



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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Michael Buonaguro
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(416) 767-1666

December 3, 2009

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
Notice of Intervention: EB-2009-0377
Independent Electricity System Operator
Fiscal 2010 Fees Submission for Review

Please find enclosed the Notice of Intervention of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Nicholas Ingman
Biju Gopi
Glenn Zacher

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF the Independent Electricity System Operator Fiscal 2010 Fees Submission for Review.

NOTICE OF INTERVENTION

OF

VULNERABLE ENERGY CONSUMERS COALITION (VECC)

To: Ms. Kirsten Walli
Board Secretary

And to: Independent System Electricity Operator
Attn: Mr. Biju Gopi
Senior Regulatory Analyst

1. The Vulnerable Energy Consumers Coalition (VECC) hereby expresses its intention to intervene and participate in the above-mentioned proceeding. VECC consists of the following organizations:
 - (a) The Federation of Metro Tenants Association
 - (b) The Ontario Coalition of Senior Citizens' Organizations (OCSCO)

2. The Federation of the Metro Tenants Association is a non-profit corporation composed of over ninety-two affiliated tenants associations, individual tenants, housing organizations, and members of non-profit housing co-ops. In addition to encouraging the organization of tenants and the promotion of decent and affordable housing, the Federation provides general information, advice, and assistance to tenants. The address is:

500-27 Carlton Street
Toronto, ON
M5B 1L2

3. The Ontario Coalition of Senior Citizens' Organizations (OCSCO) is a coalition of over 120 senior groups as well as individual members across Ontario. OCSCO represents the concerns of over 500,000 senior citizens through its group and individual members. OCSCO's mission is to improve the quality of life for Ontario's seniors. OCSCO's address is:

660 Briar Hill Avenue, Suite 207
Toronto, ON
M6B 4B7

4. The name and address of the agent authorized to receive documents on behalf of VECC is:

Mr. Michael Buonaguro
Counsel
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 767-1666 (office)
(416) 348-0641 (fax)
mbuonaguro@piac.ca

5. VECC requests that all correspondence and documentation also be copied to VECC's consultant:

Mr. James Wightman
Econalysis Consulting Services
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 348-0640 (office)
(416) 348-0641 (fax)
jwightman@econalysis.ca

6. VECC requests that copies of the Application and any additional supporting materials be forwarded to each of the two parties named above.
7. VECC has been an active participant in past IESO fees applications over the last eight years. As a representative of ratepayers active in electricity rates cases, it has also been involved in (i) rates matters involving electricity distributors, (ii) the development of 2nd generation Incentive Regulation, (iii) the development of 3rd generation Incentive Regulation, (iv) Cost of Capital proceedings for Ontario Electricity Distributors, (v) the OPA 2008 Fees Review, and (vi) the OPG Review of Payment Amounts for the 21-month period beginning April 1, 2009.
8. VECC's concerns in regard to the current proceeding include a determination as to whether the IESO's proposed Revenue Requirement

and 2010 Fees based on its operating costs, capital spending plans, and usage fees are reasonable and consistent with the evidentiary record.

9. VECC notes that in its cover letter, the Applicant has requested that the Board make provision for “an initial technical conference in lieu of interrogatories to be followed shortly afterwards by a settlement conference.”
10. VECC’s main concern with this proposal is that there would be no opportunity, prior to the settlement conference, to obtain clarification of any issues in the event that the answers provided at the technical conference were incomplete or unsatisfactory. Further, unless intervenors receive complete and satisfactory responses at the technical conference and intervenors are able to perform adequate “on the spot” analysis of said responses, there could be no opportunity to canvass any new concerns prior to the settlement conference.
11. VECC’s preferred alternative would be for the Board to make provision for a written interrogatory process followed by a settlement conference of one or two days.
12. Should the Board decide to not make provision for a written interrogatory process, VECC urges that the Board, at a minimum, make provision for intervenors to seek written undertakings at the technical conference,

similar to the process that the Board determined for last year's IESO Fees proceeding.

13. With respect to the type of hearing – oral or written – is appropriate, VECC's position is that this procedural matter is best left until after the outcome of the prior discovery process that the Board approves.
14. VECC will be requesting an award of costs for its participation in this proceeding and believes that, as a coalition representing the direct interests of consumers, it meets the eligibility criteria set out in the Ontario Energy Board's Rules of Practice and Procedure (Section 41) and its' Practice Direction on Cost Awards (Section 3.03).

DATED AT TORONTO, THIS 2nd DAY OF DECEMBER 2009

Michael Buonaguro
Counsel for VECC
c/o Public Interest Advocacy Centre

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR (“IESO”)
FISCAL 2009 FEES SUBMISSION FOR REVIEW
DRAFT ISSUES LIST
EB-2009-0377**

Submissions of VECC

VECC has reviewed the draft document entitled “Proposed Issues List” and attached to the Board’s Notice of Application and Hearing dated 25 November 2009 and makes the following comments on the document.

With respect to Proposed Issue 1.2, VECC notes that the comparable issue approved in last year’s IESO fees proceeding was worded,

1.2 *Are the IESO’s projected staff costs and strategy for setting compensation levels appropriate and reasonable? (Emphasis added to highlight the difference.)*

On the understanding that omitting the words “appropriate and” in this year’s issues list does not in any way constrain intervenors in discovery, e.g., by precluding queries as to staffing levels, compensation costs, etc., VECC does not take issue with this variation from last year.

With respect to Proposed Issue 1.3 regarding the IESO’s ABCP investments, VECC suggests that this be replaced by the ABCP Issues 2.1 (adapted for 2010) and 2.2 as approved by the Board in the 2009 IESO proceeding. Therefore, VECC suggests that the approved Issues List include the following in lieu of the Proposed Issue 1.3:

- 1.3 *What are the financial consequences of the IESO's investments in ABCP on the IESO operating costs and its 2010 revenue requirements and have they been appropriately incorporated in the fees submission?*
- 1.4 *Is the IESO's policy for treatment of ABCP investments going forward appropriate and reasonable?*

With respect to Proposed Issue 2.1, VECC notes that it reads

- 2.1 *Is the IESO's proposed 2010 capital expenditure envelope reasonable?*
(Emphasis added.)

VECC is concerned that the inclusion of the word "envelope" may constrain queries in respect of non-EDAC 2010 capital spending. VECC submits that either Issue 2.1 be amended to read

- 2.1 *Are the IESO's proposed 2010 capital expenditures reasonable?*

or an additional issue under Capital Spending be added as follows (identical to Issue 3.7 on last year's Approved Issues List)

- 2.3 *Are the IESO's proposed capital expenditures, other than EDAC, appropriate and reasonable?*

With respect to other matters, VECC assumes that portions of the evidence that impact or might reasonably be expected to impact 2010 revenues, costs, and fees are subject to discovery in this proceeding. However, in VECC's review of the pre-filed evidence, it is unclear under which issue queries related to the following are addressed:

- Revenue and demand forecasts
- Issues respecting financial statements (including balance sheets) and accounting policies
- Methodology for calculating the 2010 usage fee and process for rebating surpluses
- Issues regarding changes in the Business Plan, and
- EDAC status, costs, and scheduling.

In the event that queries – relevant to this proceeding on these issues and as addressed in the pre-filed evidence – are covered by issues in the Proposed Issues List, VECC asks that the IESO indicate under which issue on the list each of the bulleted points above are covered.

In the alternative, VECC asks that either the issues list be augmented to specifically include these items or that the IESO commit to responding to reasonable queries on all elements of the pre-filed evidence that impact the determination of just and reasonable 2010 fees.