



January 26, 2010

Ms. Kirsten Walli
Board Secretary
P.O. Box 2319
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

Re: Ontario Power Authority (OPA) 2010 Revenue Requirement
Submission of Revised AMPCO Interrogatories
Board File No. EB-2009-0347

Attached please find an updated version of AMPCO's interrogatories dated January 26, 2010. The wording in Interrogatory 12 b has been changed from "Please detail the internal audit processes applied to financial settlement" to "Please detail the audit processes applied to financial settlement."

Please contact me if you have any questions or require any further information.

Sincerely yours,

ORIGINAL SIGNED BY

Adam White
President
Association of major Power Consumers in Ontario

Copy to: Ms. Miriam Heinz, Ontario Power Authority

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**AMPCO Interrogatories
Ontario Power Authority (OPA)
2010 Expenditure & Revenue Requirement Review
EB-2009-0347**

Issue 1.1 Is the Operating Budget of \$6.391 million allocated to Strategic Objective #1 (Power System Planning) reasonable and appropriate?

Interrogatory # 1

The term "surplus" in the context of excess supply is not used in the OPA application nor does the concept appear to be explicitly applied. The terms "consumer" and "customer" are used almost exclusively in the context of conservation planning, with only vague references to the economic efficiency of the power system.

Please indicate the importance the OPA attaches to the current generation surplus in the context of its business planning and the practical implications of this prioritization.

Interrogatory # 2

Reference: A-2-1 p. 13

"The Power Authority will also continue to develop scenarios and strategies to identify and mitigate risk, as well as address cost and operability issues..."

"The projection of electricity costs and analysis on carbon policy options as they apply to the electricity sector are expected to be other significant issues during the planning period."

With respect to the above noted remarks on page 13 of the 2010-2012 Business Plan:

- a) Please itemize the scenarios and electricity cost projections developed during 2009 and planned for 2010.
- b) Please provide copies of each scenario and the electricity cost projection completed in 2009.

Interrogatory # 3

Reference: A-2-1 p. 20

"The OPA aims to bring reliable, cost-effective megawatts into the Ontario electricity system in a continuous improvement framework."

- a) Please provide details of the "continuous improvement framework" referred to above and include all milestones.
- b) Please summarize the progress to date against the milestones.

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Interrogatory # 4

Reference: A-2-1 p. 24

"The OPA will work to implement tools and mechanisms to continue to evolve Ontario's electricity system to be more economically efficient and sustainable and to have minimal environmental impact."

Please detail the "tools and mechanisms" referred to above designed to promote an economically efficient electricity system.

Interrogatory # 5

Please summarize OPA's relations with the Renewable Energy Facilitation Office and detail any impacts on the 2010 budget?

Issue 2.1 Is the Operating Budget of \$16.484 million allocated to Strategic Objective #2 (Conservation) reasonable and appropriate?

Interrogatory # 6

Reference: B-2-1 p. 4

Please indicate any benchmarking the OPA has conducted or plans to conduct comparing the cost effectiveness of CDM programs for four C&DM program areas: (a) Consumer Program; (b) Low-income Consumer Program; (c) Business Program; and (d) Industrial Program.

Interrogatory # 7

Reference: A-2-1 p. 10

"Investments made by the Power Authority since 2005, as well as the results of government initiatives, have accounted for 40 percent of the current decline in demand."

Please provide the data and studies the OPA relies upon in making this statement. To the extent possible, please break down the factors contributing to the decline in demand by sector.

Interrogatory # 8

Reference: A-2-1 p. 17

For 2010, the OPA has an objective to implement an energy-efficiency program for directly connected industrial customers.

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What communication and outreach is planned to present this program to directly connected industrial users, and what will be the role of such users in the program implementation?

Interrogatory # 9

Reference: B-2-1

“The OPA is currently developing an energy efficiency initiative for transmission connected customers and anticipates launching this initiative in late 2009 or early 2010.”

Please provide updated information on the planning, scope and launch of this program.

Interrogatory # 10

Reference: B-2-1 p.16

Please file a copy of the EM&V report for the 2008 C&DM programs.

Issue 3.1 Is the Operating Budget of \$7.836 million allocated to Strategic Objecting #3 (Supply procurement and contract management) reasonable and appropriate?

Interrogatory #11

Reference: A-2-1 p.6

For managing payments to generators, the efficiency metrics the OPA reports are capacity/FTE and capacity/million budget \$.

- a) Please indicate whether the OPA compares the costs paid vs. the cost that could have been paid under optimal management of prevailing contracts.
- b) If yes to a), please provide the results.

Interrogatory #12

Reference: B-3-1 p. 7

- a) Has the OPA undertaken any peer review of its financial settlement system?
- b) Please detail the audit processes applied to financial settlement.

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Interrogatory #13

Reference: B-3-1 p. 9

“Errors identified on settlement invoices for the period between January 1, 2009 and August 31, 2009 represented 0.0148% of total settlement payments”.

Please provide the studies or reports supporting this statement.

Issue 6.1 Is the Operating Budget of \$9.108 million allocated to Strategic Objective #6 (Communications) reasonable and appropriate?

Interrogatory #14

Please itemize the initiatives the OPA is planning for 2010 that directly involve consumers in the work of the OPA.

Issue 7.2 Are the proposed registration fees per proposal for electricity supply and capacity procurement reasonable and appropriate?

Interrogatory # 15

- a) Please explain what fees the OPA is using and/or intends to use with respect to the OPA's Hydroelectric Contract Initiative and NUG recontracting.
- b) Assuming the implementation of non-refundable application fees on the model of those approved in EB-2008-0312, please estimate the revenue that could have been generated in 2009 and forecast for 2010 from NCI and NUG recontracting.

Issue 8.1 Is the proposed disposition of the various Deferral and Variance Accounts reasonable and appropriate?

Interrogatory # 16

Reference: D-3-1

Please provide the OPA's justification for recovering the cost consequences of retailer settlements from customers other than low-volume and designated consumers.