

1 **ENERGY PROBE INTERROGATORY 1**

2 **QUESTION**

3 **Issue # 1.0 / 1.1**

4 **Interrogatory # 1**

5 **Ref: Exhibit A, Tab 2, Schedule 1, page 12**

6 One of the key sustaining goals listed under the Power System Planning section on this
7 page is *"To plan for and facilitate the development of a cost effective, reliable and*
8 *sustainable electricity system."*

- 9 a) Please describe how the OPA defines and measures "cost effectiveness" in the context
10 of the electricity system including the metrics used and comparisons to other electricity
11 jurisdictions considered.
- 12 b) How does Ontario compare to neighbouring jurisdictions in cost effectiveness of its
13 electricity system?

14 **RESPONSE**

- 15 a) Please see the responses to CME Interrogatories 2 and 3, at Exhibit I-11-2 parts a) and
16 b), and at Exhibit I-11-3 respectively.
- 17 b) Please see the response to CME Interrogatory 6, at Exhibit I-11-6.

1 **ENERGY PROBE INTERROGATORY 2**

2 **QUESTION**

3 **Issue # 1.0 / 1.1**

4 **Interrogatory # 2**

5 **Ref: Exhibit A, Tab 2, Schedule 1, page 14**

6 One of the milestones referred to on this page of the exhibit is the incorporation into
7 planning of the “electrification of transit/vehicles”.

8 Please provide any studies or reports that will be relied on for incorporation of this factor
9 into planning.

10 **RESPONSE**

11 Exhibit A-2-1 is the OPA's Business Plan, which describes the OPA's planned initiatives
12 over the three year period from 2011 to 2013. This revenue requirement submission is
13 related to the first year of this plan. The milestone referred to above is related to activities
14 that will occur subsequent to the period to be examined in this proceeding.

1 **ENERGY PROBE INTERROGATORY 3**

2 **QUESTION**

3 **Issue # 1.0 / 1.1**

4 **Interrogatory # 3**

5 **Ref: Exhibit B, Tab 1, Schedule 1**

6 Page 6 of this exhibit lists as a milestone for 2011:

7 *“Developed the second long-term energy plan and supported public information,*
8 *consultation and stakeholder engagement leading to regulatory proceedings”.*

9 Does the OPA have a schedule for production of the energy plan and related consultations
10 leading to regulatory proceedings? If yes, please provide it. If no, please explain how the
11 OPA is monitoring its progress without such a schedule.

12 **RESPONSE**

13 Please see the response to GEC Interrogatory 1, at Exhibit I-2-1.

1 **ENERGY PROBE INTERROGATORY 4**

2 **QUESTION**

3 **Issue # 1.0 / 1.1**

4 **Interrogatory # 4**

5 **Ref: Exhibit B, Tab 1, Schedule 1**

6 Page 8 of this exhibit refers to the OPA's plan to begin the Economic Connection Test
7 process in the fourth quarter of 2010.

8 a) Did OPA meet this target implementation date?

9 b) When does OPA expect to apply the ECT to renewable energy projects affecting Hydro
10 One's GEA Schedule A transmission projects that are currently on hold?

11 **RESPONSE**

12 a) and b) Please see the response to Board Staff Interrogatory 4, at Exhibit I-1-4.

1 **ENERGY PROBE INTERROGATORY 5**

2 **QUESTION**

3 **Issue # 1.0 / 1.1**

4 **Interrogatory # 5**

5 **Ref: Exhibit B, Tab 1, Schedule 1**

6 Page 9 of the exhibit refers to the updated transmission expansion plan and notes at line 5
7 that "The division continues to work with the Ministry of Energy to finalize the updated
8 transmission expansion plan".

9 Does the OPA have a schedule for completing the updated transmission expansion plan?
10 If yes, please provide a copy of the schedule. If no, what is the OPA's best estimate of
11 when the updated plan will be completed?

12 **RESPONSE**

13 Please see the response to Board Staff Interrogatory 2, at Exhibit I-1-2.

ENERGY PROBE INTERROGATORY 6

QUESTION

Issue # 2.0 / 2.1

Interrogatory # 6

Ref: Exhibit A, Tab 2, Schedule 1, page 16

The following statement appears on this page of the exhibit:

"The OPA will continue to design and deliver conservation programs for transmission-connected customers in the planning period, in accordance with the Integrated Power System Plan and a Minister's directive issued to the OPA in early March to create and deliver an industrial energy-efficiency program."

- a) Is the Integrated Power System Plan referred to the first IPSP submitted to the OEB in EB-2007-0707?
- b) If yes, please comment on the merits of relying on the plan in view of the fact that it was withdrawn and never approved by the OEB.

RESPONSE

- a) Yes. The Integrated Power System Plan refers to the 2007 IPSP, filed with the OEB in EB-2007-0707. The Government's Long Term Energy Plan and draft Supply Mix Directive, which will guide the development of an updated IPSP, were issued subsequent to this filing.
 - b) The OPA will continue to design and deliver conservation programs in accordance with not only the IPSP that was developed in 2007, but also subsequent planning work and Ministerial directives. Within the OPA, long-term integrated planning is a continuous process that builds on and refreshes the foundations developed in previous planning activities. It is this continuous planning process that feeds into the design and implementation of conservation programs.
- Although the evidentiary phase for the 2007 IPSP was not completed, the plan contains valuable and relevant information that is beneficial in planning conservation programs, such as identification of priority end uses for potential conservation savings.

1 **ENERGY PROBE INTERROGATORY 7**

2 **QUESTION**

3 **Issue # 2.0 / 2.1**

4 **Interrogatory # 7**

5 **Ref: Exhibit A, Tab 2, Schedule 1, page 17**

6 This page discusses the CDM programs and makes the statement that reduction in energy
7 demand of approximately 1000 MW and reduction of about 5,400 gigawatt-hours of
8 consumption *"is expected to provide approximately \$2.7 billion in benefits in terms of*
9 *avoided electricity supply costs representing a net benefit of close to \$1.4 billion to Ontario*
10 *ratepayers."*

11 Please provide the calculations used to arrive at these benefit numbers.

12 **RESPONSE**

13 The \$2.7 billion in benefits represents the estimated net present value of the electricity
14 supply costs (capacity costs and energy costs) which will be avoided by implementing
15 OPA-Contracted Province-Wide Programs with LDCs in 2011-2014.

16 For more information regarding the calculation of avoided supply costs, including the
17 Avoided Supply Costs Assumptions Table, please see the OPA's Conservation and
18 Demand Management Cost Effectiveness Guide at:

19 [http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effectiv](http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effectiveness%20Test%20Guide%20-%202010-10-15%20Final.pdf)
20 [eness%20Test%20Guide%20-%202010-10-15%20Final.pdf](http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effectiveness%20Test%20Guide%20-%202010-10-15%20Final.pdf)

1 **ENERGY PROBE INTERROGATORY 8**

2 **QUESTION**

3 **Issue # 2.0 / 2.1**

4 **Interrogatory # 8**

5 **Ref: Exhibit A, Tab 2, Schedule 1, page 18**

6 This page contains the following statement:

7 *"With a projected levelized cost of \$63 per megawatt-hour, Ontario's conservation*
8 *portfolio of province-wide programs is significantly cheaper than nearly all forms of*
9 *electricity supply."*

- 10 a) Please provide the calculations used to arrive at this levelized cost.
- 11 b) Does the levelized cost consider the increased unit cost of delivery for distributors
- 12 attributable to reduced throughput resulting from CDM initiatives?

13 **RESPONSE**

- 14 a) The following formula is used to calculate the levelized cost of conservation delivery:

$$\text{Levelized cost of conservation} = \frac{PV(\text{Delivery Costs})}{PV(\text{Energy Savings})}$$

15 Where:

16 PV = present value using a 4% discount rate

17 Delivery Costs (\$) = Incentive Costs + Program Costs

18 Energy savings = Lifetime energy savings that persist over the effective useful life of
19 measures associated with the implementation of a CDM Program (MWh)

- 20 b) The levelized cost of conservation delivery reflects the program and incentive costs
- 21 associated with the implementation of a CDM Program. The levelized cost is expressed
- 22 per unit of energy saved on an annualized basis in terms of \$/MWh. It accounts for the
- 23 energy savings that persist over the effective useful life of the measures associated with
- 24 the implementation of a CDM Program (i.e., it spreads the delivery costs that may be
- 25 incurred up-front and throughout the useful lives of CDM measures in a CDM Program
- 26 across the energy savings achieved over the useful lives of those measures in a CDM
- 27 Program).

1 Any increase in the unit cost of delivery for distributors attributable to reduced
2 throughput resulting from CDM initiatives is not factored into the determination of
3 levelized costs.

4 Levelized costs are further described in the OPA's CDM Cost Effectiveness Guide,
5 which is available at the following link on the OPA's website:

6 [http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effe](http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effectiveness%20Test%20Guide%20-%202010-10-15%20Final.pdf)
7 [ctiveness%20Test%20Guide%20-%202010-10-15%20Final.pdf](http://www.powerauthority.on.ca/sites/default/files/page/OPA%20CDM%20Cost%20Effectiveness%20Test%20Guide%20-%202010-10-15%20Final.pdf)

ENERGY PROBE INTERROGATORY 9

QUESTION

Issue # 2.0 / 2.1

Interrogatory # 9

Ref: Exhibit A, Tab 2, Schedule 1, page 21

This page contains the following statement:

"The OPA will continue measuring the results of its marketing efforts and refining its newly established "culture of conservation" metric. This metric will be expanded to include a broader concept of energy that will include natural gas."

- a) Does the OPA have a directive from the Minister of Energy to expand its mandate to include natural gas in its CDM programs? If yes, please provide the directive.
- b) Please elaborate on the inclusion of natural gas in the metric including what usages of natural gas are anticipated for inclusion, how they will be factored into the metric and what additional activities the OPA will have to undertake to include natural gas in its metric.
- c) Does the OPA expect to expand its CDM mandate to include natural gas conservation initiatives? If yes, please comment on how its mandate will be coordinated with existing conservation programs of natural gas distributors.

RESPONSE

- a) The Minister of Energy gave the following directives to the OPA with respect to coordination of efforts:

April 23, 2010:

"...It is expected that the OPA, where appropriate and having regard to its overall mandate and that of the electricity distributors, will seek opportunities to co-ordinate OPA-Contracted Province Wide CDM Programs between the electricity distributors and other entities such as natural gas distributors..."

July 5, 2010:

"...The OPA is to take into consideration the OEB's efforts [to develop a low-income program comprised of three elements: gas conservation, customer service standards, and emergency financial assistance], so as to ensure that low-income energy consumers in the province benefit as fully as possible from a coordinated approach..."

1 "... 2011 may be a transition year with regards to establishing a robust and integrated
2 gas and electric low-income energy strategy..."

3 However, the OPA's mandate has not been expanded to include natural gas in its CDM
4 programs.

5 b) Natural gas is not explicitly considered separately from electricity in the culture of
6 energy conservation metric. Rather, they are combined as 'energy' conservation in the
7 home. When the metric was first developed it considered only the culture of electricity
8 conservation. As part of fine tuning the model the OPA explored whether a more
9 holistic approach to home energy conservation would produce the same results - that is,
10 do Ontarians consider electricity conservation distinct from the conservation of natural
11 gas in the home? A survey of Ontarians showed that a large, statistically significant
12 majority of Ontarians think about both electricity and natural gas equally when thinking
13 about energy used in the home. Further, there was no statistically significant difference
14 when answering questions about using 'electricity' wisely in the home compared to
15 answering the same questions about using 'energy' wisely in the home. Therefore the
16 survey questions and metrics evolved to consider a culture of energy conservation
17 rather than only electricity conservation.

18 c) The OPA's mandate is established by the Government of Ontario pursuant to the
19 *Electricity Act, 1998*. The OPA does not think it is appropriate to speculate about any
20 hypothetical expansion of its mandate.

1 **ENERGY PROBE INTERROGATORY 10**

2 **QUESTION**

3 **Issue # 2.0 / 2.1**

4 **Interrogatory # 10**

5 **Ref: Exhibit B, Tab 2, Schedule 1 and Ministerial Directives**

6 The Ministerial directive of March 4, 2010 directed the OPA to establish an *“Industrial*
7 *Transmission Connected Electricity Efficiency Program”*. Page 18 of the noted exhibit
8 states that the OPA *“has received 16 Engineering Study applications and 3 Incentive*
9 *applications from 10 different companies. As of October 2010, the OPA has approved 9*
10 *Engineering Studies and they are currently under way.”*

- 11 a) Please describe the main efficiency features of the engineering studies received.
- 12 b) How much of the targeted 300 MW of efficiency gains is represented by the 9
13 engineering studies currently approved and under way?

14 **RESPONSE**

- 15 a) As of January 1, 2011 the OPA has 11 studies contracted under the Industrial
16 Accelerator program (“IAP”). The main efficiency features for these 11 contracted
17 studies include: compressed air optimization, on-site generation (less than 20 MW),
18 variable frequency drive (“VFD”) implementation on fan and pump motors and heating,
19 ventilation and air condition (“HVAC”) optimization.
- 20 b) If these 11 studies proceed to project implementation, the OPA anticipates that these
21 projects could lead to approximately 14.5 MW in gross savings – about 5% of the
22 300 MW program target. These studies are a combination of preliminary and detailed
23 engineering studies. The estimates are forecasts only and will vary as studies are
24 finalized and depending on the actual projects which proceed to implementation.

1 **ENERGY PROBE INTERROGATORY 11**

2 **QUESTION**

3 **Issue # 3.0 / 3.3 / 3.4**

4 **Interrogatory # 11**

5 **Ref: Exhibit B, Tab 3, Schedule 1, Strategic Objective #3**

6 Lines 20-23 on page 2 of the exhibit refer to *“various support programs to facilitate the*
7 *development of renewable energy projects”* for *“communities, municipalities, First Nations*
8 *and Métis people”*. Pages 7-9 describe these programs in more detail.

- 9 a) On page 8 it is reported that the CEPP program has awarded *“over 16 grants to*
10 *community groups to develop renewable energy projects in 2010.”* Please provide a
11 summary of the kinds of renewable energy projects covered in those grants, the total
12 value of the grants provided in 2010 and the number of MW of renewable energy
13 represented by the 16 grants.
- 14 b) Lines 18-22 on page 9 describe the Aboriginal Renewable Energy Fund and reports that
15 in 2010, 8 applications were approved for funding. Please provide a summary of the
16 kinds of renewable energy projects covered in those grants, the total value of the grants
17 provided in 2010 and the number of MW of renewable energy represented by the 8
18 applications.

19 **RESPONSE**

20 a) The 16 projects CEPP has funded are comprised of:

- | | | |
|----|-----------------------|---|
| 21 | • solar rooftop: | 9 |
| 22 | • solar ground mount: | 2 |
| 23 | • onshore wind: | 2 |
| 24 | • hydro: | 2 |
| 25 | • biomass: | 1 |

26 These projects represent \$1,317,195 in total funding committed by the program and
27 24.6 MW.

1 b) The 8 projects funded by the Aboriginal Renewable Energy Fund include:

- 2 • hydro: 4
- 3 • biomass: 2
- 4 • solar: 1
- 5 • wind: 1

6 These represent \$586,988 in total funding committed and approximately 1519 MW.
7 Three projects are still in early stages of project design and have yet to scope the exact
8 size of the project.

1 **ENERGY PROBE INTERROGATORY 12**

2 **QUESTION**

3 **Issue # 6.0 / 6.1 / 6.2**

4 **Interrogatory # 12**

5 **Ref: Exhibit A, Tab 2, Schedule 1, page 48**

6 This page of the exhibit shows OPA efficiency metrics for the period 2009 to 2011.

7 Please provide an expanded exhibit showing efficiency metrics by year for the period 2006
8 to 2011.

9 **RESPONSE**

10 As previously submitted by the OPA in support of revenue filing EB-2008-0312, reliable
11 FTE information is not available for 2006 and 2007. The OPA has updated the efficiency
12 metrics to include 2008 actual information with 2009 actual, 2010 forecast and 2011 budget
13 figures.

14 The OPA implemented efficiency metrics and management review processes for review of
15 key operational objectives in 2009. The figures provided below are as outlined in the
16 OPA's 2011-2013 Business Plan and do not consider 2009 verified results.

OPA Efficiency Metrics 2008-2011				
	2008 Actual	2009 Actual	2010 Forecast	2011 Budget
OPA usage fee (per MWh)	\$0.346	\$0.485	\$0.551	\$0.523
Revenue requirement, \$M	\$51.9	\$64.9	\$64.8	\$62.1
OPA budget, % total program spending	9.8%	3.9%	3.3%	2.9%
OPA budget, \$M	\$57.5	\$64.1	\$65.5	\$64.1
Total program spending \$M	\$589	\$1,626	\$1,914	\$2,146
Number of REG FTE	152	186	235	235
Conservation				
Conservation-Net annual peak demand reduction (MW, 2005 base)+*	1,583	1,872	2,285	2,390
per FTE (MW/FTE)	10	10	10	10
per OPA budget (MW/\$M)	28	29	35	37
Conservation-Net annual energy reduction* (GWh)	1,248	1,476	2,146	2,479
per FTE (GWh/FTE)	8	8	9	11
per OPA budget (GWh/\$M)	22	23	33	39
Generation				
Renewable supply contract under FIT, and microFIT programs (MW)			2509	3358
per FTE (MW/FTE)			11	14
per OPA budget (MW/\$M)				
In-Service capacity under contract (MW)	4,852	6,363	11,865	14,583
per FTE (MW/FTE)	32	34	50	62
per OPA budget (MW/ \$M)	84	99	181	228
All other Generation contracted by the OPA	11,559	12,390	16,123	17,180
Per FTE (MW/FTE)	76	67	69	73
per OPA budget (MW/\$M)	201	193	246	268

+2010 forecast does not consider 2009 verified results

* Annual savings are total savings that occur in a given year. Annual savings equal incremental savings plus savings that are still persisting from previous years

Note: The 2009 Regular FTE number has been revised versus the 197 FTE numbers that appears in the 2011-2013 business plan (EB-2010-0279, Exhibit A-2-1, page 48).

ENERGY PROBE INTERROGATORY 13

QUESTION

Issue # 1.1 / 2.1 / 3.1 / 4.1 / 5.1

Interrogatory # 13

Ref: Exhibit D, Tab 2, Schedule 1

Table 3 on page 8 of the exhibit shows salaries increasing from \$24.4 M in 2010 to \$26.1 M in 2011 an increase of 6.7%. Table 4 on page 9 shows regular staffing remaining constant between the two years at 235 and total FTEs decreasing from 259 in 2010 to 253 in 2011.

- a) Please breakdown the salaries expense in 2010 and 2011 by Regular, Temporary and Student categories of employees.
- b) Please explain the increase of 6.7% in salaries in light of the stable regular staff levels and the decline in total FTEs between the two years.

RESPONSE

- a) The breakdown of the salaries expense in 2010 and 2011 by Regular, Temporary and Student categories of employees is shown in the table below.

(\$'000)	2010 Budget	2011 Budget
Regular	23,812	24,920
Temporary and Student	630	1,160
Total Salary	24,442	26,080

- b) The 2011 budget adds some regular roles as well as a change in the mix of roles between the two years. In addition, temporary resources are needed to support the FIT programs and IT initiatives.

ENERGY PROBE INTERROGATORY 14

QUESTION

Issue # 1.1 / 2.1 / 3.1 / 4.1 / 5.1

Interrogatory # 14

Ref: Exhibit D, Tab 2, Schedule 1

Table 3 on page 8 shows Pensions and Benefits costs increasing from \$4178 k in 2010 to \$4463 k in 2011.

- a) Please breakdown the costs in 2010 and 2011 into separate costs for Pensions and for Benefits.
- b) Please explain the increase in costs between the two years for each of the categories of Pensions and Benefits.
- c) Are OPA's benefit programs self funded or provided by an insurance carrier?
- d) Does OPA provide benefit coverage to any of its employees for non-prescription drugs? If yes, please provide a list of the non-prescription drugs and other products covered by the plan.

RESPONSE

- a) The breakdown of the increase in costs between the two years for each of the categories of Pensions and Benefits is shown in the table below.

(\$'000)	2010 Budget	2011 Budget
Pension	1,967	2,059
Benefits	2,211	2,404
Total Pension and Benefits	4,178	4,463

- b) There was an increase in FTEs between the 2011 budget and the 2010 budget. The budgeted 2010 FTEs were 231.2.
- c) With the exception of Short Term Disability benefits (which the OPA self-funds), all of the benefit programs are insured through a carrier.
- d) No, the OPA does not provide benefit coverage to any of its employees for non-prescription drugs.

ENERGY PROBE INTERROGATORY 15

QUESTION

Issue # 1.1 / 2.1 / 3.1 / 4.1 / 5.1

Interrogatory # 15

Ref: Exhibit D, Tab 2, Schedule 1

Table 4 on page 9 shows FTEs by strategic objective. Within Strategic objective #4, FTEs are further broken down by functional area. For 2011:

- a) Please describe the functions carried out by the Planning & Reporting/ Office and Facility Services group including the number of FTEs in each of the two subgroups (i.e. The number in Planning & Reporting and the number in Office and Facility Services)
- b) Please describe the functions carried out by the Human Resources group including a listing of the positions in the group and the number of incumbents in each.
- c) Please breakdown the number of FTEs in the Legal, Aboriginal and Regulatory Affairs group into the three subgroups.

RESPONSE

- a) The OPA's Planning and Reporting department focuses on delivering analysis, decision support and business insights to its customers. The team's core goal is to provide reporting and analytical information consistently and on a timely basis to enable sound decision making by management.

The Office and Facility Services department focuses on delivering support services to facilitate efficient management of the OPA office. It works to ensure success in meeting the organization's goals through several strategies, including achieving efficiency improvements, greater employee engagement and environmental leadership.

The breakdown of the FTEs between the two departments is shown below.

	2011 Budget
Planning and Reporting	5
Office and Facility Services	4
Total FTE	9

- b) The Human Resources department focuses on attracting, engaging and retaining skilled individuals to ensure that the OPA can continue to meet the expectations identified in its

mandate. In addition, the department will continue its pivotal role of providing leadership, systems, policies and processes to achieve organizational objectives.

The list of positions in the HR group included in the 2011 budget is shown below:

- Director, Human Resources;
- Manager, Learning & Organizational Development;
- Manager, Human Resources;
- Program Manager, Strategic Talent Acquisition;
- Sr. HR Advisor; and
- HR Advisor.

c) The breakdown of the number of FTEs in the Legal, Aboriginal and Regulatory Affairs group is shown below:

	2011 Budget
VP Office	3.00
Board Secretary	1.00
Regulatory Affairs	4.50
Legal Counsel	7.75
Aboriginal	4.75
Total FTE	21

1 **ENERGY PROBE INTERROGATORY 16**

2 **QUESTION**

3 **Issue # 1.1 / 2.1 / 3.1 / 4.1 / 5.1**

4 **Interrogatory # 16**

5 **Ref: Exhibit D, Tab 2, Schedule 1**

6 Page 11 describes the conservation fund and notes that pursuant to the Minister's directive
7 of April 23, 2010 *"payments under grants awarded in 2010 and beyond will no longer be*
8 *recovered in fees."*

- 9 a) Please explain where the cost of the grants will be recovered from.
- 10 b) Please explain how the directive requires this change in cost recovery for the
11 conservation fund.

12 **RESPONSE**

- 13 a) The cost of the grants will be recovered through OPA's charges.
- 14 b) The April 23, 2010 Directive requires the OPA to:

15 ...continue to provide, through its Conservation Fund, support and funding of CDM
16 research and innovation as a means to assist LDCs and others in their conservation
17 efforts.

18 The Conservation Fund was established in 2005, building on the Ministry of Energy's
19 previous Conservation Partnerships program. The Fund was not initiated as a result of
20 a Minister's Directive. Until such time as a procurement process has been approved by
21 the OEB, the OPA may only enter into procurement contracts authorized by a Minister's
22 directive. Ongoing review of the Conservation Fund grants awarded through 2009 has
23 been undertaken through the OEB review of the OPA's fees.

24 Upon receipt of the April 23, 2010 Directive, grants awarded through the fund are
25 considered procurement contracts subject to recovery through charges under
26 s. 25.20 (3) of the Electricity Act.

ENERGY PROBE INTERROGATORY 17

QUESTION

Issue # 1.1 / 2.1 / 3.1 / 4.1 / 5.1

Interrogatory # 17

Ref: Exhibit D, Tab 2, Schedule 1

Table 8 on page 11 shows Operating and Administration expense increasing from \$10.7 M in 2010 to \$12.9 M in 2011. Four factors are identified in lines 1-10 on page 12 as contributing to this increase.

- a) Please breakdown the total increase among these four factors.
- b) The fourth factor is *“technical symposiums to support local distribution company conservation program delivery”*. Are these symposium costs related to the conservation fund costs that will no longer be recovered in fees?

RESPONSE

- a) The breakdown of the total increase among the four factors is shown below:

		Delta 2011 Budget vs. 2010 Budget
Factor #1	reclassification of HR employee training and engagement costs from professional and consulting	\$655
Factor #2	Expenses related to engagement with stakeholders, as well as publication of notices and the cost of transcripts in support of the Integrated Power System Plan regulatory proceedings	586
Factor #3	greater marketing activity required to support the industrial conservation program	380
Factor #4	technical symposiums to support local distribution company conservation program delivery	95
	OEB assessment cost, amortization expenses and other expenses	467
	Total	\$2,183

- b) No, the technical symposiums costs are not related to the conservation fund costs. Annually, the Engineering and Technical Support Group plans to deliver two Technical Symposium events. The general focus is to provide the information necessary for OPA and LDC Program Managers to understand the technologies and their application in Energy Efficiency projects.

