

VECC INTERROGATORY 1

QUESTION

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.

RESPONSE

- a) The 2010 forecast was done in July 2010. This is the forecast underlying the OPA's original submission. The 2010 audited actual results are not available at this time. These will be released with the OPA's annual report. Preliminary unaudited actual results have been used to prepare the exhibit filed in response to VECC Interrogatory 2, at Exhibit I-9-2.
- b) The table below provides a breakdown of the Compensation and Benefits.

2010 Forecast

(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$335	\$50	\$0	\$35	\$15	\$434
Management	\$912	\$0	\$0	\$67	\$52	\$1,031
Staff	\$2,920	\$0	\$0	\$216	\$289	\$3,425
Total	\$4,167	\$50	\$0	\$318	\$356	\$4,890

2011 Budget

(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$335	\$50	\$0	\$35	\$15	\$434
Management	\$904	\$0	\$0	\$79	\$56	\$1,038
Staff	\$2,870	\$0	\$0	\$216	\$317	\$3,403
Total	\$4,108	\$50	\$0	\$329	\$389	\$4,876

VECC INTERROGATORY 2

QUESTION

Strategic Objective 1 ("SO1")

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.

RESPONSE

In an effort to be helpful, the OPA is providing preliminary unaudited actual 2010 results for FTEs and compensation and benefits for the purpose of this interrogatory response. The balance of the OPA's submission has been prepared on the basis of the 2010 Forecast.

- a) Average compensation and benefits expenses are calculated for all strategic objectives within the table below. Calculations for the 2010 budget and 2011 budget are provided.

The table below provides the following information:

- Compensation and Benefits by strategic objective
- Regular and temporary FTEs by strategic objective
- Average Compensation and Benefits per FTE by strategic objective

For each of the above, a ratio outlining the change from the 2011 Budget to the 2010 Budget as well as from the 2010 Budget to the 2010 Actual results has been provided.

Compensation & Benefits (\$K)	2010 Budget	2010 Actual (unaudited)	2011 Budget	2011 Budget vs. 2010 Budget	2010 Actual vs. 2010 Budget
Compensation:					
Regular	\$23,812	\$23,775	\$24,920	4.7%	-0.2%
Temporary	\$630	\$1,663	\$1,160	84.2%	164.0%
Board of Directors Remuneration	\$508	\$427	\$420	-17.3%	-15.9%
Benefits	\$4,178	\$4,288	\$4,463	6.8%	2.6%
Subtotal	\$29,128	\$30,153	\$30,964	6.3%	3.5%

Compensation & Benefits (\$K)	2010 Budget	2010 Actual (unaudited)	2011 Budget	2011 Budget vs. 2010 Budget	2010 Actual vs. 2010 Budget
Strategic Objective 1	\$4,755	\$4,837	\$4,876	2.5%	1.7%
Strategic Objective 2	\$7,884	\$8,204	\$8,182	3.8%	4.1%
Strategic Objective 3	\$5,164	\$5,604	\$5,937	15.0%	8.5%
Strategic Objective 4	\$8,538	\$8,965	\$9,188	7.6%	5.0%
Information Technology	\$1,221	\$1,666	\$1,419	16.2%	36.4%
Human Resources	\$669	\$749	\$785	17.3%	12.0%
Legal, Aboriginal and Regulatory Affairs	\$2,916	\$3,176	\$3,566	22.3%	8.9%
CEO / Finance / Office & Facility Services	\$3,732	\$3,373	\$3,418	-8.4%	-9.6%
Strategic Objective 5	\$2,787	\$2,543	\$2,781	-0.2%	-8.8%
TOTAL	\$29,128	\$30,153	\$30,964	6.3%	3.5%

Full Time Equivalent Staff	2010 Budget		2010 Actual (unaudited)		2011 Budget		2011 Budget vs. 2010 Budget		2010 Actual vs. 2010 Budget	
	Regular	Temporary / Student	Regular	Temporary / Student	Regular	Temporary / Student	Regular	Temporary / Student	Regular	Temporary / Student
Strategic Objective 1	36	5	36	5	39	3	7%	-46%	0%	4%
Strategic Objective 2	65	1	64	5	68	1	5%	0%	-1%	440%
Strategic Objective 3	41	0	41	11	47	8	13%	0%	-1%	0%
Strategic Objective 4	57	4	57	5	61	4	7%	3%	0%	33%
Information Technology	11	1	12	1	13	0	23%	-100%	17%	-20%
Human Resources	5	0	5	1	6	0	20%	0%	4%	0%
Legal, Aboriginal and Regulatory Affairs	17	1	18	0	20	1	17%	-20%	1%	-74%
CEO / Finance / Office & Facility Services	24	2	22	3	22	3	-10%	72%	-9%	83%
Strategic Objective 5	22	0	19	1	21	2	-5%	0%	-12%	0%
Subtotal	221	10	218	27	235	18	6%	80%	-2%	176%
TOTAL	231		245		253		9%		6%	

Average Compensation & Benefits (\$K)	2010 Budget	2010 Actual (unaudited)	2011 Budget	2011 Budget vs. 2010 Budget	2010 Actual vs. 2010 Budget
Strategic Objective 1	\$115.1	\$116.6	\$116.9	1.6%	1.2%
Strategic Objective 2	\$119.8	\$117.7	\$118.8	-0.9%	-1.8%
Strategic Objective 3	\$125.0	\$109.5	\$108.7	-13.0%	-12.5%
Strategic Objective 4	\$139.5	\$143.5	\$140.9	1.0%	2.9%
Information Technology	\$105.3	\$126.2	\$109.2	3.7%	19.9%
Human Resources	\$133.8	\$126.9	\$130.8	-2.2%	-5.1%
Legal, Aboriginal and Regulatory Affairs	\$130.9	\$154.8	\$149.1	13.9%	18.3%
CEO / Finance / Office & Facility Services	\$142.4	\$131.8	\$136.2	-4.4%	-7.5%
Strategic Objective 5	\$129.0	\$124.6	\$123.1	-4.6%	-3.4%
Total OPA	\$123.8	\$121.5	\$120.7	-2.5%	-1.9%

As can be seen by the table above, the 2010 actual average over the year of regular FTEs was 218 compared to a budget of 221. Accompanying this, the average of Temporary/Student FTEs for 2010 was 27 compared to a budget of 10. This reflects the increased usage by the organization of temporary resources to meet requirements of the Green Energy Act.

The 2010 forecast for regular FTEs was 235. This included 17 regular roles that were vacant for a period of time, but had been expected to be filled by year-end. The financial impact of these vacancies is reflected in the 2010 forecast for compensation and results in lower average salary, pension and benefit expenses in some cases. The 2011 regular FTE budget of 235 assumes that all vacant roles are filled.

The variances in average compensation and benefits by strategic objective within the table above are a function of the following items:

- A change in the workforce mix: generally, an increase in temporary positions will decrease the average salary, as these tend to be entry level positions; conversely,

1 an increase in the proportion of regular employees can increase the average salary.
2 This can also occur through regular employees progressing to more senior roles.

- 3 • Average compensation and benefits is impacted by increases to the cost of benefits.
4 The benefits increase of 6.8% reflects a greater rate of growth than the 4.7%
5 increase in regular compensation.

VECC INTERROGATORY 3

QUESTION

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.

RESPONSE

- a) The 2010 forecast was done in July 2010. This is the forecast underlying the OPA’s original submission. The 2010 audited actual results are not available at this time. These will be released with the OPA’s annual report. Preliminary unaudited actual results have been used to prepare the exhibit filed in response to VECC Interrogatory 2, at Exhibit I-9-2.
- b) The table below provides a breakdown of the Compensation and Benefits

2010 Forecast						
(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$316	\$47	\$0	\$33	\$15	\$411
Management	\$2,994	\$0	\$0	\$272	\$222	\$3,488
Staff	\$3,576	\$0	\$7	\$268	\$389	\$4,240
Total	\$6,886	\$47	\$7	\$573	\$626	\$8,139

2011 Budget						
(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$316	\$47	\$0	\$33	\$15	\$411
Management	\$3,178	\$0	\$0	\$264	\$263	\$3,705
Staff	\$3,421	\$0	\$0	\$258	\$386	\$4,066
Total	\$6,916	\$47	\$0	\$555	\$664	\$8,182

VECC INTERROGATORY 4

QUESTION

Strategic Objective 2 (“SO2”)

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 5

QUESTION

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.

RESPONSE

a) The 2010 forecast was done in July 2010. This is the forecast underlying the OPA's original submission. The 2010 audited actual results are not available at this time. These will be released with the OPA's annual report. Preliminary unaudited actual results have been used to prepare the exhibit filed in response to VECC Interrogatory 2, at Exhibit I-9-2.

b) The table below provides a breakdown of the Compensation and Benefits

2010 Forecast						
(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$335	\$50	\$0	\$35	\$15	\$434
Management	\$1,932	\$0	\$0	\$181	\$148	\$2,261
Staff	\$2,416	\$0	\$5	\$163	\$294	\$2,878
Total	\$4,683	\$50	\$5	\$379	\$457	\$5,574

2011 Budget						
(\$'000)	Base Compensation	Performance Pay at risk	Overtime	Pension	Other Benefits	Total
Executive	\$335	\$50	\$0	\$35	\$15	\$434
Management	\$2,093	\$0	\$0	\$175	\$164	\$2,432
Staff	\$2,606	\$0	\$0	\$160	\$304	\$3,071
Total	\$5,034	\$50	\$0	\$371	\$483	\$5,937

VECC INTERROGATORY 6

QUESTION

Strategic Objective 3 (“SO3”)

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 7

QUESTION

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 8

QUESTION

Strategic Objective 4 (“SO4”)

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 9

QUESTION

Strategic Objective 4 (“SO4”)

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 10

QUESTION

Strategic Objective 4 (“SO4”)

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.

RESPONSE

- a) The reclassification captures organizational development costs for professional development, meetings and events, and employee relations and aligns them under the category of Operating & Administration which better reflects the nature of the expenses, which are not Professional and Consulting services. These costs had been previously classified under Professional & Consulting.
- b) The incremental budgeted amount of \$123 thousand is in support of Organizational Development.
- c) Please see the response to part a), above.

- 1 d) The amount reclassified is \$655 thousand. The reclassification captures costs for
2 professional development, meetings and events, and employee relations, as described
3 in a), above.
- 4 e) The transfer is zero-sum as this is a change in accounting classification of costs rather
5 than an operational change in activity.
- 6 f) Please see the response to part a), above. The costs in question are not external
7 consulting costs.

VECC INTERROGATORY 11

QUESTION

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.

RESPONSE

Please see the response to VECC Interrogatory 2, at Exhibit I-9-2, which provides the following information for 2010 budget, 2010 unaudited actual and 2011 budget:

- Regular and Temporary FTEs by Strategic Objective;
- Compensation and Benefits by Strategic Objective; and
- Average Compensation and Benefits by Strategic Objective.

VECC INTERROGATORY 12

QUESTION

Strategic Objective 5 (“SO5”)

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.

RESPONSE

- a) The costs referred to in the reference above were not Professional and Consulting costs, but were actually operating expenses relating to community support, which had historically been recorded in the OPA’s Professional and Consulting accounts within its system. The reclassification referred to above is an accounting exercise that moves these expenses from one account to another, and does not reflect a change in the OPA’s operations.
- b) Please see the response to part a), above.
- c) The \$105 thousand variance reflects the OPA’s assessment of certain expense types involved in community support. The OPA determined that these expenses, such as costs of OPA support for community initiatives related to clean energy, did not arise from the retention of external consulting services and were more appropriately captured as Operating and Administrative expenses.

- 1 d) Because the transfer reduces the professional and consulting and increases the
2 operating and administration expenses by the same amount, there is zero impact on the
3 total budget associated with this reclassification.
- 4 e) The reclassification does not reflect a change in operations. The OPA constantly
5 evaluates the costs and benefits between in-house and outsourcing options in an effort
6 to reach the most cost-effective solution in a given situation.