



EB-2007-0791

IN THE MATTER OF sections 25.20 and 25.21 of the
Electricity Act, 1998;

AND IN THE MATTER OF a Submission by the Ontario Power
Authority to the Ontario Energy Board for the review of its
proposed expenditure and revenue requirements and the fees
which it proposes to charge for the year 2008.

PROCEDURAL ORDER NO. 1

On November 2, 2007, the Ontario Power Authority (the "OPA") filed with the Ontario Energy Board (the "Board") its proposed 2008 expenditure and revenue requirement and fees for review pursuant to subsection 25.21(1) of the *Electricity Act, 1998* (the "Act"). Pursuant to subsection 25.21(2) of the Act, the OPA is seeking the following, among other, approvals from the Board:

- 1) approval of an overall Operating Revenue Requirement of \$58.616 million;
- 2) approval of proposed 2008 capital expenditures of \$2.6 million;
- 3) approval to establish a usage fee of \$0.391/MWh;
- 4) approval of an Interim Fees Order effective January 1, 2008 in the absence of a final Order.

The Board assigned file number EB-2007-0791 to this matter.

The Board issued a Notice of Application dated December 6, 2007 with respect to this proceeding. On December 20, 2007 the Board issued an Interim Fees Order effective January 1, 2008.

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

The OPA has requested that the Board consider a written process for this proceeding. The Board received requests for oral hearing from Pollution Probe Foundation and Electricity Distributors Association (“EDA”).

Green Energy Coalition (“GEC”), Pembina Foundation, and The Ontario Sustainable Energy Association in the joint intervenor submission stated that the Board should facilitate a settlement process and reserve its decision on whether to proceed by written or oral process depending on the outcome of the settlement process. This position was also expressed by Direct Energy Inc.

Ontario Power Generation Inc. (“OPG”) and Hydro One Inc. (“Hydro One”) had no objection to a written hearing request by the OPA.

The Board shall consider the need for an oral hearing following the settlement proceeding.

The Board would like to remind parties that the Board's scope of review in this proceeding, is limited to a review of the OPA's proposed expenditures and revenue requirements and the fees that the OPA proposes to charge for 2008

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. An Issues Conference will be held at 2300 Yonge Street, Toronto on the 25th floor in the ADR Room on **Wednesday, January 30, 2008** from 9:30 a.m. to 5:00 p.m. The purpose of the conference is for the parties to develop a proposed Issues List for the proceeding. The Board Staff Proposed Issues List is attached as Appendix “B” to this Procedural Order.
2. An Issues Day will be held at 2300 Yonge Street, Toronto on the 25th floor in the North Hearing Room on **Thursday, February 7, 2008** from 9:00 a.m. to 4:00 p.m. If during the Issues Conference, the parties do not agree on all the issues to be included in the Issues List, a panel of the Board will hear submissions on the contested issues and arrive at an approved Issues List.
3. Written interrogatories on the Applicant's pre-filed evidence shall be filed with the Board and copies delivered to the OPA and all intervenors on or before **Thursday,**

February 14, 2008. All interrogatories must include a reference to the section that identifies the specific evidence on which the interrogatory is based.

4. Responses to the interrogatories shall be filed with the Board and delivered to the OPA and all intervenors on or before **Thursday, February 28, 2008.**
5. A Settlement Conference will be held at 2300 Yonge Street, Toronto on the 25th floor in the ADR Room on **Tuesday, March 11, 2008**, starting at 9:30 a.m. and, if necessary, continuing on **Wednesday, March 12, 2008** at 9:30 a.m.
6. The settlement proposal arising from the Settlement Conference shall be filed with the Board no later than 2:00 p.m. on **Thursday, March 20, 2008.**
7. The settlement proposal will be presented to the Board at 2300 Yonge Street, Toronto on the 25th floor in the North Hearing Room commencing **Friday, March 28, 2008** at 9:00 a.m.

Issued at Toronto, January 16, 2008.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

**Appendix “A”
Procedural Order No. 1**

**EB-2007-0791
January 16, 2008**

Intervenors List

**ONTARIO POWER AUTHORITY
2008 REVENUE REQUIREMENT SUBMISSION
EB-2007-0791**

APPLICANT & LIST OF INTERVENTIONS & OBSERVERS

Applicant

Rep. and Address for Service

Ontario Power Authority

Miriam Heinz
Regulatory Coordinator
Ontario Power Authority
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Fax: 416-863-1515
Email: fcass@airdberlis.com

Intervenors

Rep. And Address for Service

1. Direct Energy Marketing Inc.
("Direct Energy")

Sam Van
Director, Government & Regulatory Affairs
Direct Energy Marketing Limited
2225 Sheppard Avenue East
Toronto ON M2J 5C2

Tel: 416-758-8736
Fax: 416-758-4272
Email: Sam.Van@directenergy.com

2. Energy Probe Research
Foundation ("Energy Probe")

David S. MacIntosh
c/o Energy Probe
225 Brunswick Avenue
Toronto ON M5S 2M6

Tel: 416-964-9223 ext. 235
Fax: 416-964-8239
Email: DavidMacIntosh@nextcity.com

AND

Dr. Kimble F. Ainslie
c/o Energy Probe
225 Brunswick Avenue
Toronto ON M5S 2M6

Tel: 416-964-9223 ext. 239
Fax: 416-964-8239
Email: KimbleAinslie@nextcity.com

3. Green Energy Coalition ("GEC")
Pembina Foundation
The Ontario Sustainable Energy
Association

David Poch
Barrister
Counsel to GEC
1649 Old Brooke Road
Maberly ON K0H 2B0

Tel: 613-264-0055
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Email: dpoch@eelaw.ca

4. Hydro One Networks Inc. ("Hydro
One")

Glen MacDonald
Senior Advisor
Regulatory Research and Administration
Regulatory Affairs
Hydro One Networks Inc.
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Toronto ON M5G 2P5

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Email: regulatory@HydroOne.com

5. Ontario Power Generation Inc.
("OPG")

David Barr
Senior Regulatory Analyst
Ontario Power Generation Inc.
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6. Vulnerable Energy Consumer's
Coalition ("VECC")

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AND

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7. Pollution Probe Foundation

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Klippensteins
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AND

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AND

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**Appendix “B”
Procedural Order No. 1**

**EB-2007-0791
January 16, 2008**

Board Staff Proposed Issues List

EB-2007-0791
OPA 2008 Fees Review
Board Staff Proposed Issues List

- 1. Strategic Objective #1- POWER SYSTEM PLANNING-Plan for an adequate, reliable and sustainable system that integrates conservation, generation and transmission.**
 - 1.1. 2008 Operating Budget for Strategic Objective #1-Power System Planning
 - a. Is the overall Operating Budget of \$ 10.445 million allocated to Strategic Objective # 1 reasonable and appropriate?
 - 1.2 Budget allocation to activities under the Strategic Objective # 1.
 - a. Is the budget allocated to activities to complete the current IPSP proceeding and to prepare the next IPSP plan appropriate?
 - b. Is the allocated budget to Local Area Supply activities appropriate?
 - c. Is the allocated budget to Policy Development activities appropriate?
- 2. Strategic Objective # 2: CONSERVATION AND DEMAND MANAGEMENT- Contribute to the achievement of Ontario's Conservation Resource Targets and to fostering a culture of conservation using market-based approaches.**
 - 2.1. 2008 Operating Budget for Strategic Objective # 2 -CDM
 - a. Is the Operating Budget of \$ 26.444 million allocated to the CDM appropriate?
- 3. Strategic Objective # 3: SUPPLY PROCUREMENT AND CONTRACTS- Consistent with the IPSP, ensure that the Province of Ontario has diverse electricity generation resources.**
 - 3.1. 2008 Operating Budget for Strategic Objective # 3 – supply procurement and contracts
 - a. Is the Operating Budget of \$ 8.364 million allocated for 2008 supply procurement and contracts management appropriate?

3.2 Budget allocation to activities under the Strategic Objective # 3.

- a. Is the budget allocated to conduct standard procurement process activities in 2008 appropriate?
- b. Is the budget allocated to design contracts by the OPA appropriate?
- c. Is the budget allocated to manage and settle conservation and generation resources contracts appropriate?

4. **Strategic Objective # 4 –SECTOR DEVELOPMENT-** Define sector development goals and facilitate the efficient allocation of risk between customers and investors in conservation and generation

4.1. 2008 Operating Budget for Strategic Objective # 4 – sector development

- a. Is the Operating Budget of \$ 1.252 million allocated for 2008 sector development appropriate?

5. **Strategic Objective # 5- BUILDING ORGANIZATIONAL CAPACITY -Maintain and develop organizational capacity to achieve the strategic objectives.**

5.1. 2008 Operating Budget for Strategic Objective # 5 – organizational capacity

- a. Is the Operating Budget of \$ 21.015 million allocated to maintain and develop organizational capacity in 2008 appropriate?

6. **General**

6.1. **Proposed Usage Fee**

- a. Is the proposed usage fee appropriate?

6.2. **Commitments from Settlement Agreement 2007 (EB-2006-0233)**

- a. Has the OPA met its commitments, as set out in the 2007 Settlement Agreement (EB-2006-0233) conditions, regarding the CDM 2007 operating budget?