



EB-2010-0046

IN THE MATTER OF Sections 18 and 19 of the
Electricity Act, 1998;

AND IN THE MATTER OF the Independent
Electricity System Operator Fiscal 2011 Fees
Submission for Review.

PROCEDURAL ORDER NO. 1

On November 2, 2010, the Independent Electricity System Operator (the "IESO" or the "Applicant") filed its fiscal 2011 Fees Submission for Review with the Ontario Energy Board (the "Board") for review in accordance with sections 18 and 19 of the *Electricity Act, 1998*. The Board assigned file number EB-2010-0046 to this proceeding.

The Board issued a Notice of Application ("Notice") dated December 3, 2010 with respect to this matter. The Board also issued a decision dated January 6, 2011 with respect to the requests for intervenor status and eligibility for cost awards.

An intervenor list is attached as Appendix "A" to this Procedural Order.

Attached to this procedural order as Appendix "B" is a draft issues list. The Board has decided to invite comments on the draft issues list from the intervenors and the Applicant. The Board will then review the draft issues list and the comments received and decide on a final Board-approved issues list to be considered in this proceeding.

The Board will consider the need for an oral hearing at a later date.

The Board considers it necessary to make provision for the following procedural matters. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. Intervenors may file with the Board, comments on the draft issues list attached to this procedural order as Appendix "B", with copies to the other intervenors and the Applicant, by **January 27, 2011**.
2. The Applicant may file with the Board, comments on the draft issues list attached to this procedural order as Appendix "B" and on the comments provided by the intervenors, with copies to the intervenors by **February 2, 2011**.
3. The Board expects to issue a Board-approved issues list by **February 11, 2011**.
4. In lieu of a written interrogatory process, a technical conference will be held at 2300 Yonge Street, Toronto on the 25th floor in the West Hearing Room on **Friday, February 18, 2011 from 9:30 AM to 5:00 PM**. At this conference, the IESO will provide a brief overview of its pre-filed evidence and there will be an opportunity for questions by Intervenors and Board staff. The technical conference will be transcribed.
5. If the IESO staff is unable to provide complete and satisfactory answers to questions raised at the technical conference, Intervenors may seek undertakings for the IESO to provide written responses to all Intervenors and Board staff by **Friday, February 23, 2011**.
6. A Settlement Conference will be held at 2300 Yonge Street, Toronto on the 25th floor in the West Hearing Room commencing **Tuesday, March 8, 2011 from 9:30 AM to 5:00 PM** and continuing, if necessary, on **Wednesday, March 9, 2011 at 9:30 AM**.

All filings to the Board must quote file number EB-2010-0046. You must file two paper copies and an electronic copy through the OEB Web Portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the “e-Filing Services” page on the Board’s website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines also found on the “e-Filing Services” webpage. Alternately, the electronic copy of the documents may be submitted by e-mail to the Board Secretary at BoardSec@oeb.gov.on.ca. Those who do not have internet access are required to submit the electronic copy on a CD. All electronic filings are to be in searchable/unprotected PDF format. Parties must also include the Case Manager, Robert Caputo at robert.caputo@oeb.gov.on.ca and Board Counsel, Kristi Sebalj at kristi.sebalj@oeb.gov.on.ca on all electronic correspondence related to this case.

DATED at Toronto January 18, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX "A"

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR
2011 FEES SUBMISSION FOR REVIEW
EB-2010-0046**

Dated: January 18, 2011

APPLICANT AND INTERVENOR LIST

**Independent Electricity System Operator
EB-2010-0046**

APPLICANT & LIST OF INTERVENORS

January 18, 2011

APPLICANT

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**Independent Electricity System Operator
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APPLICANT & LIST OF INTERVENORS

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INTERVENORS

AMPCO

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**Independent Electricity System Operator
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APPLICANT & LIST OF INTERVENORS

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**Independent Electricity System Operator
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APPLICANT & LIST OF INTERVENORS

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**Independent Electricity System Operator
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APPLICANT & LIST OF INTERVENORS

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**Independent Electricity System Operator
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APPLICANT & LIST OF INTERVENORS

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APPENDIX “B”

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR
2011 FEES SUBMISSION FOR REVIEW**

EB-2010-0046

Dated: January 18, 2011

DRAFT ISSUES LIST

INDEPENDENT ELECTRICITY SYSTEM OPERATOR (“IESO”)
FISCAL 2011 FEES SUBMISSION FOR REVIEW
DRAFT ISSUES LIST
EB-2010-0046

1.0 Operating Costs

- 1.1 Are the IESO's projected OM&A Costs appropriate and reasonable?
- 1.2 Are the IESO's projected staff costs and strategy for setting compensation levels appropriate and reasonable?

2.0 Capital Spending

- 2.1 Are the IESO's proposed 2011 capital expenditures on the enhanced day-ahead commitment (EDAC) project reasonable?
- 2.2 Is the EDAC project on budget and schedule?
- 2.3 Is the current design of the EDAC expected to achieve the desired benefits in light of the evolving market conditions?
- 2.4 Are the IESO's proposed capital expenditures, other than EDAC, appropriate and reasonable?

3.0 Methodology for Calculating Usage Fee

- 3.1 Is the methodology for calculating the 2011 usage fee and process for rebating surpluses appropriate and reasonable?
- 3.2 Is the forecast Market Demand and methodology appropriate and have the impact of Conservation or Demand Management initiatives been suitably reflected?
- 3.3 Is the IESO's plan to retain the 2010 projected surplus to assist in rate stabilization and to address the higher than normal risk that energy volumes will be lower than assumed over the planning period appropriate and reasonable?

4.0 Green Energy and Green Economy Act (GEGEA) Initiatives

- 4.1 Are the IESO's plans to address GEGEA initiatives reasonable and cost effective?
- 4.2 Are the IESO's proposed increases in resources to implement the GEGEA initiatives reasonable and cost effective?

5.0 Smart Metering Entity

- 5.1 Is the IESO's process for separating costs associated with its role as the Smart Metering Entity (“SME”) from costs associated with its role in operation the provincial electricity grid and managing the wholesale electricity market reasonable?
- 5.2 Is the IESO's proposal and timing for recovery of its smart metering costs through a separate regulatory mechanism appropriate and reasonable?

- 5.3 Does the IESO have processes in place to ensure the SME meets its smart meter obligations including requirements to meet electricity distributors' implementation of mandatory TOU (June 2011) and the SME's licensing requirements?

6.0 Reliability

- 6.1 Are the IESO's proposed measures to address reliability appropriate and cost effective?