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BY EMAIL

February 15, 2008

File No.: 101926.1046

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Independent Electricity System Operator - Fiscal 2008
Fees Submission for Review: EB - 2007 - 0816**

I enclose the IESO's responses to undertakings from the February 11, 2008 Technical Conference.

Yours truly,



Glenn Zacher

/sc
Encl.

cc: Registered Intervenors
Robert Caputo
Michael Millar

TORONTO

MONTREAL

OTTAWA

CALGARY

VANCOUVER

NEW YORK

LONDON

SYDNEY

Undertaking:

Provide breakdown of staff cost increase on a percentage basis for management, PWU and Society.

Response:

The question was asked in relation to the 4.5% increase in staff costs in 2008. Of the increase in staff costs of \$2.7 million, \$1.2 million is related to a reduction in hiring lags/ vacancies (i.e. the positions are filled more quickly). This represents 2.0% out of the forecast increase.

The balance of the increase, \$1.5 million, reflects assumed below industry average salary increases of 3% for each of management, PWU and Society. This represents 2.5% out of the forecast increase.

Filed: February 15, 2008
EB-2007-0816
Undertaking JT 2

Undertaking:

Provide Calculations re Total Compensation as related to median for CEO, Vice Presidents, Directors and Managers.

Response:

Most recent calculation of Senior Management (CEO, VPs, Dirs, Mgrs) Total Remuneration (% above/below median).

IESO Policy (Band Mid-point)	-8%
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IESO Actuals	-7%
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Undertaking:

IESO to provide a table that breaks the total regular staff levels down by business unit, similar to the one provided last year on page 42 (of the 2007- 2009 business plan).

Response:

	2006 Actual	2007 Projected	2008 Budget	2009 Plan	2010 Plan
Market & System Operations	200	197	197	197	197
Information, Technology & Infrastructure	117	116	116	116	116
Corporate Relations & Market Development	41	44	44	44	44
Corporate Services	37	41	41	41	41
Market Assessment & Compliance	13	13	13	13	13
Human Resources	12	9	9	9	9
Chief Executive Officer	2	2	2	2	2
Total Regular Staff Levels	422	422	422	422	422

In 2007 the Pay Services function was transferred from Human Resources to Corporate Services

Undertaking:

Provide an updated table showing planned OM&A by Business Unit, similar to the one provided in appendix 2 of the Business Plan last year.

Response:

(\$ millions)	2006 Actual	2007 Projected	2008 Budget	2009 Plan	2010 Plan
Information Technology & Infrastructure	31.1	33.0	34.4	35.4	35.8
Market & System Operations	30.4	31.9	33.6	34.7	35.5
Corporate Relations & Market Development	7.5	9.3	10.0	10.7	10.9
Corporate Services	8.2	9.6	9.3	10.1	9.8
Chief Executive Officer	2.9	4.0	3.5	3.9	3.9
Human Resources	2.7	2.3	2.3	2.4	2.5
Market Assessment & Compliance	2.5	2.3	2.5	2.6	2.6
Board of Directors	1.1	0.9	0.9	0.9	0.9
Corporate Items	14.0	11.1	4.7	2.2	0.5
Total OM&A	100.4	104.4	101.2	102.9	102.4
Less: Pension Expense	17.3	16.8	11.3	9.0	7.3
OM&A Program Costs	83.1	87.6	89.9	93.9	95.1

In 2007 the Pay Services function was transferred from Human Resources to Corporate Services

Undertaking:

Provide breakdown of actual historical capital expenditures for 2005 to 2007.

Response:

(\$ millions)	2005 Actual	2006 Actual	2007 Projected
Windows Refresh Program	1.3	3.4	1.8
Day-Ahead Commitment Process	-	2.6	-
Energy Management System/ Market Information System Upgrade	-	1.8	3.2
Backup Operating Centre Relocation	-	1.5	1.0
Unix Server Infrastructure Refresh	0.5	1.4	1.8
Backup Infrastructure Enhancement	-	1.3	-
Central Alarm Management	2.1	1.1	-
Facility Outage Management System	-	0.5	0.4
On-Line Limit Derivation	-	-	0.2
Application Changes	1.4	0.4	1.0
Other Capital Initiatives	4.8	4.3	2.4
Total Capital Spending	10.1	18.3	11.8