



EB-2013-0381

NOTICE OF APPLICATION AND WRITTEN HEARING

INDEPENDENT ELECTRICITY SYSTEM OPERATOR FISCAL 2014 FEES SUBMISSION FOR REVIEW

The Independent Electricity System Operator (the "IESO") manages Ontario's electricity system and operates the wholesale electricity market. On November 4, 2013, the IESO filed its fiscal 2014 proposed revenue requirements, expenditures and fees for review by the Ontario Energy Board pursuant to sections 18 and 19 of the *Electricity Act, 1998* (the "Application"). The Board has assigned file number **EB-2013-0381** to the Application.

The IESO is seeking the following approvals from the Board:

- Approval of its proposed 2014 revenue requirement of \$129.9 million;
- Approval of its proposed 2014 capital expenditure envelope of \$24 million for capital plans;
- Approval for the continuation of the \$1,000 application fee;
- Approval of a usage fee of \$0.803/MWh to be paid commencing January 1, 2014 by all market participants based on energy withdrawn from the IESO-controlled grid, including scheduled exports and embedded generation. The IESO proposes to continue to charge the Interim Usage Fee (\$0.822/ MWh) to market participants from January 1, 2014 until the end of the month in which Board approval is received for the 2014 usage fee.
- Approval to rely on and use the information provided to the IESO by electricity distributors on the amount of embedded generation in their service territory under O.Reg 429/04 in calculating the total usage fee to be billed to each electricity distributor each billing period.
- Approval of Interim Usage Fee as the final usage fee for each of the 2012 and 2013 fiscal years; and

- Approval to retain \$5 million of the accumulated surplus from the 2011, 2012 and 2013 fiscal years. The IESO proposes to rebate the balance of the accumulated surplus, based on the IESO's audited 2013 financial statements to market participants based on each market participant's proportionate quantity of energy withdrawn from the IESO controlled grid (including scheduled exports) for 2013.

The IESO is proposing to change its fee structure to also include energy volumes equal to the output from generation embedded in local distribution networks. Currently, those volumes are not included in the determination of the IESO fee as the fee is based on energy withdrawals net of embedded generation

How to see the Application

To see a copy of the Application, go to the Consumer page of the Board's website and enter the case number **EB-2013-0381** in the "Find an Application" box. A copy can also be seen at the Board's office and at the Applicant's office at the addresses indicated below, or on the applicant's website <http://www.ieso.ca/imoweb/corp/regulatory.asp>

Written Hearing

The Board intends to proceed with this matter by way of a written hearing unless a party satisfies the Board that there is a good reason for not holding a written hearing. If you object to a written hearing, you must provide written reasons why you believe an oral hearing is necessary. Any submissions objecting to a written hearing must be received by the Board and copied to the applicant within **10 days** of the publication or service date of this notice.

How to Participate

Comment

If you wish to give your opinion on the proceeding to the Board Members hearing the application, you are invited to send a written letter of comment to the Board no later than **30 days** after the publication or service date of this notice. A complete copy of your letter of comment, including your name, contact information, and the content of the letter, will be provided to the applicant and the Hearing Panel.

Observe

If you do not wish to actively participate in the proceeding but you do wish to receive documents issued by the Board, you may request observer status. Your written request must be received by the Board no later than **10 days** from the publication or service date of this notice.

Personal Information in Letters of Comment and Observer Requests

All letters of comment or letters requesting observer status will be placed on the public record, which means that the letters can be seen at the Board's office and will be available on the Board's website. Before placing the letters on the public record, the Board will remove any personal (i.e. not business) contact information from the letters (i.e. the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the letter will become part of the public record. Please address your letter to the Board Secretary at the address below, and reference file number **EB-2013-0381** at the top of your letter.

Intervene

If you wish to actively participate in the proceeding (e.g., submit questions, file argument), you may request intervenor status from the Board no later than **10 days** after the publication or service date of this notice. Instructions for requesting intervenor status are available on the Board's website at www.ontarioenergyboard.ca/participate. Everything an intervenor files with the Board, including the intervenor's name and contact information, will be placed on the public record, which can be seen at the Board's office and will be available on the Board's website.

If you do not have internet access, please call 1-877-632-2727 to receive information about this proceeding and how to participate.

Draft Issues List

Attached as Appendix "A" to this Notice of Application, is a draft issues list prepared by the IESO. If you are requesting intervenor status, please review the draft issues list and provide any comments/additions to this list **along with your letter of intervention**. The Applicant may also provide comments/additions to the draft issues list no later than **17 days** from the publication or service date of this notice. The Board will determine the final issues list and only those issues on the approved issues list will be considered during the review.

IMPORTANT

IF YOU DO NOT FILE A WRITTEN OBJECTION TO A WRITTEN HEARING OR DO NOT PARTICIPATE IN THE HEARING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

Addresses

The Board

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Attention: Board Secretary

Filings:

<https://www.pes.ontarioenergyboard.ca/eservice/>

E-mail: boardsec@ontarioenergyboard.ca

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

The Applicant

Independent Electricity System Operator

655 Bay Street, Suite 410
Toronto ON M5G 2K4

Attention:

Mr. Adrian Pye

Senior Regulatory Analyst,
Regulatory Affairs

Tel: 416-506-2858

Fax: 416-506-2843

E-mail: regulatoryaffairs@ieso.ca

Independent Electricity System Operator

655 Bay Street, Suite 410
Toronto ON M5G 2K4

Attention:

Ms. Jessica Savage

Supervisor, Regulatory Affairs

Tel: 416-506-2851

Fax: 416-506-2843

E-mail: regulatoryaffairs@ieso.ca

Counsel for the IESO

Stikeman Elliott LLP

5300 Commerce Court West

199 Bay Street

Toronto ON M5L 1B9

Attention:

Mr. Glenn Zacher

Tel: 416-869-5688

Fax: 416-947-0866

E-mail: gzacher@stikeman.com

DATED at Toronto, January 3, 2014
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix “A”
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
FISCAL 2014 FEES SUBMISSION FOR REVIEW
DRAFT ISSUES LIST
EB-2013-0381

1.0 Operating Costs

- 1.1 Are the IESO's projected OM&A Costs appropriate and reasonable?
- 1.2 Are the IESO's projected staffing levels appropriate and reasonable?

2.0 Capital Spending

- 2.1 Are the IESO's proposed 2014 capital expenditures appropriate and reasonable?

3.0 The IESO Usage Fee

- 3.1 Is the move to gross billing from net billing appropriate?