

WRITTEN RE-EXAMINATION OF TERRY GABRIELE

On May 9, 2011 Terry Gabriele, one of the OPA's Panel 1 witnesses, was compelled to leave shortly before the end of the hearing day. The Board Panel offered counsel from the OPA the opportunity to conduct re-examination of this witness in writing. The following is Mr. Cass' re-examination of Mr. Gabriele:

Can you please explain the difference between fees and charges in relation to the OPA's operating budget that has been presented in the evidence filed in this proceeding? By reference to the table at Exhibit I-11-1, page 4, please explain the amounts that relate to fees and those that relate to charges. With respect to the questions asked by counsel for OSEA about budgeted spending on "renewables", can you please address this area in relation to budgeted spending included in fees and budgeted spending included in charges.

Fees are amounts charged by the OPA to recover its costs of operations. Fees for any given calendar and fiscal year are derived from the OPA budgetary expenditures and are subject to review by the OEB. Charges or 'program spending' are amounts charged by the OPA to recover amounts paid or payable by the OPA to another person with respect to electricity. Charges expenditures relate to the costs of conservation programs managed by the OPA, Local Distribution Companies and others, as well as electricity generation supplies that are provided under contract to the OPA.

In the table on page 4 of Exhibit I-11-I, the columns titled "Internal Resources" and "External Resources" are fees expenditures and relate to the OPA budget for which approval by the OEB is requested in this revenue requirement submission. The column titled "Program Spending" relates to expenditures for conservation programs funded by the OPA and electricity generation supply under contract to the OPA, which are categorized as charges-related expenditures.

Counsel for OSEA asked a series of questions comparing the chart at Exhibit D-2-1, page 3, with the spending on renewable energy in the program spending column in the tables on page 4 of the response to CME Interrogatory 1 at Exhibit I-11-1. The question

1 compared the budgeted fee expenditure for the Green Energy Investment Agreement
2 (GEIA) forecasted at approximately \$600,000 in the OPA's 2011 budget and the spending
3 on renewable energy in the program spending column. The GEIA is fee-based contract
4 negotiation included in the OPA budget. The renewable expenditure is the program
5 spending or charges related to the renewable generation electricity supply under contract to
6 the OPA. For the fiscal year 2011, this amount is estimated at \$473,057,000.