



120 Adelaide Street West
Suite 1600
Toronto, Ontario M5H 1T1
T 416-967-7474
F 416-967-1947
www.powerauthority.on.ca

November 2, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Authority
2013 Revenue Requirement Submission**

As you know, Bill 75 was an act introduced to amend the Electricity Act, 1998 in order to amalgamate the OPA and the IESO into a single agency. It received first reading on April 26, 2012. On October 15, 2012, however, the Ontario legislature was prorogued, resulting in the termination of Bill 75.

Given this development, by letter dated October 30, 2012 attached, the Deputy Minister of Energy requested that a business plan update for fiscal year 2013 be submitted as soon as possible to the Minister of Energy for review. Pursuant to Section 25.22(2) of the Electricity Act, 1998, the Minister may approve the proposed business plan or refer it back to the OPA for further consideration. Once the Minister has approved the Business Plan, the OPA will submit its proposed 2013 expenditure and revenue requirements and fees for approval by the Ontario Energy Board.

Given that the OPA does not have an approved Business Plan for 2013 at this time and is therefore not able to submit its expenditure and revenue requirements and fees for approval, it is the OPA's understanding that the interim fees will continue in effect until such time as the Board makes a final order with respect to the OPA's filing for 2013.

Yours truly,

A handwritten signature in blue ink, appearing to read "Colin Andersen", followed by a long horizontal flourish.

Colin Andersen
Chief Executive Officer

Ministry of Energy

Office of the Deputy Minister

Hearst Block, 4th Floor
900 Bay Street
Toronto, ON M7A 2E1
Tel: 416-327-6758
Fax: 416-327-6755

Ministère de l'Énergie

Bureau du sous-ministre

Édifice Hearst, 4^e étage
900, rue Bay
Toronto, ON M7A 2E1
Tél: 416-327-6758
Téléc.: 416-327-6755



October 30, 2012

Mr. Colin Andersen
Chief Executive Officer
Ontario Power Authority
1600–120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Andersen:

I am writing to address the 2013 Business Plan submission and approval process concerning your organization.

I would like to begin by thanking the Ontario Power Authority (OPA) for the work done to date to begin preparations for the proposed merger of the OPA and the Independent Electricity System Operator (IESO). However, on Monday October 15, 2012, the Legislature was prorogued resulting in the termination of Bill 75, the Ontario Electricity System Operator Act, 2012 at second reading.

Given this development, I am writing to both you and Mr. Paul Murphy, separately, asking that you submit a business plan update as soon as possible for each of your organizations for fiscal year 2013 to the Minister of Energy for review. Pursuant to Section 25.22 (2) of the Electricity Act, 1998, the Minister may approve the proposed business plan or refer it back to the OPA for further consideration. Once the Minister has approved the Business Plan, the OPA may submit its proposed revenues, expenditures and fees to the Ontario Energy Board for review.

Your letter dated October 1, 2012 requests that the Business Plan originally submitted by your organization relating to the 2012 fiscal year be accepted as your organization's submission for the 2013 fiscal year also. I would note that the Business Plan originally submitted by your organization relating to the 2012 fiscal year was not approved and was referred back to your organization within the time period provided for in s.25.22(3). For these reasons, I regret that I am not in a position to accept your request.

In preparing a Business Plan that the Minister would be prepared to accept for review, I would ask that you undertake a careful fiscal review of your organization to ensure that today's economic realities are reflected, including identifying opportunities for cost savings and efficiencies, and making compensation decisions that are consistent with the government's policy direction to the Broader Public Sector.

In order to ensure that the approvals process proceeds in an expeditious and efficient manner, I would expect that your staff communicate with Ministry staff to identify a common understanding of the submission and approvals process to be used given the unique circumstances.

Please feel free to contact Michael Reid, A/Assistant Deputy Minister, Regulatory Affairs and Strategic Policy division, should you have further questions or concerns.

Sincerely,

A handwritten signature in dark ink, appearing to read "Serge Imbrogno", with a long horizontal flourish extending to the right.

Serge Imbrogno
Deputy Minister

c: Chris Cheung, A/Chief of Staff, Ministry of Energy
James Hinds, Chair, Ontario Power Authority
Michael Reid, A/Assistant Deputy Minister, Ministry of Energy