

Board Staff Interrogatory #034

Ref: Ex. D3-T1-S1

Issue Number: 6.9

Issue: Are the capital budgets and/or financial commitments for 2011 and 2012 for the regulated hydroelectric business appropriate and supported by business cases?

Interrogatory

Please provide variance explanations for (i) the difference between 2008 actual and 2008 Board-approved and (ii) between 2009 actual and 2009 Board-approved for Corporate Group Capital Expenditures. Please provide the resulting over (under) earning that resulted in 2008 and 2009 due to the difference between actual and Board-approved.

Response

OPG is unable to provide the variance explanations or over (under) earnings amounts requested as the OEB did not approve amounts for Corporate Group Capital Expenditures in EB-2007-0905.

A related variance explanation, Ex. D3-T1-S1, Table 2, provides the annual 2008 and 2009 Corporate Capital Expenditures based on OPG's evidence submitted in EB-2007-0905 with budget-to-actual and period-over-period comparison.

Based on the evidence submitted in EB-2007-0905, for Corporate Capital In-Service additions, as provided in D3-T1-S2, Table 5, the over-earnings that would have resulted for the overall under-expenditure are not significant (under \$1M) in the overall context of the many elements that have impacted OPG's earnings in 2008 and 2009.

Board Staff Interrogatory #086

Ref: Ex. F3-T1-S1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The application notes that about 70% of Corporate Costs are allocated to the regulated businesses and therefore about 70% of those costs are recovered through the regulated payment amounts. The Nuclear Phase 1 Benchmarking Report (Ex. F5-T1-S1) identifies one of the key drivers affecting OPG Nuclear’s Total Generating Cost performance gap to be Corporate Costs. A business plan has been provided for the Nuclear and Hydroelectric businesses. Please provide the business plan relating to Corporate Costs.

Response

Ex. F3-T1-S1, page 2 notes that “budgets for OPG’s corporate groups are established through the corporate business planning process.” During this process, the corporate groups develop their budgets based on guidelines established in the business plan instructions (Ex. A2-T2-S1, page 10). These budgets are reviewed by the Chief Executive Officer (“CEO”) in the context of OPG’s overall projected costs for the company. The individual corporate function budgets undergo the same level of executive scrutiny as the generation business unit plans and they are held to the same level of accountability for achieving financial and operational targets as the generating business units.

Business plan documents for the corporate functions are not prepared for OPG’s Board of Directors (“OPG Board”) as part of the business plan approval. Instead, the corporate groups’ budgets, once reviewed and approved by CEO, are incorporated into the consolidated OPG business planning and financial information approved by OPG Board.

Board Staff Interrogatory #087

Ref: Ex. F3-T1-S1, Table 1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

In the application, certain corporate functions have been benchmarked such as Finance and Human Resources. In terms of OM&A costs, those two functions have either declined or remained relatively stable over the five year period in the application. In contrast, Corporate Affairs has increased 27% and Corporate Centre has increased 46% over the five year period.

- a) Given OPG was preparing an OEB application in 2007 (i.e., also a factor at that time), please explain why these two areas have increased to such a degree.
- b) In addition, has OPG ever undertaken to benchmark its aggregate Corporate Costs against other utilities given the Nuclear Phase 1 Benchmarking Report (Ex. F5-T1-S1) identifies one of the key drivers affecting OPG Nuclear's Total Generating Cost performance gap to be Corporate Costs? If so, please provide the results. If not, please explain why.

Response

- a) While the total cost of the Corporate Centre increased by 46 per cent over the five year period in the Application, a significant portion of the increase is related to the unregulated business and is not allocated to either regulated hydro or nuclear. For the regulated business the increase is 24 per cent over the five year period. This increase is mainly due to an increase in legal expenses in support of the OEB rate application. The increase when comparing the period from 2007 – 2011, both years without payment amount hearings (actual or expected), is an increase of 12 per cent.

Corporate Affairs has increased by 27 per cent over the five year period. The 27 per cent increase is mainly due to cost associated with the OEB process (11 per cent), economic increases (13 per cent) and the addition of the Nuclear Generation Development group in Public Affairs (3.5 per cent). These increases are slightly offset by net reductions in other areas.

- 1 b) OPG has not undertaken to benchmark its aggregate corporate costs against other
2 utilities. OPG's approach is to concentrate on benchmarking the corporate groups which
3 have a significant impact in relation to total OPG costs. This approach is consistent with
4 the EB-2007-0905 Decision which directed OPG to continue with its benchmarking
5 activities in the corporate areas it has identified. The three areas identified by OPG where
6 benchmarking will continue to be performed are Information Technology, Finance and
7 Human Resources. Together, these areas represent 70 per cent of the total corporate
8 costs.

Board Staff Interrogatory #088

Ref: Ex. F4-T4-S1, page 4

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The application discusses a significant increase in IESO Non-Energy Charges, primarily due to the substantial increase in the Global Adjustment.

- a) For the period 2007-2012, please provide a table summarizing IESO Non-Energy costs and kWh consumed (used to calculate the IESO Non-Energy costs) for each OPG facility.
- b) Please explain how OPG is charged for the IESO Non-Energy charges when OPG provides energy to its own facilities (i.e., rather than consuming from the market). For example, when the OPG facility is producing more than it is consuming.
- c) Given the Global Adjustment is not expected to decline going forward, has OPG undertaken initiatives to reduce its energy consumption (i.e., energy efficiency initiatives)? If so, please explain those initiatives and the associated results. If not, please explain why.

Response

- a) Table 1 below outlines the IESO Non-Energy charges for the period from 2007 – 2012. For 2007 – 2009 actual charges are presented. For 2010 – 2012 forecast charges are presented at a business unit level as OPG does not forecast IESO Non-Energy charges or withdrawals on an individual facility basis.

Table 1						
Actual (2007-09) and Forecast (2010-12) IESO Non-Energy Charges (\$M)						
	2007	2008	2009	2010	2011	2012
Darlington	1.8	1.6	8.5			
Pickering A	2.8	3.7	9.7			
Pickering B	5.2	5.3	17.9			
Total Nuclear	9.8	10.6	36.1	26.3	30.3	33.5
Saunders	0.0	0.0	0.0			
Sir Adam Beck 1	(0.7) ¹	0.3	1.5			
Sir Adam Beck 2	0.1	0.2	0.1			
Sir Adam Beck PGS	3.2	3.4	10.5			
DeCew	0.8	0.5	0.5			
Total Hydro	3.4	4.3	12.7	10.1	11.6	12.8

Table 2 below outlines energy withdrawals in MWh for the period from 2007 – 2012. (2007 – 2009 are actual withdrawals and 2010 – 2012 are forecast withdrawals.)

Table 2						
Actual (2007 - 09) and Forecast (2010 – 2012) Energy Withdrawals (MWh)						
	2007	2008	2009	2010	2011	2012
Darlington	155,583.160	123,854.713	176,872.126			
Pickering A	202,791.890	262,972.581	224,798.129			
Pickering B	430,679.659	387,846.789	434,972.587			
Total Nuclear	789,054.709	774,674.083	836,642.842	807,164	807,164	807,164
Saunders	16.494	20.372	6.238			
Sir Adam Beck 1	24,094.095	23,349.137	33,666.085			
Sir Adam Beck 2	7,121.945	8,310.157	3,590.763			
Sir Adam Beck PGS	268,720.694	269,171.235	246,814.589			
DeCew	2,143.934	1,377.555	983.038			
Total Hydro	302,097.162	302,228.456	285,060.713	300,658	300,658	300,658

IESO Non-Energy charges are based on the withdrawal quantities (energy consumption) shown in Table 2 above except for transmission-related charges, which are based on monthly peak demand.

- b) Energy flowing into or from each generating station is metered at each of the station's delivery points to the IESO controlled grid. The metered quantities are recorded for each five-minute period. In each five-minute period, for each delivery point, a net flow is calculated and if that net flow is from the grid to the station, it is a withdrawal amount which attracts Non-Energy charges. If the net flow at any delivery point is from the station to the grid, it is an injection amount and does not attract Non-Energy charges.

¹ 2007 Sir Adam Beck 1 Non-Energy load charges include a \$0.7M IESO credit received in May 2007.

1 Facilities may have several delivery points, and some, all, or none may be recording
2 withdrawals within a particular five-minute period. Those delivery points that have
3 withdrawals attract Non-Energy load charges even if there are offsetting injections at the
4 station's other delivery points.

5
6 A generator within a station produces energy, and directs some of that energy to the
7 loads within the station, and the remainder to the generator's delivery point. The load fed
8 directly from the station's generator does not attract Non-Energy charges because there
9 is no energy withdrawal from the grid. Therefore, the withdrawal quantities shown in
10 Table 2 represent the station loads supplied from the IESO-controlled grid.

- 11
12 c) OPG has undertaken actions that reduce its consumption of energy for many years.
13 These actions include specifying the energy efficiency requirements for new buildings,
14 retrofitting existing buildings, procuring energy efficient equipment (such as computers),
15 and upgrading the efficiency of turbine runners and transformers.

16
17 The increase in the Global Adjustment is one factor, among many other economic and
18 environmental considerations, which supports OPG's continued commitment to energy
19 efficiency. OPG's Energy Efficiency efforts are discussed on pages 13-14 of OPG's 2009
20 Sustainable Development Report. For a copy of this report, please see:

21
22 <http://www.opg.com/pdf/Sustainable%20Development%20Reports/Sustainable%20Development%20Report%202009.pdf>
23

Board Staff Interrogatory #089

Ref: Ex. F4-T4-S2, page 4

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Nuclear Insurance costs almost double in 2012 relative to 2009. The application notes that it's due to an increase in federal government requirements for liability. Please explain those federal government requirements.

Response

The federal government has reviewed the *Nuclear Liability Act*, established 1976, and has now proposed a new Bill C-15 – the *Nuclear Liability and Compensation Act* (“NLCA”), which has passed the first reading in the 40th Parliament - 3rd Session. OPG's best estimate is that the NLCA will receive Royal Assent at the end of 2010 or early in 2011.

The NLCA will increase the liability cap from the current \$75M to \$650M. This will be accomplished through a phase-in of limits with an initial increase to \$250M, which OPG has assumed starts in 2011, based on the expected receipt of Royal Assent. The cap is expected to increase by an additional \$100M each succeeding year until \$650M is reached. The premium estimate provided by the Nuclear Insurance Association of Canada, which is OPG's only approved insurer at this time, noted that OPG's current premium will increase six-fold when the \$650M limit is reached.

To reflect that OPG's nuclear liability will increase in a staged manner, OPG has estimated a rate of \$1.8M for every \$100M liability limit. On this basis, for 2011 when the liability limit increases to \$250M, OPG's estimated premium is \$4.5M and for 2012, when the liability limit increases to \$350M, OPG's estimated premium is \$6.3M.

Board Staff Interrogatory #090

Ref: Ex. F5-T2-S1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

- a) Please populate the following table (see attached)
- b) Please prepare and populate a similar table for 2011
- c) Please prepare and populated a similar table for 2012

Centralized Support and Administrative Costs							
(\$ in thousands)	2010 Budget	Amount allocated and/or assigned and /or distributed					
		Unregulated Business Units		Regulated Hydroelectric		Regulated Nuclear	
		%	\$	%	\$	%	\$
Human Resources Group	\$ 54,000						
Executive Office	\$ 5,563						
Law	\$ 11,094						
Corporate Secretariat	\$ 4,280						
COO	\$ 5,281						
	\$ 26,218						
Finance Group							
Controllershship	\$ 47,940						
Treasury	\$ 3,457						
Risk Services	\$ 3,602						
Internal Audit	\$ 4,132						
CFO Office	\$ 1,285						
	\$ 60,416						
Corporate Affairs Group							
Sustainable Development	\$ 2,972						
E8	\$ 750						
Emergency Preparedness	\$ 3,468						
Public Affairs	\$ 16,615						
Regulatory Affairs / Strategic Planning	\$ 8,739						
SVP Office	\$ 1,291						
	\$ 33,835						
Business Services & IT	\$163,600						
Energy Markets Group	\$ 22,000						
Real Estate							
Real Estate Services	\$ 13,789						
Business Services	\$ 18,017						
Facilities Services	\$ 9,137						
Fleet Services	\$ 306						
Vice President's Office	\$ 417						
	\$ 41,666						
Total Corporate Support & Administration	\$401,735						
Centrally Held Costs							
Pension/OPEB							
OPG wide Insurance							
Nuclear Insurance							
Performance Incentives							
IESO Non Energy Charge							
SR&ED Tax Credits							
Other							
	\$260,849						
Hydroelectric Common Support Costs							
Hydroelectric Buiness Unit	\$ 32,352						
Ottawa-St. Lawrence Support	\$ 5,937						
	\$ 38,289						
Grand Total	\$700,873						

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 2
 3

Response

a)

Centralized Support and Administrative Costs							
(\$ in thousands)	2010 Budget	Amount allocated and/or assigned and /or distributed					
		Unregulated Business Units		Regulated Hydroelectric		Regulated Nuclear	
		%	\$	%	\$	%	\$
Human Resources Group	\$ 54,012	29%	15,532	4%	2,223	67%	36,257
Corporate Centre Group							
Executive Office	\$ 5,563	27%	1,506	3%	192	69%	3,864
Law	\$ 11,094	36%	3,955	14%	1,571	50%	5,568
Corporate Secretariat	\$ 4,280	27%	1,159	3%	148	69%	2,973
Corporate Business Develop	\$ 5,281	100%	5,281	0%		0%	
	\$ 26,217	45%	11,901	7%	1,910	47%	12,406
Finance Group							
Controllershship	\$ 47,941	36%	17,179	6%	2,864	58%	27,898
Treasury	\$ 3,457	25%	864	2%	72	73%	2,521
Risk Services	\$ 3,602	51%	1,838	8%	305	41%	1,459
Internal Audit	\$ 4,132	27%	1,117	4%	156	69%	2,859
CFO Office	\$ 1,286	30%	390	4%	57	65%	838
	\$ 60,417	35%	21,388	6%	3,454	59%	35,575
Corporate Affairs Group							
Sustainable Development	\$ 2,972	45%	1,350	14%	417	41%	1,206
E8	\$ 750	27%	203	3%	26	69%	521
Emergency Preparedness	\$ 3,468	25%	858	7%	254	68%	2,356
Public Affairs	\$ 16,615	35%	5,813	12%	1,990	53%	8,812
Regulatory Affairs / Strategic Planning	\$ 8,739	17%	1,446	38%	3,278	46%	4,015
SVP Office	\$ 1,291	35%	450	5%	66	60%	775
	\$ 33,835	30%	10,121	18%	6,030	52%	17,684
Business Services & IT	\$ 163,458	28%	45,566	5%	7,527	68%	110,365
Energy Markets Group	\$ 21,990	74%	16,337	11%	2,339	15%	3,314
Real Estate							
Real Estate Services	\$ 13,789	16%	2,180	8%	1,055	77%	10,555
Business Services	\$ 18,017	19%	3,382	3%	573	78%	14,061
Facilities Services	\$ 9,127	30%	2,755	0%	44	69%	6,328
Fleet Services	\$ 306	24%	75	4%	12	72%	219
Vice President's Office	\$ 417	36%	150	3%	14	61%	253
	\$ 41,655	21%	8,542	4%	1,698	75%	31,416
Total Corporate Support & Admin	\$ 401,584	32%	129,388	6%	25,181	62%	247,015
Centrally Held Costs							
Pension/OPEB	\$ 118,500	22%	26,100	4%	4,400	74%	88,000
OPG wide Insurance	\$ 16,900	64%	10,800	17%	2,800	20%	3,300
Nuclear Insurance	\$ 8,600	0%		0%		100%	8,600
Performance Incentives	\$ 45,800	24%	11,100	5%	2,300	71%	32,400
IESO Non Energy Charge	\$ 54,700	33%	18,300	18%	10,100	48%	26,300
SR&ED Tax Credits	\$ 10,000	13%	1,300	1%	100	86%	8,600
Other	\$ 26,400	17%	4,600	3%	800	80%	21,000
	\$ 260,900	27%	\$ 69,600	8%	\$ 20,300	66%	\$ 171,000
Hydroelectric Common Support Costs							
Hydroelectric Buiness Unit	\$ 32,352	72%	23,434	28%	8,918	0%	
Ottawa-St. Lawrence Support	\$ 5,875	80%	4,729	20%	1,146	0%	
	\$ 38,227	74%	\$ 28,163	26%	\$ 10,064	0%	\$ -
Grand Total	\$ 700,711	32%	\$ 227,151	8%	\$ 55,545	60%	\$ 418,015

b)

Centralized Support and Administrative Costs							
(\$ in thousands)	2011 Budget	Amount allocated and/or assigned and /or distributed					
		Unregulated Business Units		Regulated Hydroelectric		Regulated Nuclear	
		%	\$	%	\$	%	\$
Human Resources Group	\$ 54,792	28%	15,413	4%	2,309	68%	37,070
Corporate Centre Group							
Executive Office	\$ 6,511	25%	1,613	4%	262	71%	4,636
Law	\$ 10,296	38%	3,953	11%	1,140	51%	5,204
Corporate Secretariat	\$ 4,308	25%	1,067	4%	173	71%	3,067
Corporate Bus Development	\$ 5,384	100%	5,384	0%		0%	
	\$ 26,498	45%	12,016	6%	1,575	49%	12,907
Finance Group							
Controllershship	\$ 47,757	35%	16,749	6%	3,060	59%	27,948
Treasury	\$ 3,451	23%	801	2%	83	74%	2,567
Risk Services	\$ 3,640	50%	1,826	9%	314	41%	1,500
Internal Audit	\$ 4,231	27%	1,136	4%	162	69%	2,933
CFO Office	\$ 1,253	29%	365	5%	62	66%	827
	\$ 60,330	35%	20,876	6%	3,680	59%	35,775
Corporate Affairs Group							
Sustainable Development	\$ 3,165	45%	1,423	14%	447	41%	1,295
E8	\$ 751	25%	186	4%	30	71%	535
Emergency Preparedness	\$ 1,000	25%	245	8%	75	68%	679
Public Affairs	\$ 17,000	34%	5,815	12%	2,002	54%	9,183
Regulatory Affairs / Strategic Planning	\$ 7,345	16%	1,186	38%	2,768	46%	3,391
SVP Office	\$ 1,266	30%	382	6%	73	64%	811
	\$ 30,526	30%	9,237	18%	5,396	52%	15,893
Business Services & IT	\$ 165,163	28%	45,790	5%	7,660	68%	111,713
Energy Markets Group	\$ 21,220	74%	15,698	11%	2,325	15%	3,197
Real Estate							
Real Estate Services	\$ 14,496	16%	2,292	8%	1,109	77%	11,096
Business Services	\$ 18,370	18%	3,363	3%	595	78%	14,412
Facilities Services	\$ 9,406	30%	2,790	1%	52	70%	6,565
Fleet Services	\$ 317	24%	75	4%	13	72%	229
Vice President's Office	\$ 430	35%	150	3%	15	62%	266
	\$ 43,020	20%	8,670	4%	1,783	76%	32,567
Total Corporate Support & Administration	\$ 401,549	32%	127,699	6%	24,727	62%	249,123
Centrally Held Costs							
Pension/OPEB	\$ 145,400	22%	31,900	4%	5,400	74%	108,100
OPG wide Insurance	\$ 17,400	64%	11,200	16%	2,800	20%	3,400
Nuclear Insurance	\$ 11,300	0%		0%		100%	11,300
Performance Incentives	\$ 46,200	24%	11,200	5%	2,300	71%	32,700
IESO Non Energy Charge	\$ 62,800	33%	20,900	18%	11,600	48%	30,300
SR&ED Tax Credits	\$ 10,000	12%	1,200	1%	100	87%	8,700
Other	\$ 28,100	19%	5,300	3%	900	78%	21,900
	\$ 301,200	26%	79,300	8%	22,900	66%	199,000
Hydroelectric Common Support Costs							
Hydroelectric Buiness Unit	\$ 31,351	72%	22,643	28%	8,708	0%	
Ottawa-St. Lawrence Support	\$ 6,053	81%	4,874	19%	1,178	0%	
	\$ 37,404	74%	27,518	26%	9,886	0%	
Grand Total	\$ 740,153	32%	234,516	8%	57,514	61%	448,123

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c)

Centralized Support and Administrative Costs								
	(\$ in thousands)	2012 Budget	Amount allocated and/or assigned and /or distributed					
			Unregulated Business Units		Regulated Hydroelectric		Regulated Nuclear	
			%	\$	%	\$	%	\$
Human Resources Group		\$ 55,348	28%	15,474	4%	2,301	68%	37,573
Corporate Centre Group								
Executive Office		\$ 6,656	23%	1,557	4%	246	73%	4,853
	Law	\$ 11,551	34%	3,980	14%	1,643	51%	5,929
	Corporate Secretariat	\$ 4,332	23%	1,014	4%	160	73%	3,159
	Corporate Bus Development	\$ 5,518	100%	5,518	0%		0%	
		\$ 28,058	43%	12,068	7%	2,050	50%	13,940
Finance Group								
	Controllership	\$ 48,819	34%	16,697	6%	3,055	60%	29,067
	Treasury	\$ 2,387	33%	787	3%	77	64%	1,523
	Risk Services	\$ 3,626	49%	1,789	8%	307	42%	1,530
	Internal Audit	\$ 4,393	27%	1,174	4%	167	69%	3,051
	CFO Office	\$ 1,300	28%	369	5%	62	67%	869
		\$ 60,524	34%	20,816	6%	3,669	60%	36,039
Corporate Affairs Group								
	Sustainable Development	\$ 3,229	45%	1,443	14%	454	41%	1,332
	E8	\$ 1,073	23%	251	4%	40	73%	783
	Emergency Preparedness	\$ 1,042	25%	256	7%	78	68%	708
	Public Affairs	\$ 16,785	34%	5,791	12%	1,994	54%	9,000
	Regulatory Affairs / Strategic Planning	\$ 9,603	16%	1,533	38%	3,613	46%	4,457
	SVP Office	\$ 1,573	32%	510	5%	83	62%	980
		\$ 33,305	29%	9,784	19%	6,263	52%	17,259
Business Services & IT		\$ 164,638	28%	45,638	5%	7,687	68%	111,313
Energy Markets Group		\$ 21,455	74%	15,811	11%	2,356	15%	3,288
Real Estate								
	Real Estate Services	\$ 14,683	16%	2,321	8%	1,123	77%	11,239
	Business Services	\$ 18,613	18%	3,319	3%	591	79%	14,704
	Facilities Services	\$ 9,203	29%	2,694	1%	54	70%	6,455
	Fleet Services	\$ 332	23%	77	4%	13	73%	242
	Vice President's Office	\$ 448	34%	153	3%	15	62%	280
		\$ 43,278	20%	8,564	4%	1,796	76%	32,918
Total Corporate Support & Administration		\$ 406,606	32%	128,155	6%	26,121	62%	252,330
Centrally Held Costs								
	Pension/OPEB	\$ 213,100	22%	46,800	4%	8,000	74%	158,300
	OPG wide Insurance	\$ 18,000	64%	11,600	16%	2,900	19%	3,500
	Nuclear Insurance	\$ 13,400	0%		0%		100%	13,400
	Performance Incentives	\$ 46,700	24%	11,300	5%	2,300	71%	33,100
	IESO Non Energy Charge	\$ 69,200	33%	22,900	18%	12,800	48%	33,500
	SR&ED Tax Credits	-\$ 10,000	12%	- 1,200	1%	- 100	87%	- 8,700
	Other	-\$ 1,400	157%	- 2,200	29%	- 400	-86%	1,200
		\$ 349,000	26%	89,200	7%	25,500	67%	234,300
Hydroelectric Common Support Costs								
	Hydroelectric Business Unit	\$ 31,799	75%	23,771	25%	8,028	0%	
	Ottawa-St. Lawrence Support	\$ 6,117	80%	4,887	20%	1,229	0%	
		\$ 37,915	76%	28,658	24%	9,257	0%	
Grand Total		\$ 793,521	31%	246,013	8%	60,878	61%	486,630

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Board Staff Interrogatory #091

Ref: Ex. A2-T2-S1, Attachment 1, page 10

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please reconcile the "Centrally Held Costs" amounts for 2009, 2010, 2011, 2012 shown in the table on page 10 with the amounts shown in Exhibit F4/Tab4/sch1/Table 1.

Response

The two sets of numbers cited above were not prepared on comparable basis, and as such cannot be reconciled. The amounts shown in the table in Ex. A2-T2-S1, Attachment 1, page 10 represent planned amounts for years 2009 - 2013 as per the 2009 -2013 Business Plan. This is noted in the statement immediately above the table, reproduced below:

Until guidelines for 2011 and beyond are set, the interim guidelines are the planned OM&A levels for 2011 - 2013 as approved in the **2009 - 2013 business plan**, as indicated in the table below. *[emphasis added]*

The amounts shown in Ex. F4-T4-S1, Table 1 are **actual** amounts for 2009 and forecast amounts based on the **2010 - 2014 Business Plan** (as is the rest of the Application) for 2010 - 2012. Both the actual 2009 amounts as well as the forecast amounts for 2010 - 2012 were prepared on a different base from that used in the **2009 - 2013 Business Plan**. Thus no reconciliation is possible due to inherent differences between the planning bases underlying these amounts.

OPG has provided a comparison analysis of period-over-period and budget-to-actual variances for Centrally Held Costs for the years 2007 - 2012 in Ex. F4-T4-S2.

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Board Staff Interrogatory #092

Ref: Ex. F3-T1-S1, page 1, line 25

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

OPG notes that cost allocation methodology was “....independently reviewed by Black & Veatch Corporation, and approved during EB-2007-0905.”

Please point to the specific reference from the EB-2007-0905 Decision which is the basis of OPG’s statement that the cost allocation methodology model was approved during EB-2007-0905.

Response

The EB-2007-0905 Decision states at page 60: “The Board will accept the allocation of corporate costs for the test period.” The allocation of these costs was based on the cost allocation methodology independently reviewed by Black & Veatch Corporation.

Board Staff Interrogatory #093

Ref: Ex. F3-T1-S1, page 25

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

OPG states that the review of documentation, as recommended by Black & Veatch in their 2009 Report, including desktop procedures for business users will be prepared and finalized in 2010.

Is the review completed yet? If not, by when will it be completed?

Response

OPG is in the process of completing the review of the documentation including the completion of desktop procedures for business users of the cost allocation models. The review will be completed before the end of 2010.

Board Staff Interrogatory #094

Ref: Ex. F3-T1-S1, page 22

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

OPG indicates that it expects to save about \$100M by the end of the five year extension included in the new agreement with New Horizon System Solutions.

- a) Please identify by year, starting with 2009, the annual projected savings.
- b) Are the savings reflected in the proposed budgets for 2011 and 2012?
- c) What is the annual dollar value of the newly agreed to contract?

Response

- a) Annual projected savings (\$M) starting with 2010¹ are as follows:

In 2010	12.6
In 2011	13.7
In 2012	14.8
In 2013	17.7
In 2014	19.8
In 2015	22.0

¹ The 2009 savings are not significant.

- b) Yes
- c) Annual dollar value (\$M) of the newly agreed to contract is summarized below:

In 2010	99.8
In 2011	98.7
In 2012	97.6
In 2013	94.7
In 2014	92.6
In 2015	90.4

Board Staff Interrogatory #095

Ref: Ex. F3-T1-S1, page 33, line 23

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

OPG states that the price for base services is further reduced, leading to an annual reduction of over \$16M by 2015 for the same service level and volumes. Is this \$16M in addition to the \$100M savings referred to in the question above?

Response

The \$16M is the savings in 2015 and is a contributor to the \$100M, not in addition to it.

Board Staff Interrogatory #096

Ref: Ex. F3-T1-S2, Table 2

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Table 2 shows \$269.1M and \$267.4M as the budget for Corporate Support and Administrative Costs allocated to Nuclear for 2008 and 2009 respectively. In the 2008-09 proceeding OPG showed \$263.7M and \$262.4M as the proposed budget for these two years.

Please explain the discrepancy.

Response

The budgets for Corporate Support and Administrative Costs allocated to Nuclear for 2008 and 2009 increased by \$5.4M and \$5.0M respectively. The increases reflect transfers of budget accountability from the Nuclear and Centrally Held areas of accountability to the corporate support groups. The transfers include the transfer of costs for the finance department in Nuclear Inspection Maintenance Services to Finance, the transfer of costs for the Nuclear Leadership Training Department to Human Resources, and the transfer of costs for pandemic supplies from Centrally Held costs to Corporate Affairs.

Board Staff Interrogatory #097

Ref: Ex. F5-T2-S1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please confirm whether or not the 2009 Black & Veatch (B&V) report, “Review of Centralized Support and Administrative Cost Allocation Methodology” and conclusions, includes Hydroelectric Common costs. And if so, are OPG’s proposed allocations between regulated and unregulated Hydroelectric business units consistent with the report?

Response

The 2009 Black & Veatch report includes the Hydroelectric Common costs. Section B, page 2 of the report identifies Hydroelectric Common/Ottawa St. Lawrence Common as a Centralized Support and Administrative function and service. The scope of the Black & Veatch report provided in section D on page 3 also identifies Hydroelectric Common/Ottawa St. Lawrence Common as included in the total Centralized Support and Administrative Costs reviewed for 2010. OPG’s proposed allocations between the regulated and unregulated hydroelectric business units are consistent with the report.

Board Staff Interrogatory #098

Ref: Ex. F5-T2-S1, page 8

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The B&V report makes a distinction between services that are integral and those that are administrative. “...at OPG the majority of the costs of the CSA functions and services are integral to running the Business Segments (e.g., engineering and human resources). For many other companies, shared functions and services are not integral to running the business but are primarily administrative (e.g., financial accounting and invoice processing). Therefore, Service Providers and Service Recipients (Regulated Hydroelectric and Nuclear businesses) must work together closely to ensure the needs of the Service Recipients are met, the level of service is appropriate and the costs are correctly assigned or allocated.”

Please elaborate as to whether this distinction materially influences or impacts the allocation “outcome” or “quantum” of methodology (i.e. would the actual amount that is charged to the regulated business differ just because the service is deemed or viewed as “administrative” rather than “integral”?

Response

The amount allocated to the regulated businesses would not differ whether a service is considered to be “administrative” or “integral”. OPG’s cost allocation methodology uses the specific identification of resources where there is a direct relationship between the cost incurred and the business unit that causes the cost. This principle of cost causation applies regardless of whether the cost is “integral” or “administrative”. For example, Black & Veatch identifies the processing of invoices as an administrative service for which OPG applies the cost allocation principle of cost causation. OPG allocates the cost of the accounts payable department, which processes invoices, based on the number of invoices processed for each business segment.

Board Staff Interrogatory #099

Ref: Ex. F5-T2-S1, page 8

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The B&V report states that....”Black & Veatch used as a starting point a questionnaire used by Meyers, Norris Penny LLP, an independent consultant engaged to review the corporate service charges between the parent company, Enbridge Inc. and its subsidiary, Enbridge Gas Distribution (“Enbridge”) to support Enbridge’s cost allocation method. Black & Veatch adapted the Enbridge questionnaire to reflect: a) the different corporate arrangement (i.e. OPG’s costs are allocated within a single corporate entity, Enbridge’s are allocated from a separate affiliated entity to operating subsidiaries in multiple provinces and countries), b) the unique aspects of OPG’s business and c) its shared cost methodology.”

Please provide a representative example of the modification described on page 8. Please explain whether a “different corporate arrangement” would materially impact the results i.e. does it make a difference whether there is a single incorporated entity or an affiliated relationship when it comes to quantifying the corporate services that should be recovered in rates?

Response

In order to make the Enbridge questionnaire suitable for use at OPG, the questionnaire was modified. An example of a modification made is question 10 of the service recipients’ survey (Exhibit A, F5-2-1). The original question in the Enbridge questionnaire stated: “Does the benefit of this service exceed the cost you are charged for the service?” In OPG’s survey the term “charged” was replaced by the term “allocated”.

Also, Enbridge’s original questionnaire included questions which were omitted from OPG’s questionnaire (Exhibit B, F5-2-1) because they did not apply in OPG’s context of a single-entity organization with a shared cost methodology. For example, the original questionnaire for service providers included the following question: “Describe any disagreements about CAM [Cost Allocation Methodology] regarding the business unit’s cost or level of service expectation? How was this resolved?” This question was omitted because it is not relevant to OPG. In the case of OPG, the service provider and the regulated business decide as part of the business planning process what type and level of service will be provided.

- 1 As a single corporate entity, OPG does not have comparative data to determine whether an
- 2 affiliate relationship versus a single-entity would materially impact the shared-services
- 3 allocations.

Board Staff Interrogatory #100

Ref: Ex. F5-T2-S1, page 8

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please list those services (collectively included in “Centralized Support and Administrative Costs”) that the regulated business units determined are not necessary to their operations and so all the costs remain with the unregulated business units.

Response

The services that are not necessary to the regulated business and whose costs remain with the unregulated business units include energy trading, new business development and direct support activities to the unregulated business.

Board Staff Interrogatory #101

Ref: Ex. F3-T1-S2

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please complete the table below and explain any variances that are in excess of either 10% or \$1M, between actual and Board approved for each of 2008 and 2009.

Response

OPG is unable to complete the OEB-approved columns and resulting variances in the table below or provide the requested explanations, as the OEB, in its Decision in EB-2007-0905, did not specifically approve or accept Corporate Support and Administrative Group's cost at the individual component level for 2008 and 2009.

The OEB, in its Decision in EB-2007-0905 did accept the allocation of the corporate support costs in total for 2008 and 2009 as noted in Table 4-1 on page 57 of the Decision. As such, the table below includes the total corporate support costs (less the nuclear advertising expense disallowed by the OEB on page 33 of the Decision).

The annual 2008 and 2009 costs underpinning the approved payment amounts, based on OPG's evidence submitted in EB-2007-0905, and a budget-to-actual and period-over-period comparison are discussed in Ex. F3-T1-S2 and associated tables, and Ex. L-1-096.

Corporate Support & Administrative Groups						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2009 Board Approved	2009 Actual	variance (d) - (c)
Business Service and IT		\$ 207.4			\$ 207.2	
Finance		\$ 58.1			\$ 60.5	
Human Resource		\$ 53.2			\$ 53.8	
Corporate Affairs		\$ 49.4			\$ 47.1	
Corporate Centre		\$ 21.5			\$ 19.3	
Total		\$ 389.6			\$ 387.9	
Corporate Support & Administrative Groups Allocated to Hydroelectric						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2009 Board Approved	2009 Actual	variance (d) - (c)
Business Service and IT		\$ 10.0			\$ 10.6	
Finance		\$ 4.9			\$ 4.3	
Human Resource		\$ 2.3			\$ 2.3	
Corporate Affairs		\$ 7.3			\$ 6.5	
Corporate Centre		\$ 1.8			\$ 1.2	
Total	28.20	\$ 26.3	\$ (1.90)	\$ 28.8	\$ 24.9	\$ (3.90)
Corporate Support & Administrative Groups Allocated to Nuclear						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2009 Board Approved	2009 Actual	variance (d) - (c)
Business Service and IT		\$ 137.9			\$ 137.1	
Finance		\$ 32.1			\$ 35.3	
Human Resource		\$ 36.5			\$ 36.3	
Corporate Affairs		\$ 18.2			\$ 18.2	
Corporate Centre		\$ 12.9			\$ 12.9	
Total	\$ 262.4	\$ 237.6	\$ (24.80)	\$ 262.4	\$ 239.8	\$ (22.60)

Board Staff Interrogatory #102

Ref: Ex. F4-T1-S1

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please complete the table below and explain any variances that are in excess of either 10 per cent or \$1M, between actual and Board approved for each of 2008 and 2009.

Centrally Held Costs						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2008 Board Approved	2009 Actual	variance (d) - (c)
Pension/OPEB related costs		\$ 116.7			-\$ 27.7	
OPG-wide Insurance		\$ 16.3			\$ 17.0	
Nuclear Insurance		\$ 7.8			\$ 7.3	
Performance Incentives		\$ 45.3			\$ 40.3	
IESO Non-Energy charges		\$ 22.4			\$ 75.5	
SR&ED Tax Credits		-\$ 30.0			-\$ 22.1	
Other		25.00			31.4	
Total		\$ 203.5			\$ 121.7	
Centrally Held Costs Allocated to Hydroelectric						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2008 Board Approved	2009 Actual	variance (d) - (c)
Pension/OPEB related costs		\$ 4.2			-\$ 1.0	
OPG-wide Insurance		\$ 2.8			\$ 2.9	
Nuclear Insurance		\$ -			\$ -	
Performance Incentives		\$ 2.7			\$ 1.9	
IESO Non-Energy charges		\$ 4.3			\$ 12.7	
SR&ED Tax Credits		-\$ 0.1			-\$ 0.3	
Other		\$ 0.7			\$ 1.2	
Total		\$ 14.6			\$ 17.4	
Centrally Held Costs Allocated to Nuclear						
	(a)	(b)		(c)	(d)	
(in millions)	2008 Board Approved	2008 Actual	variance (b)-(a)	2008 Board Approved	2009 Actual	variance (d) - (c)
Pension/OPEB related costs		\$ 87.4			-\$ 20.5	
OPG-wide Insurance		\$ 3.2			\$ 3.3	
Nuclear Insurance		\$ 7.8			\$ 7.3	
Performance Incentives		\$ 31.3			\$ 28.0	
IESO Non-Energy charges		\$ 10.6			\$ 36.1	
SR&ED Tax Credits		-\$ 28.2			-\$ 19.0	
Other		20.10			23.60	
Total		\$ 132.2			\$ 58.8	

1
 2
 3

1 **Response**

2
3 Exhibit F4-T1-S1 provided by Board Staff deals with Depreciation and Amortization, not
4 Centrally Held Costs. The evidence dealing with Centrally Held Costs can be found at Ex.
5 F4-T4-S1. As explained in the evidence, Centrally Held Costs decreased over the 2007 to
6 2009 period primarily as a result of decreasing pension and OPEB-related costs. The
7 decrease was partially offset by an increase in the IESO non-energy charges mainly due to
8 the higher costs associated with the Global Adjustment. As explained in the evidence, Global
9 Adjustment increased from \$4/MWh in 2007 to \$6/MWh in 2008 and \$31/MWh in 2009.

10
11 This interrogatory implies that the OEB in its EB-2007-0905 Decision approved specific
12 amounts for each category of expense for Centrally Held Costs. Review of the decision
13 indicates that the OEB accepted the overall totals for 2008 and 2009 but did not specifically
14 approve the amount for each category of expense. As the 2008 and 2009 Board-Approved
15 categories of expense do not exist, OPG is unable to provide specific variance explanations.

Board Staff Interrogatory #103

Ref: Ex. F3-T1-S2

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The Board in its 2008-2009 Decision did not make any adjustments to the Regulatory Affairs budget on the clear expectation that OPG would be shortly filing another application.

In that OPG decided to defer the filing of the Payment Amounts application to 2010, the evidence indicates that inter-period variances in corporate support costs are in part due to Regulatory Affairs related activity.

Please complete the table below (feel free to add, as appropriate, to the Item listing).

Response

In the table below, OPG provides historical actual and forecast information. OPG is unable to complete the “Board Approved” columns because OPG did not present, and therefore the OEB could not have approved, forecasts for the individual components of Regulatory Affairs costs in 2008 and 2009.

The amounts in the table below represent the costs attributable to regulated hydroelectric and nuclear businesses. As well, legal costs included in the table are incurred and budgeted by Law Division and do not form part of Regulatory Affairs budget.

Regulatory Affairs										
(in thousands)		(a)	(b)		(c)	(d)		(e)	(f)	(g)
ITEM	2007 Actual	2008 Board Approved	2008 Actual	variance (b)-(a)	2009 Board Approved	2009 Actual	variance (d) - (c)	2010 Budget	2011 Plan	2012 Plan
Recurring Costs										
sal/wages, operating expenses	2,376		2,097			2,531		3,039	3,129	3,291
EB-2007-0905										
legal costs	296		615							
expert witnesses/consultants	90		493							
intervenor cost awards			1,407							
section 30			223			5				
other										
total	386		2,737			5		0	0	0
EB-2010-0008										
legal costs								1,500		
expert witnesses/consultants						124		1,250		
intervenor cost awards								1,890		
section 30										
other										
total						124		4,640	0	0
Other Regulatory Proceedings										
legal costs						241			500	1,500
expert witnesses/consultants						5			800	1,150
intervenor cost awards	100					59			300	1,985
section 30										
other	52		108			138		134	127	144
total	152		108			443		134	1,727	4,779
OEB Annual Assessment			345			944		980	1,500	1,500
Other										
total										
Grand total	2,914	0	5,287	0	0	4,046	0	8,793	6,356	9,570

33

CCC Interrogatory #025

Ref: Ex. F3-T1-S1, page 1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The corporate cost allocation methodology was reviewed by Black and Veatch. Please indicate if that work was tendered. If not, why not? What was the overall cost of the report and how are those cost to be recovered?

Response

Black & Veatch Inc. (“B&V”) was engaged to perform the corporate “Cost Allocation Review – 2009” under a sole source contract. The work was not competitively tendered. B&V had completed a similar study in 2006 for OPG, which the OEB had accepted. OPG decided that using the same consulting company and the same staff would result in lower costs and a more efficient process.

The overall cost of the report was \$37,500, the costs for which are recovered through the payment amounts.

CCC Interrogatory #026

Ref: Ex. F3-T1-S1, page 11

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The evidence indicates that OPG has completed a leveraged renegotiation of its outsourcing agreement with NHSS. Did OPG consider other service providers. Please provide evidence to support the premise that retaining NHSS was the most cost-effective approach for OPG.

Response

Yes, other service providers were considered prior to conducting a “leveraged renegotiation” of Information Technology outsourcing agreement with New Horizon System Solutions (“NHSS”). Prior to entering into renegotiation discussions with NHSS, independent consultants provided OPG with market-based cost savings targets. Cost savings achieved through renegotiation were greater than targets and enabled OPG to avoid significant transition costs and service disruption risks. Independent consultants reviewed the final results of the renegotiation and confirmed that the benefits articulated in the business case objectives were achieved.

CCC Interrogatory #027

Ref: Ex. F3-T1-S1, page 11

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The evidence states that the new agreement with NHSS will result in cost savings of about \$100 million by the end of the agreement. Please provide detailed evidence to support the calculation of this amount. How, specifically will those savings be achieved?

Response

The scope of IT services purchased under the new agreement remains unchanged compared to the previous agreement. They include:

- Infrastructure Management
- Application Management
- Data and Voice Network
- Data Centre
- Disaster Recovery
- End User
- Common Services
- Service Management

The un-inflated price for the above services was \$89.2M in 2009 just prior to the renewal. The new agreement delivers guaranteed price reductions for the same scope and volume over the life of the contract as follows:

- 2010 un-inflated pricing for base services is \$79.8M (decrease of \$9.4M).
- 2011 un-inflated pricing for base services is \$78.7M (incremental decrease of \$1.1M).
- 2012 un-inflated pricing for base services is \$77.6M (incremental decrease of \$1.1M).
- 2013 un-inflated pricing for base services is \$74.7M (incremental decrease of \$2.9M).
- 2014 un-inflated pricing for base services is \$72.6M (incremental decrease of \$2.1M).
- 2015 un-inflated pricing for base services is \$70.4M (incremental decrease of \$2.2M).

In addition, the new agreement delivers additional savings of about \$3.2M annually by moving to a fee-for-service approach for IT procurement and avoiding the mark-up on third-party support contracts and commodity hardware purchases.

1 The \$100M savings is summarized below.
2

Cost Savings 2010 - 2015				
<i>(millions of dollars)</i>				
<u>Reductions</u>	Base Services	Incremental	Third Party contracts	Total
2010	9.4	-	3.2	12.6
2011	9.4	1.1	3.2	13.7
2012	9.4	2.2	3.2	14.8
2013	9.4	5.1	3.2	17.7
2014	9.4	7.2	3.2	19.8
2015	9.4	9.4	3.2	22.0
Total	56.4	25.0	19.2	100.6

3

CCC Interrogatory #028

Ref: Ex. F3-T1-S2, Tables 1-2

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please provide a detailed variance analysis for each of the specific categories of Corporate Support and Administrative Costs. In addition, please explain why in each year 2007-2009 OPG actual costs were below budget by, in some cases significant amounts.

Response

The detailed variance analysis for each of the specific categories of Corporate Support and Administrative Costs are provided below for regulated Hydroelectric and Nuclear. The analysis included explanations for variance greater than \$1M or 10 per cent.

The explanations for why each year’s actual costs were below budget are provided in Ex. F3-T1-S2.

REGULATED HYDROELECTRIC (Ex. F3-T1-S2 and Table 1)

Business Services and Information Technology

Variance for 2010 Budget versus 2009 Actual (\$1.4M)

The 2010 budget decreases by \$1.4M versus the 2009 actual mainly due to savings in Information Technology as a result of a renegotiated outsourcing agreement with New Horizon System Solutions (“NHSS”) partially offset by increases in facility and utility costs due to escalation and non-recoverable HST on utilities in Real Estate.

Variance for 2008 Actual versus 2008 Budget (\$1.5M)

The 2008 actual decreased by \$1.5M versus 2008 budget mainly due to lower costs related to Information Technology special initiatives, and lower than planned labour costs due to hiring lags, delay in 700 University Avenue window replacement, and lower printing and graphics costs in Real Estate.

1 Variance for 2008 Actual versus 2007 Actual \$1.5M

2 The 2008 actual increased by \$1.5M versus 2007 actual mainly due to higher costs for the
3 Hydroelectric boundary project and higher allocation costs driven by the increase in capital
4 spending by regulated hydroelectric on the Niagara Tunnel project.
5

6 **Finance**
7

8 Variance for 2010 Budget versus 2009 Actual (\$0.8M)

9 The 2010 budget decreases by \$0.8M versus 2009 actual mainly due to planned cost
10 reduction initiatives, partly offset by increased audit fees for the implementation of
11 International Financial Reporting Standard ("IFRS").
12

13 Variance for 2009 Actual versus 2009 Budget (\$1.6M)

14 The 2009 actual decreased by \$1.6M versus 2009 budget mainly due to hiring lags, lower
15 spending on implementation of IFRS and lower costs related to the internal control program.
16

17 **Corporate Affairs**
18

19 Variance for 2012 Plan versus 2011 Plan \$1.0M

20 The 2012 plan increases by \$1.0M versus 2011 plan mainly due to activities associated with
21 the OEB payment amounts hearing.
22

23 Variance for 2011 Plan versus 2010 Budget (\$0.6M)

24 The 2011 plan decreases by \$0.6M versus 2010 plan mainly due to lower pandemic
25 influenza costs, lower costs related to the activities associated with the OEB payment
26 amounts hearing and planned costs reduction initiatives.
27

28 Variance for 2010 Budget versus 2009 Actual \$1.8M

29 The 2010 plan increases by \$1.8M versus 2009 actual mainly due to higher costs related to
30 the activities associated with the OEB payment amounts hearing, pandemic influenza costs
31 and initiatives related to water safety, community and sponsorship advertising.
32

33 Variance for 2009 Actual versus 2008 Actual (\$0.8M)

34 The 2009 actual decreased by \$0.8M versus 2008 actual mainly due to lower costs related to
35 the activities associated with the OEB payment amounts hearing partly offset by increased
36 pandemic influenza costs.
37

38 Variance for 2008 Actual versus 2007 Actual \$2.4M

39 The 2008 actual increased by \$2.4M versus 2007 actual mainly due to higher costs related to
40 the activities associated with the OEB payment amounts hearing, initiatives related to water
41 safety, community and sponsorship advertising and economic increases.
42

1 **Corporate Centre**

2
3 Variance for 2012 Plan versus 2011 Plan \$0.5M

4 The 2012 plan increases by \$0.5M versus 2011 plan mainly due to legal costs related to the
5 OEB payment amounts hearing.

6
7 Variance for 2011 Plan versus 2010 Budget (\$0.3M)

8 The 2011 plan decreases by \$0.3M mainly due to legal costs related to activities associated
9 with the OEB payment amounts hearing.

10
11 Variance for 2010 Budget versus 2009 Actual \$0.7M

12 The 2010 plan increases by \$0.7M versus 2009 actual mainly due to legal costs related to
13 activities associated with the OEB payment amounts hearing.

14
15 Variance for 2009 Actual versus 2009 Budget (\$1.1M)

16 The 2009 actual decreased by \$1.1M versus 2009 budget mainly due to lower legal costs
17 related to activities associated with the OEB payment amounts hearing and a reduction in the
18 number of senior executives reporting to the President.

19
20 Variance for 2009 Actual versus 2008 Actual (\$0.6M)

21 The 2009 actual decreased by \$0.6M versus 2008 actual mainly due to the reduction in the
22 number of senior executives reporting to the President and lower legal costs related to
23 activities associated with the OEB payment amounts hearing.

24
25 Variance for 2008 Actual versus 2008 Budget (\$0.3M)

26 The 2008 actual decreased by \$0.3M versus 2008 budget mainly due to hiring lags.

27
28 Variance for 2007 Actual versus 2007 Budget (\$0.3M)

29 The 2007 actual decreased in 2007 versus 2007 budget mainly due lower labour rates
30 created by higher than expected staff turnover.

31
32
33 **NUCLEAR (Ex. F3-T1-S2, Table 2)**

34
35 **Business Services and Information Technology**

36
37 Variance for 2011 Plan versus 2010 Budget \$2.6M

38 The 2011 plan increases by \$2.6M versus 2010 plan mainly due to increases for
39 infrastructure and application maintenance in Information Technology, and increases for
40 facility and utility costs due to escalation and non-recoverable HST on utilities in Real Estate.

41
42 Variance for 2010 Budget versus 2009 Actual \$4.6M

43 The 2010 budget increases by \$4.6M versus 2009 actual mainly due to higher support costs
44 for Nuclear projects in Information Technology, and increases for facility and utility costs due
45 to escalation and non-recoverable HST on utilities in Real Estate.

Variance for 2009 Actual versus 2009 Budget (\$20.7M)

The 2009 actual decreased by \$20.7M versus 2009 budget mainly due to lower costs relating to special initiatives and profit sharing under the terms of the NHSS contract in Information Technology. Cost reductions were also achieved as a result of lower than planned labour costs due to hiring lags and lower than planned facility and utility costs in Real Estate.

Variance for 2008 Actual versus 2008 Budget (\$21.3M)

The 2008 actual decreased by \$21.3M versus 2008 budget mainly due to lower costs relating to special initiatives and profit sharing under the terms of the NHSS contract in Information Technology. Cost reductions were also achieved as a result of lower than planned labour costs due to hiring lags, delay in 700 University Avenue window replacement, and lower printing and graphics costs in Real Estate.

Variance for 2007 Actual versus 2008 Actual (\$8.7M)

The 2007 actual decreased by \$8.7M versus 2008 actual mainly due to lower than planned costs in short term services from NHSS and hardware purchases in Information Technology and decreased furniture and office equipment purchases, and facility repairs and maintenance costs in Real Estate.

Variance for 2007 Actual versus 2007 Budget (\$4.7M)

The 2007 actual decreased by \$4.7M versus 2007 budget mainly due to lower costs relating to profit sharing under the terms of the NHSS contract in Information Technology, and lower than planned labour costs due to hiring lags in Real Estate.

Finance

Variance for 2009 Actual versus 2008 Actual \$3.2M

The 2009 actual increased by \$3.2M mainly due to increase support for nuclear projects and economic increases.

Variance for 2008 Actual versus 2008 Budget (\$3.0M)

The 2008 actual decreased by \$3.0M versus 2008 budget mainly due to hiring lags, unplanned transfer of costs for work directly related to major nuclear projects and lower external purchases.

Human Resources

Variance for 2007 Actual versus 2007 Budget (\$2.6M)

The 2007 actual decreased by \$2.6M versus 2007 budget mainly due to hiring lags, lower than planned external purchased services.

Corporate Affairs

Variance for 2012 Plan versus 2011 Plan \$1.5M

The 2012 plan increases by \$1.5M versus 2011 plan mainly due to activities associated with the OEB payment amounts hearing.

Variance for 2011 Plan versus 2010 Budget (\$1.9M)

The 2011 plan decreases by \$1.9M versus 2010 budget mainly due to lower pandemic influenza costs, lower costs related to the OEB payment amounts hearing and planned costs reduction initiatives.

Variance for 2010 Budget versus 2009 Actual \$5.8M

The 2010 plan increases by \$5.8M versus 2009 actual mainly due to higher costs related to activities associated with the OEB payment amounts hearing, pandemic influenza costs, initiatives related to community and sponsorship advertising, and economics increases.

Variance for 2009 Actual versus 2009 Budget (\$10.1M)

The 2009 actual decreased by \$10.1M versus 2009 budget mainly due to lower costs for activities associated with the OEB payment amounts hearing, initiatives related to community and sponsorship advertising, pandemic influenza costs and hiring lags.

Variance for 2009 Actual versus 2008 Actual (\$3.0M)

The 2009 actual decreased by \$3.0M versus 2008 actual mainly due to the lower costs related to community and sponsorship advertising, and costs related to activities associated with the OEB payment amounts hearing partly offset by increased pandemic influenza costs, and economic increases.

Variance for 2008 Actual versus 2008 Budget (\$7.5M)

The 2008 actual decreased by \$7.5M versus 2008 budget mainly due to lower costs related to activities associated with the OEB payment amounts hearing, lower pandemic influenza costs, membership fees and hiring lags partly offset by higher costs related to community and sponsorship advertising.

Variance for 2008 Actual versus 2007 Actual \$3.6M

The 2008 actual increased by \$3.6M versus 2007 actual mainly due to costs related to activities associated with the OEB payment amounts hearing, increased costs related to community and sponsorship advertising and economic increases.

Variance for 2007 Actual versus 2007 Budget (\$1.2M)

The 2007 actual decreased by \$1.2M versus 2007 budget mainly due to hiring lags and lower cost related to activities associated with the OEB payment amounts hearing.

Corporate Centre

Variance for 2012 Plan versus 2011 Plan \$1.0M

The 2012 plan increases by \$1.0M versus 2011 plan mainly due to legal costs related to activities associated with the OEB payment amounts hearing.

Variance for 2010 Budget versus 2009 Actual \$1.8M

The 2010 plan increases by \$1.8M versus 2009 actual mainly due to legal costs related to activities associated with the OEB payment amounts hearing, economics increases.

Variance for 2009 Actual versus 2009 Budget (\$1.8M)

The 2009 actual decreases by \$1.8M versus 2009 budget mainly due to lower legal costs related to activities associated with the OEB payment amounts hearing and a reduction in the number of senior executives reporting to the President.

Variance for 2009 Actual versus 2008 Actual (\$2.3M)

The 2009 actual decreased by \$2.3M versus 2008 actual mainly due to a reduction in the number of senior executives reporting to the President and lower legal costs related to activities associated with the OEB payment amounts hearing.

Variance for 2008 Actual versus 2007 Actual \$1.7M

The 2008 actual increases by \$1.7M versus 2007 actual mainly due to higher legal costs related to activities associated with the OEB payment amounts hearing, legal costs related to the Bruce lease arbitration and economic increases.

Variance for 2007 Actual versus 2007 Budget (\$1.2M)

The 2007 actual decreased by \$1.2M versus 2007 budget mainly due to lower labour rates created by higher than expected staff turnover and unplanned transfer of costs for legal work directly related to major nuclear projects.

CCC Interrogatory #029

Ref: Ex. F3-T1-S1

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please set out a table which includes the following:

- a) All regulatory costs in each year 2007-2012 including all internal and external costs;
- b) All regulatory costs associated with the 2008/2009 payments proceedings;
- c) All proposed costs associated with the 2011/2012 proceeding;
- d) An explanation as to how those costs are to be recovered.

Response

a), b) and c)

Please see Ex. L-01-103.

- d) All forecast costs associated with the 2011 - 2012 proceeding are proposed for recovery through OPG’s proposed payment amounts.

GEC Interrogatory #033

Ref: Ex. D2-T2-S1

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

The federal government has tabled legislation, the Nuclear Liability and Compensation Act, which would raise the limit on OPG's required minimum insurance from \$75 million to \$650 million. If passed, this legislation would increase the insurance fees for Darlington as well as for Pickering A and B.

- a) Please provide the annual insurance fees paid under the current Nuclear Liability Act for the Pickering A and B as well as Darlington.
- b) Has OPG considered the impact of an increased minimum accident insurance requirement in its operational costs in this rate application? If so, please provide OPG's estimates of how much its nuclear accident insurance fees will increase if the Nuclear Liability and Compensation Act is passed for each of its nuclear facilities.
- c) Has OPG been required to pay increase fees to insure the Pickering A, B and Darlington nuclear stations since the terrorist attacks September 11th. If so, please provide a breakdown of fees for each station with rational.

Response

- a) The annual insurance fees paid under the current Nuclear Liability Act for Pickering A, Pickering B and Darlington Generating Stations are as follows, based on 2007 - 2009 actuals (\$M):

Station	\$M
Pickering A	0.4
Pickering B	0.7
Darlington	0.8
Total	1.9

- b) Yes, OPG has considered the impact of an increased minimum accident insurance requirement in its operational costs in this Application. This is discussed in Ex. L-01-089. The table below provides the estimated increase in nuclear accident insurance fees by

station during the test period. The station allocation is estimated using the same percentages as for the actual paid fees by station, shown in part a) above.

	2010 Premium	Increase From 2010 to 2011	2011 Premium	Increase From 2011 to 2012	2012 Premium
(\$M)					
Pickering A	0.4	0.5	0.9	0.4	1.3
Pickering B	0.7	1.0	1.7	0.6	2.3
Darlington	0.8	1.1	1.9	0.8	2.7
Total	1.9	2.6	4.5	1.8	6.3
Minimum Insurance	75	175	250	100	350

- c) There was an initial impact to OPG with respect to increased fees to insure the Pickering A, Pickering B and Darlington Generating Stations are due to the terrorist attacks on September 11. This increase, however, has dissipated over time so that the effects are very marginal, if any, during the test period.

PWU Interrogatory #023

1
2
3 **Ref:** (a): Ex. F3-T1-S2, page 2, lines 17-19. In comparing 2009 Actual versus 2009
4 Budget for the allocation of corporate costs to the regulated hydroelectric
5 segment, OPG reports:

6
7 ...lower OEB related costs due to a decision to defer the rate
8 application, and efforts to manage staff vacancies.
9

10 (b): Ex. F3-T1-S2, page 2, lines 28-30. In comparing 2008 Actual versus 2008
11 Budget for the allocation of corporate costs to the regulated hydroelectric
12 segment, OPG submits:

13
14 Actual corporate support costs were \$2.0M lower than budget in
15 2008, primarily due to lower costs related to Information Technology
16 special initiatives, a number of one-time IT credit adjustments and
17 hiring lags, partly offset by economic increases.
18

19 (c): Ex. F3-T1-S2, page 3, lines 12-15. In comparing 2007 Actual versus 2007
20 Budget for the allocation of corporate costs to the regulated hydroelectric
21 segment, OPG reports:

22
23 Corporate support costs were \$1.4M lower than budget in 2007. The
24 lower costs were mainly due to staff vacancies, lower outsourcing
25 agreement gainshare, OEB-related activities and deferral of 2007
26 safety conference, partly offset by higher project OM&A (for
27 infrastructure asset refresh work), support function review, and tax
28 advisory costs.
29

30 (d): Ex. F3-T1-S2, page 4, lines 18-21. In comparing 2009 Actual versus 2009
31 Budget for the allocation of corporate costs to the nuclear segment, OPG
32 submits:

33
34 Actual corporate support costs were \$32.9M lower than budget in
35 2009, primarily due to lower OEB costs due to a decision to defer the
36 rate application, lower advertising costs, lower costs in Information
37 Technology related to special initiatives, and efforts to manage staff
38 vacancies.
39

40 (e): Ex. F3-T1-S2, page 5, lines 2-4. In comparing 2008 Actual versus 2008 Budget
41 for the allocation of corporate costs to the nuclear segment, OPG submits:

42
43 Corporate support costs were \$31.5M lower than budget in 2008,
44 primarily due to lower costs in Corporate Affairs advertising and

1 lower costs in Information Technology relating to special initiatives, a
2 number of one-time IT credit adjustments and hiring lags.

- 3
4 (f): Ex. F3-T1-S2, page 5, lines 17-20. In comparing 2007 Actual versus 2007
5 Budget for the allocation of corporate costs to the nuclear segment, OPG
6 submits:

7
8 Corporate support costs were lower than budget by \$9.8M in 2007.
9 The lower costs were mainly due to staff vacancies, lower NHSS
10 outsourcing agreement gainshare, lower OEB related activities and
11 deferral of 2007 safety conference, partly offset by higher project
12 OM&A (for infrastructure asset refresh work), support function
13 review, and tax advisory costs.
14

15 **Issue Number: 6.9**

16 **Issue:** Are the "Centralized Support and Administrative Costs" (which include Corporate
17 Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric
18 Common Services) and the allocation of the same to the regulated hydroelectric business
19 and nuclear business appropriate?
20

21 **Interrogatory**

- 22
23 a) OPG has reported staff vacancies and hiring lags in relation to the allocation of corporate
24 support costs to its nuclear and regulated hydroelectric businesses over the period 2007
25 – 2009. Please indicate the corporate functions that have been affected by staff
26 vacancies or hiring lags reported by OPG over 2007 – 2009. In particular, please refer to
27 the vacancies related to the provision of corporate support services to the nuclear and
28 regulated hydroelectric businesses.
29
30 b) Please indicate the number of staff vacancies for 2007, 2008 and 2009. In particular,
31 please refer to the vacancies related to the provision of corporate support services to the
32 nuclear and regulated hydroelectric businesses.
33
34 c) Has OPG's provision of corporate support services to its nuclear and hydroelectric
35 regulated businesses been impacted due to staff vacancies or hiring lags reported over
36 the period 2007 – 2009. If so, please provide a brief description of efforts to manage staff
37 vacancies.
38
39 d) What is the current status of OPG's staff vacancies in relation to the provision of
40 corporate support services to its regulated businesses? Please indicate the number of
41 current unfilled vacancies.
42
43 e) Is OPG planning to fill vacancies for the corporate groups over the period 2010 – 2012?
44 Please refer to the vacancies related to the provision of corporate services to the nuclear
45 and regulated hydroelectric businesses.

Witness Panel: Corporate Functions and Cost Allocation

1 **Response**

- 2
- 3 a) The corporate functions that have been affected by staff vacancies and hiring lags
- 4 include Business Services & Information Technology, Finance, and Human Resources.
- 5
- 6 b) The corporate functions provide support and service on both a direct and shared
- 7 resource basis. The identification of individual vacancies to the nuclear and regulated
- 8 hydroelectric businesses cannot be determined, as these impacts are not tracked
- 9 according to vacancies related to the provision of corporate support services to the
- 10 nuclear and regulated hydroelectric businesses.
- 11
- 12 c) Staff vacancies and hiring lags are a normal occurrence in operating a business. As
- 13 vacancies arise management assesses the need to fill the vacancy or to eliminate the
- 14 position. The process to fill vacancies is followed by management in accordance with the
- 15 process established by Human Resources and in adherence to the collective
- 16 agreements.
- 17
- 18 d) As noted in part b), this information cannot be provided as vacancies are not tracked in
- 19 this manner.
- 20
- 21 e) OPG will fill vacancies as there is a business need to do so.

SEC Interrogatory #035

Ref: Ex. F3-T1-S2, Table 2, and OEB Decision EB-2007-0905, page 57

Issue Number: 6.9

Issue: Are the “Centralized Support and Administrative Costs” (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

Please explain the apparent discrepancies as between the Nuclear Support corporate costs shown in the Board decision at page 57 (Board Approved) and the budget figures for 2007, 2008 and 2009 (e.g., \$236.6M vs. \$250.56M / \$263.7 vs. \$269.1 / \$262.4 vs. \$267).

Response

In 2007, the budgeted nuclear support corporate costs were \$246.2M. The \$236.6M identified in the interrogatory is the actual costs for 2007.

The difference in the amount of Corporate Support and Administrative Costs allocated to Nuclear for 2007 is an increase of \$4.3M. This increase reflects budget accountability transfers from the Nuclear business to the Corporate Support groups. The transfers include moving the cost for the finance department in Nuclear Inspection Maintenance Services to the Finance group and moving the cost of the Nuclear Leadership Training Department to the Human Resources group.

For explanations of the 2008 and 2009 differences, please refer to Ex. L-01-096.

VECC Interrogatory #025

Ref: Ex. F3-T1-S2

Issue Number: 6.9

Issue: Are the "Centralized Support and Administrative Costs" (which include Corporate Support and Administrative Service Groups, Centrally Held Costs and Hydroelectric Common Services) and the allocation of the same to the regulated hydroelectric business and nuclear business appropriate?

Interrogatory

With respect to total Corporate Support and Administrative Costs allocated between regulated and unregulated operations, please provide a table showing total costs budgeted/actual broken down by corporate group (as per tables 1 and 2) for each year 2007-2012 inclusive.

Response

Please see the requested table below.

Comparison of Corporate Support & Administrative Costs (\$M)

OPG

Line No.	Corporate Group	2007 Budget	(c)-(a) Change	2007 Actual	(e)-(c) Change	2008 Actual	(e)-(g) Change	2008 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Finance	58.6	(0.2)	58.4	(0.3)	58.1	(4.8)	62.9
2	Corporate Affairs	24.6	(1.3)	23.3	5.9	29.2	(8.4)	37.6
3	Business Services & IT ¹	221.0	(7.0)	214.0	(6.6)	207.4	(31.6)	239.0
4	Corporate Centre ²	21.5	(2.3)	19.2	2.3	21.5	(1.3)	22.8
5	Energy Markets	23.2	(3.2)	20.0	0.2	20.2	(1.3)	21.5
6	Human Resources	54.6	(3.4)	51.2	2.0	53.2	0.8	52.4
7	Total	403.5	(17.4)	386.1	3.5	389.6	(46.6)	436.2

1

Line No.	Corporate Group	2008 Actual	(c)-(a) Change	2009 Actual	(c)-(e) Change	2009 Budget
		(a)	(b)	(c)	(d)	(e)
8	Finance	58.1	2.4	60.5	(3.7)	64.2
9	Corporate Affairs	29.2	(2.5)	26.7	(11.0)	37.7
10	Business Services & IT ¹	207.4	(0.2)	207.2	(29.5)	236.7
11	Corporate Centre ²	21.5	(2.2)	19.3	(3.6)	22.9
12	Energy Markets	20.2	0.2	20.4	(1.5)	21.9
13	Human Resources	53.2	0.6	53.8	0.0	53.8
14	Total	389.6	(1.7)	387.9	(49.3)	437.2

2

3

Line No.	Corporate Group	2009 Actual	(c)-(a) Change	2010 Budget	(e)-(c) Change	2011 Plan	(g)-(e) Change	2012 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
15	Finance	60.5	(0.1)	60.4	(0.1)	60.3	0.2	60.5
16	Corporate Affairs	26.7	7.1	33.8	(3.3)	30.5	2.8	33.3
17	Business Services & IT ¹	207.2	(1.9)	205.3	2.8	208.1	(0.4)	207.7
18	Corporate Centre ²	19.3	6.9	26.2	0.3	26.5	1.6	28.1
19	Energy Markets	20.4	1.6	22.0	(0.8)	21.2	0.3	21.5
20	Human Resources	53.8	0.2	54.0	0.8	54.8	0.4	55.2
21	Total	387.9	13.8	401.7	(0.3)	401.4	4.9	406.3

1 Formerly Chief Information Office (CIO)

2 Corporate Centre includes Executive Office, Corporate Secretary, and Law.

4