

VINCENT J. DEROSE
T 613.787.3589
vderose@blg.com

Borden Ladner Gervais LLP
World Exchange Plaza
100 Queen St, Suite 1300
Ottawa, ON, Canada K1P 1J9
T 613.237.5160
F 613.230.8842
blg.com

BLG
Borden Ladner Gervais

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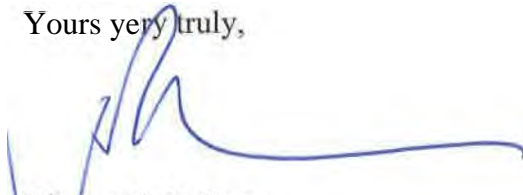
Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

Ontario Power Authority ("OPA")
2014 Revenue Requirement Submission
Board File No.: EB-2013-0326
Our File No.: 339583-000172

Pursuant to the Decision on Issues List and Procedural Order No. 2 dated June 3, 2014, please find attached the Interrogatories of Canadian Manufacturers & Exporters ("CME") to the OPA.

Yours very truly,



Vincent J. DeRose

VJD/kt

Encl.

c. Miriam Heinz (OPA)
Fred Cass (Aird & Berlis)
Intervenors EB-2013-0326
Paul Clipsham (CME)

OTT01: 6385842: vl

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 for the year 2014.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS ("CME")
TO ONTARIO POWER AUTHORITY (THE "OPA")**

Ref: 2014-2016 Business Plan (the "Business Plan"), Exhibit A-2-1.,
the OPA 2011 Annual Report, Exhibit A, Tab 3, Tab 1; Exhibit B, Tabs 1, 2, 3, 4 and 5

Issues 1.1, 2.1, 3.1, 4.1 and 5.1

CME 1

CME wishes to better understand how the OPA identifies its resource requirements and deploys those resources to achieve its strategic objectives. Specifically, CME wishes to have further information about the actual costs incurred with respect to conservation, power system planning, electricity resources, corporate support and communications (hereinafter collectively referred to as the "five goals"). For each of these five goals, please provide a table which sets out the following information:

- (a) In column 1, each of the years 2009 through to 2014, please list each of the functions and initiatives the OPA performed. Please use actuals for 2009 through to 2013, and plans to perform in the budget year.
- (b) In column 2, please set out the "internal resources" by showing the FTEs and costs that have been allocated to each of the functions and initiatives listed in column 1 for internal resources used in the historic years and the budget year.
- (c) In column 3, please set out the "external resources" by showing for each function and initiative described in column 1 where external resources were utilized, the nature of the external resources used and the costs thereof.
- (d) In a fourth column, to be entitled "program spending", list each of the programs and the related charge-funded activities for each of the strategic objectives pertaining to the five goals.

Ref: 2011-2013 Business Plan, Exhibit A-2-1; Exhibit B, Tab 2, Schedule 1, Page 1 of 11

Issue 2.1

CME 2

CME wishes to have a better understanding of the extent to which the OPA's Power System Planning Division considers estimated overall electricity prices and total bills for Ontario customers when developing plans for Ontario and when providing advice to government on the status and outlook for electricity service. To this end, please provide the following additional information:

- (a) Does the Power System Planning Division provide a future outlook, or otherwise estimate overall electricity prices and total bills that Ontario customers will likely pay as a result of the plans it develops for Ontario? If so, please describe the internal and/or external resources that the OPA uses and the methods those resources supply to develop such forward looking estimates. If not, please explain why the OPA would not consider future electricity prices and the total bills Ontario consumers will likely pay when developing plans for Ontario and providing advice to government on the status and outlook for electricity service.
- (b) At Exhibit **B**, Tab 2, Schedule 1, page 1 of 11, OPA confirms that the Power System Planning Division develops plans for Ontario, an ongoing process that supports the implementation of government policies, directives and goals, and provides advice to government on the status and outlook for electricity service. CME wishes to better understand the advice that the Power System Planning Division has given to government on the outlook for electricity service. Please produce the advice provided to government on the outlook of electricity prices. If not, please provide an explanation as to why the outlook for electricity prices would not be considered by the Power System Planning Division.
- (c) What studies, if any, has the Power System Planning Division commissioned or conducted, either internally or externally, to assess the ability of various sectors in Ontario's economy, and in particular the manufacturing sector, to withstand electricity price increases? If any such studies have been undertaken, please produce those studies. If not, please provide an explanation as to why the Power System Planning Division has not considered such information in developing plans for Ontario.
- (d) Are the electricity prices paid by manufacturers that compete with Ontario manufacturers and are located in neighbouring jurisdictions or in other areas of North America or elsewhere in the world taken into account by the OPA in developing Ontario's power system plan? If so, please describe the internal and external resources of the OPA used to undertake such an assessment, and produce any written reports, memoranda, or PowerPoints addressing this issue.

Ref: Exhibit A, Tab 1, Schedule 1: 2014-2016 Business Plan, Exhibit A-2-1

Issues 1.1, 2.1, 3.1, 4.1 and 5.1

CME 3

Paragraph 1 of the Submission for Review (Exhibit A, Tab 1, Schedule 1, page 1 of 3), confirms that the OPA has submitted its 2014 to 2016 Business Plan to the Minister of Energy (the "Minister"). Did the OPA make any adjustments to its Business Plan as a result of the review by the Minister prior to receiving ministerial approval? If so, please set out all of the changes made to the OPA Business Plan after initial submission to the Minister, but before ministerial approval.

Ref: Exhibit B, Tab 1, Schedule 1

Issue 1.1

CME 4

At page 8 of 36 of Exhibit B, Tab 1, Schedule 1, the OPA confirms that it manages contracts with 76 LDCs for the delivery of LDC delivered programs. CME understands that the OPA's management activities include audits of the LDC expenditure of program administration budget provided as part of the contract, quality assurance audits for program delivery and audits of third party service providers serving LDCs. OPA states in the evidence that those audits to date have demonstrated compliance. CME wishes to better understand this audit process. Please provide the following information:

- (a) How many of the 76 LDCs have been subject to:
 - (i) Audits of the LDC expenditure of the program administrative budget provided as part of the contract?
 - (ii) Quality assurance audits for program delivery and project applications? and
 - (iii) Audits of third party service providers serving LDCs?
- (b) Have any of the audits conducted identified shortcomings in the LDC expenditure of the program administrative budget, of quality assurance, or of the services of third party providers serving LDCs? If so, please provide the details of the shortcomings as well as a summary of the recommendations arising out of the audit and steps that have been taken to implement those recommendations.
- (c) Are the audits conducted internally by OPA or by external auditors? If they are conducted by external auditors, please identify the identity of those auditors.
- (d) Please provide copies of all of the written audits.

Ref: Submission for Review, Exhibit A, Tab 1, Schedule 1, Page 1 of 3

Issues 1.1, 2.1, 3.1, 4.1 and 5.1

CME 5

OPA has requested a revenue requirement of \$60.3 million based on its operating budget. CME wishes to better understand how the OPA developed its 2014 operating budget. Please provide the following information:

- (a) Does the OPA have a written budget planning process which codifies the roles and responsibilities of both operation and personnel who conduct budgeting determinations as well as the executive or management personnel that review the overall budgets? If yes, please produce a copy of that document. If not, why not?
- (b) Was any written direction given from the Minister, the OPA's Board of Directors or by OPA senior management on the manner in which the budget process should be undertaken? If so, please provide copies of any written direction on the budget process. If not, please provide an explanation of the OPA's budget process.
- (c) Please set out how the operating budget for each of the five goals is allocated among the various strategic initiatives. If the OPA is not able to provide details on the allocations of its budget for each goal by initiatives, please provide an explanation as to why it is not able to break out the operating budget for each goal into the various initiatives.
- (d) Please provide a description of the methods that are applied by the OPA, on an initiative-by-initiative basis, to prepare and monitor the external and internal budgets that, in combination, produce the \$60.3 million requested revenue requirement.

Ref: Exhibit B, Tab 1, Schedule 1

Issue 1.1

CME 6

CME wishes to better understand the steps that the OPA takes to ensure that LDC proposed CDM programs are not duplicative of OPA province-wide CDM programs. In this regard, please provide a fulsome description of the manner in which the OPA evaluates the extent to which LDC proposed CDM programs are duplicative of OPA province-wide CDM programs. Since 2010, has the OPA identified any LDC proposed CDM programs that are duplicative of OPA province-wide programs? If yes, please provide details of those duplicative CDM programs and set out the steps which the OPA has taken to address such an issue.