

Board Staff Interrogatories
2010 Revenue Requirements Submission
Ontario Power Authority
EB-2009-0347
Dated January 21, 2010

Conservation

Issue 2.1

Is the Operating Budget of \$16.484 million allocated to Strategic Objective #2 reasonable and appropriate?

Board Staff question 1

References

Exhibit B/Tab 2/Schedule 1/page 4

Exhibit B/Tab 2/Schedule 1/page 17

Preamble

The OPA states in its pre-filed evidence that its key role in the area of conservation will be changed slightly due to the implementation of the GEA. The OPA's key role will now be to provide distributors with other appropriate, sufficient and effective support to facilitate distributors in meeting their individual conservation targets.

Questions

- a) What process will the OPA take to procure conservation resources in the near term so that progress towards Ontario's conservation goal is maintained?
- b) Please discuss the details of the OPA's Conservation Awareness business leadership awards program.

Organizational Capacity

Issue 5.1

Is the Operating Budget of \$24.474 million allocated to Strategic Objective #5 reasonable and appropriate?

Board Staff Question 2

Reference

Exhibit B/Tab 3/Schedule 1/page 4
Exhibit B/Tab 5/Schedule 1/page 7

Preamble

The OPA states in its pre-filed evidence that the Finance group will continue to be tasked with the responsibilities that relate to the prudent expenditures and management of public funds. It is noted that additional focus will be placed on enhancing partnerships with internal customers and in providing value to them through application of professional expertise and collaboration.

Questions

- a) Please describe the OPA's current accounting system and business intelligent system and provide a comparative analysis of how the current systems differ from the proposed new systems. Within the response, expand on the need for the proposed new systems and the process for sourcing and implementing the new systems.
- b) Please discuss the OPA's plan to deploy an employment brand.

Communications

Issue 6.1

Is the Operating Budget of \$9.108 million allocated to Strategic Objective #6 reasonable and appropriate?

Board Staff question 3

Reference

Exhibit B/Tab 6/Schedule 1/page 7

Preamble

The OPA states that a key focus in 2010 will be the redesign of its corporate website and the design of a comprehensive online FIT section.

Questions

Will the corporate website redesign be done by staff currently employed by the OPA or will the services be contracted out to a third party? Please discuss the decision making process and financial assessment for the staffing option ultimately decided upon for this project.

Registration Fees, Operating Costs and Capital Expenditures

Issue 7.2

Are the proposed registration fees per proposal for electricity supply and capacity procurement reasonable and appropriate?

Board Staff question 4

Reference

Exhibit D/Tab 2/Schedule 1/Page 8 and 9

Preamble

In the Board's Decision and Order on the OPA's 2009 Revenue Requirement Submission (EB-2008-0312), the Board discussed the OPA's hiring practices and found that sufficient evidence had been provided to justify its hiring policies since the 2008 fees decision was released.

In its 2010 submission, the OPA states in its pre-filed evidence that the increase in FTEs reflects its increased responsibilities through the implementation of the GEA, enhanced stakeholder engagement and anticipated workload associated with the FIT implementation.

Question

- a) Please discuss the need for the new 37.5 FTEs after the GEA initiatives have been implemented and the associated new processes related to this work have been established. Did the OPA consider employing a more balanced staffing level of consultants, contract staff and FTEs until it has a more concrete vision of the long term workload associated with the GEA activities?
- b) Please describe the OPA's benchmarking policies and practices when establishing employee compensation levels throughout the organization.

Board Staff question 5

Reference

Exhibit D/Tab 2/Schedule 1/Pages 1-2

Preamble

The OPA notes that in EB-2008-0312 the Board approved the OPA's proposal to charge registration fees of up to \$10,000 per proposal for electricity supply and capacity. The OPA proposes to charge non-refundable application fees for the FIT program of \$0.50/kWh of proposed contract capacity, having a minimum of \$500 and to a maximum of \$5,000, and \$10,000 per proposal for other electricity supply and capacity procurements.

The OPA reports that the forecast revenues resulting from these registration fees are \$375,000, and that revenues received would be used to reduce operating costs.

Questions

- a) Please clarify whether the proposed registration fee for non-FIT proposals is \$10,000 or up to \$10,000.
- b) Assuming that the forecasted revenue depends in part on how many applications are received and the proposed contract capacity, and in the event that fewer or a greater number of applications and/or contract capacity is received than forecast, does the OPA expect to track the revenue in a variance account for future disposition?
- c) Why does the OPA believe it is appropriate to have a variable registration fee for the FIT program, but a fixed fee for all other procurements?
- d) What costs are being recovered through the registration fees?
- e) What factors did the OPA consider in establishing the level of the FIT program registration fee?
- f) Please provide a breakdown of the forecasted \$375,000 to show the revenue forecasted from the FIT program registration fee and the registration fee for electricity supply and capacity procurements.
- g) How did the OPA develop the estimate of \$375,000?