivalents in the following table:

## Total OPA Headcount

### Regular/ Temporary

2006 Actual Reg/Temp Percentages	2007 Actual Reg/Temp Percentages	2008 Actual Reg/Temp Percentages	2009 Budget Reg/Temp Percentages

## RESPONSE

a) In response to the Board's decision in EB-2007-0791, the OPA has begun to actively track FTEs by temporary and permanent status. This allows for regular monitoring and reporting of the balance of permanent to temporary employees.

While this reporting exercise is valuable in presenting an overall picture of the proportion of permanent employees in the organization, the decision to fill a particular position with a temporary or permanent employee must still be made on a case-by-case basis. Please see the response to Board Staff Interrogatory 5 at Exhibit I-1-5 for a discussion of the factors to be considered.

- b) Board-Approved FTEs for the years 2006, 2007 and 2008 were not segregated by temporary and permanent status. The requested information is not available.
- c) Please see the response to a), above. The requested information is not available for 2006 and 2007.

## Total OPA Headcount

### Regular/ Temporary

2006 Actual Reg/Temp Percentages	2007 Actual Reg/Temp Percentages	2008 Actual Reg/Temp Percentages	2009 Budget Reg/Temp Percentages
N/A	N/A	150.7/25.7 FTEs	182.4/11.3 FTEs
N/A	N/A	85.4%/14.6%	94%/6%

