



***PUBLIC INTEREST ADVOCACY CENTRE
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January 25, 2011

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-2010-0279

**Ontario Power Authority – Review of Proposed Fiscal 2011 Expenditure,
Revenue Requirement, and Fees Submission**

Please find enclosed the interrogatories of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Ontario Power Authority ("OPA")
2011 Proposed Expenditure and Revenue Requirement Review
Board File Number EB-2010-0279
Interrogatories of the Vulnerable Energy Consumers Coalition ("VECC")

Strategic Objective 1 ("SO1")

VECC IR #1

Reference: Exhibit B, Tab 1, Schedule 1, page 8, Table 1

- a) Please indicate when the 2010 Forecast was made and provide any update for 2010 actual results available.
- b) Please provide a breakdown of the line item "Compensation and Benefits" for 2010 and 2011 among the groups Executive, Management, and Staff and provide details with respect to the following categories for each: base compensation, incentive compensation, overtime, pension, and other benefits.

VECC IR #2

Reference: Exhibit B, Tab 1, Schedule 1, page 8, Table 1 and
Exhibit D, Tab 2, Schedule 1, page 9, Table 4

- a) Please confirm that the average compensation and benefits per FTE associated with SO1 was \$110.6K in the 2010 budget and is forecast to be \$116.1K in 2011. If unable to so confirm, please explain.
- b) Please explain why the average compensation and benefits per FTE for 2011 is budgeted to be 5% above the 2010 budgeted amount.
- c) Please explain why the 2010 forecasted compensation and benefits per FTE are about 3% above the 2010 budgeted compensation and benefits per FTE.

Strategic Objective 2 ("SO2")

VECC IR #3

Reference: Exhibit B, Tab 2, Schedule 1, page 16, Table 1

- a) Please indicate when the 2010 Forecast was made and provide any update for 2010 actual results available.
- b) Please provide a breakdown of the line item "Compensation and Benefits" for 2010 and 2011 among the groups Executive, Management, and Staff and provide details with respect to the following categories for each: base compensation, incentive compensation, overtime, pension, and other benefits.

VECC IR #4

Reference: Exhibit B, Tab 2, Schedule 1, page 16, Table 1 and
Exhibit D, Tab 2, Schedule 1, page 9, Table 4

- a) Please confirm that the average compensation and benefits per FTE associated with SO2 was \$108.0K in the 2010 budget and is forecast to be \$118.6K in 2011. If unable to so confirm, please explain.
- b) Please explain why the average compensation and benefits per FTE for 2011 is budgeted to be 9.8% above the 2010 budgeted amount.
- c) Please explain why the 2010 forecasted compensation and benefits per FTE are about 3% above the 2010 budgeted compensation and benefits per FTE.

Strategic Objective 3 ("SO3")

VECC IR #5

Reference: Exhibit B, Tab 3, Schedule 1, page 14, Table 1

- a) Please indicate when the 2010 Forecast was made and provide any update for 2010 actual results available.
- b) Please provide a breakdown of the line item "Compensation and Benefits" for 2010 and 2011 among the groups Executive, Management, and Staff and provide details with respect to the following categories for each: base compensation, incentive compensation, overtime, pension, and other benefits.

VECC IR #6

Reference: Exhibit B, Tab 3, Schedule 1, page 14, Table 1 and
Exhibit D, Tab 2, Schedule 1, page 9, Table 4

- a) Please confirm that the average compensation and benefits per FTE associated with SO3 was \$90.6K in the 2010 budget and is forecast to be \$107.9K in 2011. If unable to so confirm, please explain.
- b) Please explain why the average compensation and benefits per FTE for 2011 is budgeted to be 19.1% above the 2010 budgeted amount.
- c) Please explain why the 2010 forecasted compensation and benefits per FTE are about 7.9% above the 2010 budgeted compensation and benefits per FTE.

Strategic Objective 4 ("SO4")

VECC IR #7

Reference: Exhibit D, Tab 2, Schedule 1, page 9, Table 4 and
Exhibit D, Tab 2, Schedule 2, page 6

- a) Please indicate when the 2010 Forecast was made for Information Technology and the Project Management Office ("IT") and provide any update for 2010 actual results available.
- b) The first reference indicates 14 FTEs in 2010 and 13 FTEs in 2011 in IT. Compensation and benefits costs for this group is budgeted for 2011 as \$1.419M, budgeted for 2010 as \$1.221M and forecasted for 2010 to be \$1.444M. This results in average compensation and benefits for this group (in \$ per FTE) of \$109.2K (budget 2011), \$87.2K (budgeted for 2010), and \$103.1K (forecast for 2010). Please explain these significant variances.
- c) Please explain why budgeted compensation and benefits per FTE is expected to increase by 5.9% in 2011 over forecasted 2010.

VECC IR #8

Reference: Exhibit D, Tab 2, Schedule 1, page 9, Table 4 and
Exhibit D, Tab 2, Schedule 2, page 7

- a) Please indicate when the 2010 Forecast was made for Human Resources ("HR") and provide any update for 2010 actual results available.
- b) The first reference indicates 7 FTEs in 2010 and 6 FTEs in 2011 in HR. Compensation and benefits costs for this group is budgeted for 2011 as \$785K, budgeted for 2010 as \$669K and forecasted for 2010 to be \$747K. This results in average compensation and benefits for this group (in \$ per FTE) of \$130.8K (budget 2011), \$95.6K (budgeted for 2010), and \$106.7K (forecast for 2010). Please explain these significant variances.
- c) Please explain why budgeted compensation and benefits per FTE is expected to increase by 22.6% in 2011 over forecasted 2010.

VECC IR #9

Reference: Exhibit D, Tab 2, Schedule 1, page 9, Table 4 and
Exhibit D, Tab 2, Schedule 2, page 8

- a) Please indicate when the 2010 Forecast was made for Legal, Aboriginal and Regulatory Affairs ("LAR") and provide any update for 2010 actual results available.

- b) The first reference indicates 20 FTEs in 2010 and 21 FTEs in 2011 in LAR. Compensation and benefits costs for this group is budgeted for 2011 as \$3.566M, budgeted for 2010 as \$2.916M and forecasted for 2010 to be \$3.232M. This results in average compensation and benefits for this group (in \$ per FTE) of \$169.8K (budget 2011), \$145.8K (budgeted for 2010), and \$161.6K (forecast for 2010). Please explain these significant variances.
- c) Please explain why budgeted compensation and benefits per FTE is expected to increase by 16.5% in 2011 over budgeted 2010.

VECC IR #10

Reference: Exhibit D, Tab 2, Schedule 2, page 8

Preamble: The evidence states: *"The 2011 Budget for the Human Resources group is \$123 thousand higher than the 2010 Budget. The 2011 Budget reflects a reclassification of budgeted spending amounts on employee engagement and professional development from Professional & Consulting to Operating & Administration, which more accurately reflects the nature of these costs."*

- a) Please explain fully the nature of the Professional & Consulting services that were formerly provided externally.
- b) Please specify the services for which incremental costs will continue to be incurred.
- c) Please explain fully why, once these services are no longer being provided externally, the costs cannot be eliminated or substantially reduced but, rather, continue to be incurred.
- d) Please identify the amount reclassified and how the amount was determined.
- e) Please explain why the transfer is zero-sum.
- f) Can OPA not self-provide these services at a lower cost? Please explain.

Strategic Objective 5 ("SO5")

VECC IR #11

Reference: Exhibit D, Tab 2, Schedule 1, page 9, Table 4 and
Exhibit D, Tab 2, Schedule 2, page 9

- a) Please explain how OPA can add 3 FTEs in 2011 and yet incur lower total compensation & benefits costs relative to 2010 budgeted and 2010 forecasted amounts.

VECC IR #12

Reference: Exhibit D, Tab 2, Schedule 2, page 9

Preamble: The evidence states: ***"In addition, in 2011, the OPA will reclassify costs related to community support for clean energy from Professional and Consulting Fees to Operating and Administration Expenses. This reclassification better captures the expense type of the community support spending. This change reduces the 2011 Professional and Consulting budget while increasing the Operating and Administration Expenses by \$105 thousand."***

- a) Please explain fully the nature of the Professional and Consulting services that were formerly provided externally.
- b) Please specify the services that OPA will self-provide for which incremental costs will continue to be incurred.
- c) Please identify how the \$105K amount was determined.
- d) Please explain why the transfer is zero-sum.
- e) Can OPA not self-provide these services at a lower cost? Please explain.