



**EB-2006-0233**

**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 to charge for the year 2007.

## **PROCEDURAL ORDER NO. 2**

On November 1, 2006, the Ontario Power Authority (the “OPA”) filed with the Ontario Energy Board (the “Board”) its proposed 2007 expenditure and revenue requirement and fees for review pursuant to subsection 25.21(1) of the *Electricity Act, 1998* (the “Act”). Pursuant to subsection 25.21(2) of the Act, the OPA is seeking approval of its proposed 2007 expenditure and revenue requirement and approval of a usage fee. The Board assigned file number EB-2006-0233 to this matter.

The Board issued a Notice of Application dated November 20, 2006 with respect to this proceeding.

On December 14, 2006 the Board issued Procedural Order No.1 which set out timelines for an Issues Conference, Technical Conference and a Settlement Conference.

An Issues Conference was held on December 20, 2006. At this conference the participants and Board staff agreed on a draft Issues List.

The Board has considered the draft Issues list and is in agreement with it.

The Board considers it necessary to make provision for the following procedural matters. The Board may issue further procedural orders from time to time.

**THE BOARD ORDERS THAT:**

1. The Issues List for this proceeding is set out in Appendix "A" attached to this Order.
2. The timelines provided in Procedural Order No. 1 remain in effect.

**ISSUED** at Toronto, December 21, 2006.

ONTARIO ENERGY BOARD

*Original signed by*

Kirsten Walli  
Board Secretary

**APPENDIX “A”**

**PROCEDURAL ORDER NO. 2**

**OPA 2007 Revenue Requirement & Proposed Fees Submission**

**EB-2006-0233**

**ISSUES LIST**

**OPA 2007 Revenue Requirement & Proposed Fees Submission  
EB-2006-0233**

**BOARD APPROVED ISSUES LIST**

**1. Strategic Objective #1 - Conservation and Demand Management (CDM) Operating Budget**

1.1 2007 Operating Budget

- a) Is the budget reasonable and appropriate?

1.2 2007 Program Activities

- a) Are the management and administrative systems the OPA has put in place to accommodate the 2007 CDM program reasonable and appropriate?
- b) Has the OPA used appropriate methods and techniques in the design of its 2007 CDM program?

1.3 LDC CDM Initiatives (July 13, 2006 Directive)

- a) Is the OPA's allocation of its operating costs reasonable and appropriate for the direction and oversight of the LDC CDM initiatives;

1.4 Division of Conservation Roles and Activities

- a) Are the costs and revenue requirement implications of the new organizational structure put into place by the OPA to provide oversight for CDM activities reasonable and appropriate?

1.5 Conservation Fund Activities

- a) Is the oversight structure that the OPA has put in place for the Conservation Fund reasonable and appropriate?

**2. Strategic Objective #2 Power System Planning Operating Budget**

2.1 2007 Operating Budget

- a) Is the budget reasonable and appropriate?

2.2 Development of IPSP for OEB approval

- a) Are the management and administrative systems the OPA has put in place to accommodate the 2007 System Planning program reasonable and appropriate?

### **3. Strategic Objective #3 Supply Procurement and Contracting Operating Budget**

#### **3.1 2007 Operating Budget**

- a) Is the budget reasonable and appropriate?

#### **3.2 Contract Management**

- a) Is the use of an interim in-house system to handle financial settlements and contract management reasonable?
- b) Has the OPA used appropriate methods and techniques in the design and operation of its contracting/procurement program?

### **4. Strategic Objective #4 Sector Development Operating Budget**

#### **4.1 2007 Operating Budget**

- a) Is the budget reasonable and appropriate?

#### **4.2 Coordination of OPA's Activities with the IESO and the OEB**

- a) Is there any overlap or duplication of activities? Are there opportunities for OPA efficiency improvement?
- b) How is the OPA respecting the distinction between its statutory role and that of the IESO and coordinating its activities in respect thereof?

### **5. Strategic Objective #5 Building Organizational Capacity Operating Budget**

#### **5.1 2007 Operating Budget**

- a) Is the budget reasonable and appropriate?
- b) Are the proposed capital expenditures for 2007 reasonable and appropriate?

#### **5.2 Human Resources**

- a) Is the design and structure of the OPA's compensation system reasonable and appropriate?

#### **5.3 Finance**

- a) Are the OPA's staff costs reasonable given the skills and experience required?
- b) Are the consulting fees incurred by the OPA reasonable and appropriate given the staff increases in the organization?

- c) Budget information vs. actual spending amounts in the financial information provided in the Application

5.4 Deferral Accounts

- a) What is the appropriate treatment regarding the Retailer Contract Settlement Deferral Accounts?
- b) Clearing of Government Procurement Costs Deferral Account

**6. General**

6.1 Proposed Usage Fee

- a) Is the design of the proposed usage fee appropriate?
- b) Mechanism for adjustment with respect to any difference between interim and final approved fee.

6.2 Stakeholder Consultation

- a) Are the OPA's plans for 2007 stakeholder consultation appropriate?

6.3 EB-2005-0489 Settlement Agreement

- a) Has the OPA complied with the provisions of the 2006 RRS Settlement Agreement?