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Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, Ontario
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Dear Ms. Walli:

**Re: Ontario Power Authority – 2010 Revenue Requirement Submission
EB-2009-0347**

We are writing on behalf of the Ontario Power Authority (OPA) to address comments made in the interventions that have been filed in this proceeding. The OPA is aware of interventions by the following parties: the Association of Major Power Consumers of Ontario (AMPCO), the Electricity Distributors Association (EDA), Energy Probe Research Foundation (Energy Probe), the Low-Income Energy Network (LIEN), Ontario Power Generation (OPG), Pollution Probe Foundation (Pollution Probe), Shell Energy North America (Canada) Inc. (Shell), the Society of Energy Professionals (Society) and the Vulnerable Energy Consumers Coalition (VECC).

Under the headings that follow, the OPA will respond to comments that have been made about the draft Issues List prepared by Board Staff and about the OPA's proposal for a written hearing.

Draft Issues List

Four parties (Shell, the Society, OPG and Pollution Probe) made no comment on the draft Issues List. AMPCO indicated that it proposes no changes to the draft Issues List and the EDA said that it has no concerns about the List. The remaining three parties (Energy Probe, LIEN and VECC) offered comments about the draft Issues List.

VECC submitted that, to achieve consistency with the wording of Issue 6.1, the words "and appropriate" should be inserted following the word "reasonable" in each of Issues 1.1, 2.1, 3.1, 4.1 and 5.1. The effect of this would be that, for each of the OPA's six Strategic Objectives in 2010, the Issues List would include an issue as to whether the

operating budget allocated to the particular Strategic Objective is "reasonable and appropriate".

The Board's Decision and Order in EB-2007-0791 (2008 Revenue Requirement Submission), addressed the scope of its review in an OPA fees proceeding. The Board made clear that it would not entertain a debate about specific OPA programs (page 8 of the Decision) and that its role is to assess whether the proposed organizational budget is reasonable (page 9). The draft Issues List for this proceeding is consistent with the EB-2007-0791 Decision, in that the six issues pertaining to the Strategic Objectives are framed in terms of "operating budget". Given this focus on the operating budget, the OPA accepts that the words "and appropriate" can be added to each of Issues 1.1 to 5.1. For clarity, the OPA submits that these words must be understood in the context of the EB-2007-0791 Decision and that the additional words cannot and should not be understood to open up a debate about the appropriateness of the OPA's programs.

With this change to the draft Issues List, the OPA submits that the issues for each of the six Strategic Objectives essentially would be framed in the broadest possible terms. The use of broad language to frame issues about whether the operating budget for each of the Strategic Objectives is reasonable and appropriate means that there is unlikely to be a need to formulate specific issues about the budgets for particular Strategic Objectives in the Issues List. The OPA agrees with VECC's assumption that the broad wording of the issues will allow a reasonable review of the "components" of the budgets for each Strategic Objective.

LIEN proposes two new issues that would address "low-income energy programs" and "protections for low-income energy consumers". It is not clear how these proposed issues raise matters of relevance to the OPA's organizational budget for 2010 (even though LIEN has purported to frame each of the two issues in relation to the "Budget"). In any event, to the extent that the proposed issues do raise matters of relevance to the operating budget, they will be encompassed within the broad wording in the Issues List about the operating budgets for the Strategic Objectives.

Similarly, VECC has proposed a new set of issues (Issues 10.1 to 10.3) that refer to the Minister's Directive to the OPA on September 17, 1998. To the extent that these proposed issues raise matters of relevance to the OPA's 2010 Revenue Requirement Submission, they do so in relation to the operating budget for Strategic Objective #1. Any relevant aspects of the issues proposed by VECC would be captured in the issue as to whether the operating budget allocated to Strategic Objective #1 is reasonable and appropriate.

Energy Probe has proposed an issue that arises from the Board's Decision in respect of the OPA's previous (2009) Revenue Requirement Submission. This issue refers to an "expectation" of the Board that is said to be found at page 4 of the Decision in the EB-2008-0312 proceeding. The wording actually used at page 4 of the previous Decision is that "the Board encourages the OPA in future to recast the data in its pre-filed evidence rather than waiting for interrogatories"

With respect to Energy Probe's proposed issue, the OPA observes that Issue 9.1 in the draft Issues List already refers to previous Board Decisions. However, both the word "commitments" in Issue 9.1 and the heading that precedes the issue ("9.0 Commitments from previous Settlement Agreements") seem to tie this issue more to Settlement Agreements than to Board Decisions. The OPA submits that this could be clarified by changing the words of Issue 9.1 to the following: "Has the OPA responded appropriately to previous Settlement Agreements and Decisions?" A corresponding change could be made to the heading at 9.0.

Written or Oral Hearing

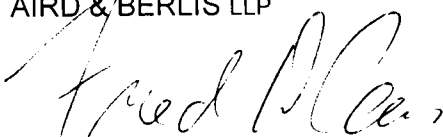
The Board's review of the OPA's 2009 Revenue Requirement Submission was dealt with by way of a written hearing and this process moved forward smoothly and efficiently to its conclusion. The OPA proposes that the Board proceed by way of a written hearing again in this case. The EDA, the Society, OPG and VECC made no comment about whether the hearing should be written or oral and Shell indicated that it has no preference. LIEN and Pollution Probe requested an oral hearing. Energy Probe submitted that the Board should reserve its decision on further process until after interrogatories have been answered.

The OPA continues to believe that a written hearing is the appropriate process for the Board's consideration of the 2010 Revenue Requirement Submission. The parties that requested an oral hearing, LIEN and Pollution Probe, did not provide any reason why the issues of interest to them cannot or should not be addressed in a written hearing process. Nevertheless, if the Board sees that there is benefit in reserving its decision about the nature of the hearing until interrogatories have been answered (as suggested by Energy Probe), the OPA is content to make further submissions about the appropriate process at that time.

All of which is respectfully submitted.

Yours truly,

AIRD & BERLIS LLP



Fred D. Cass

FDC/

c.c. Martha McOuat, Ontario Power Authority
All intervenors in EB-2009-0347