



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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Michael Buonaguro
Counsel for VECC
(416) 767-1666

December 21, 2007

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
Notice of Intervention: EB-2007-0816

Please find enclosed the Notice of Intervention of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding. We have also directed a copy of the same to the Applicant. As requested in the Notice of Application, we have also enclosed our comments on the draft issue list; proposed changes/additions are highlighted in draft.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Paula Lukan

ONTARIO ENERGY BOARD

**NOTICE OF APPLICATION AND HEARING
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
FISCAL 2008 FEES SUBMISSION FOR REVIEW**

NOTICE OF INTERVENTION

OF

VULNERABLE ENERGY CONSUMERS COALITION (VECC)

To: Ms. Kirsten Walli
Board Secretary

And to: Independent Electricity System Operator
Attn: Paula Lukan

1. The Vulnerable Energy Consumers Coalition (VECC) hereby expresses its intention to intervene and participate in the above-mentioned proceeding. VECC consists of the following organizations:
 - (a) The Federation of Metro Tenants Association
 - (b) The Ontario Coalition of Senior Citizens' Organizations (OCSCO)

2. The Federation of the Metro Tenants Association is a non-profit corporation composed of over ninety-two affiliated tenants associations, individual tenants, housing organizations, and members of non-profit housing co-ops. In addition to encouraging the organization of tenants and the promotion of decent and affordable housing, the Federation provides general information, advice, and assistance to tenants. The address is:

500-27 Carlton Street
Toronto, ON
M5B 1L2

3. The Ontario Coalition of Senior Citizens' Organizations (OCSCO) is a coalition of over 120 senior groups as well as individual members across Ontario. OCSCO represents the concerns of over 500,000 senior citizens through its group and individual members. OCSCO's mission is to improve the quality of life for Ontario's seniors. OCSCO's address is:

500-3101 Bathurst Street
Toronto, ON
M6A 2A6

4. The name and address of the agent authorized to receive documents on behalf of VECC is:

Mr. Michael Buonaguro
Counsel
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 767-1666 (office)
(416) 348-0641 (fax)
mbuonaguro@piac.ca

5. VECC would request that all correspondence and documentation also be copied to VECC's consultant:

Mr. Bill Harper
Econalysis Consulting Services
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 348-0193 (office)
(416) 348-0641 (fax)
bharper@econalysis.ca

6. VECC requests that copies of the Application and any additional supporting materials be forwarded to each of the two parties named above.
7. VECC has been an active participant in past IESO fees applications over the last 6 years. As a representative of ratepayers active in electricity rates cases, it has also been involved in rates matters involving electricity distributors and with the development of 2nd generation Incentive Regulation and Cost of Capital proceedings for Ontario Electricity Distributors.
8. VECC's specific concerns in regard to the current proceeding include a determination as to whether the IESO's proposed revenue requirement and 2008 Fees based on its capital spending plans, usage fees, and rebate are reasonable and consistent with the evidentiary record.

9. VECC submits that, similar to last year's proceeding, the Board should afford intervenors the opportunity to elicit additional information from the Applicant by allowing for interrogatory requests. Further, VECC suggests that provision for a brief settlement conference of no more than one week would be appropriate given that parties to IESO proceedings in the past have been able to achieve comprehensive settlement agreements that have resulted in efficient use of the Board's time and resources.
10. VECC believes that provision for an oral hearing would be appropriate for this case as it would afford the Board an opportunity to receive any settlement agreement that has been achieved by the parties and to make inquiries of parties regarding the content of the agreement on which the Board feels that it needs further clarification or elaboration. Further, in the event that not all matters are settled, a brief oral hearing of a day or two would allow the Board to hear the Applicant's evidence and to receive submissions that will assist its deliberations.
11. VECC will be requesting an award of costs for its participation in this proceeding and believes that, as a coalition representing the direct interests of consumers, it meets the eligibility criteria set out in the Ontario Energy Board's Rules of Practice and Procedure (Section 41) and its Practice Direction on Cost Awards (Section 3.03).

DATED AT TORONTO, THIS 21st DAY OF DECEMBER 2007

Michael Buonaguro
Counsel for VECC
c/o Public Interest Advocacy Centre

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR ("IESO")
FISCAL 2008 FEES SUBMISSION FOR REVIEW
DRAFT ISSUES LIST PREPARED BY BOARD STAFF
EB-2007-0816**

1.0 Operating Cost

- 1.1 Are the IESO's projected OM&A Program Costs reasonable?
- 1.2 Are the IESO's projected staff costs and strategy for setting compensation levels appropriate and reasonable?
- 1.3 The IESO's third quarter 2007 financial statements indicate that the IESO holds \$23.1 million of illiquid Asset-Backed Commercial Paper on which neither principal nor interest has been paid. What are the implications of this ABCP for the IESO's 2008 revenue requirement?

2.0 Capital Spending

- 2.1 Are the projected expenditures, including of \$8 million in 2008 and \$8 million in 2009 on Day-Ahead Market ("DAM"), appropriate and reasonable?
- 2.2 What is the level of IESO commitment to DAM and is this sufficient for funding approval?
- 2.3 Is the proposed schedule which calls for approval of DAM by the IESO Board by late 2007 or early 2008, capital work to start in 2008 and for DAM to be operational in 2009 realistic?

3.0 Smart Metering Initiative

- 3.1 Is the IESO's process for forecasting and separating of costs associated with its role as the Smart Metering Entity and as the System Operator appropriate?

4.0 Benchmarking

- 4.1 Are the IESO's proposed cost categories for comparison to its peers appropriate for improving operational efficiency?

5.0 Reliability

- 5.1 Are the IESO's proposed 2008 measures to address reliability appropriate and cost-effective?

6.0 Status Report on the Obligations and Undertakings Arising Out of the IESO's 2007 Fees Submission

6.1 Has the IESO satisfactorily complied with its undertakings and obligations?

6.2 Do any of the undertakings or obligations addressed by the IESO in its Status Report have implications which should be reviewed in the current proceeding?