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Our File No. 161352

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
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Toronto, Ontario
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Attention: Kirsten Walli,
Board Secretary

Dear Ms. Walli:

Re: IESO, 2016 Revenue Requirement; Board File No. EB-2015-0275

BOMA is writing to correct errors in the IESO's letter to the Board dated May 31, 2016.

At page 3 of its Reply to Comments, the IESO states that:

"BOMA suggested adding two additional issues to the Draft Issues List, the first was Issue 5.1 dealt with earlier in this letter, and the second was Issue 4.1 shown below. The IESO believes this matter is effectively captured in Board Staff suggested Issue 6.1, as revised by the IESO, as one the Board's findings in the OPA's 2014 Revenue Requirement Submission dealt specifically with Metrics and Performance and Stakeholder Engagement. Additionally, while BOMA has stated it has relied on and quotes from the Board's decision in EB-2013-0326 in support for Issue 4.1, BOMA's suggested wording for Issue 4.1 is a significant revision from the wording in the Board's decision. The IESO believes it is appropriate to rely on the wording in the decision rather than formulating new wording with the addition of an issue."

BOMA's suggested wording for 4.1 was based on both the evidence and a prior Board case. The quote from EB-2013-0326 was used to underline the concern the Board has had for several years with the OPA's performance targets and metrics. The OPA is now part of the IESO, so the IESO inherits those concerns. The full quote would be more helpful:

"The Board recognizes there are continued weaknesses in the OPA's setting and achievement of performance targets and metrics. These issues have been of concern to the Board in the OPA's two previous fees cases (EB-2009-0347 and EB-2010-0279) and remain generally unresolved at this time.

The Board echoes the views of previous decisions that the performance and efficiency metrics and milestones filed in conjunction with this application were of limited assistance to the Board in its

determination of whether the applied-for net revenue requirement, is appropriate, and whether the OPA is achieving a reasonable standard of effectiveness and efficiency in performing the functions it is mandated to undertake. However, the metrics are not so flawed as to affect the revenue and expenses which the Board is asked to approve.

The Board expects that the merged entity's first fee submission will show an improvement in the setting and achievement of performance targets and metrics".

BOMA then examined the Business Plan (Exhibit A, Tab 2, Schedule 2, Page 15), and determined that many of the corporate performance measures were very broad, with no milestones, were often unclear, and seemed to bear some undefined relationship to IESO's "strategic themes" and "six underlying strategic objectives". In BOMA's view, particularly in light of the Board's concerns, performance targets and metrics need to be an issue.

BOMA sees a direct link between the Board's expressed concerns and the need for the issue.

Finally, contrary to the IESO's position, the issue is not included in IESO's proposed issue 6.1, which states:

"6.1 Has the IESO appropriately responded to requirements in OEB decisions in EB-2013-0326 and EB-2013-0381?"

The Board expressed the expectation that the merged entity's submission will show an improvement in the setting and achievement of performance targets and metrics. This expectation was not part of the Board's order in EB-2013-0326 (pages 10-11), and is not part of the Board's decision. It is, therefore, not included in IESO's proposed 6.1.

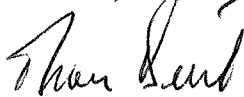
Finally, two brief asides:

First, the IESO should refrain from suggesting a schedule for the process when it files its evidence. That is not its job, and it confuses matters.

Second, the IESO proposes to give itself three weeks to answer IRs but reduce the intervenors' time to prepare them to two weeks. Needless to say, this is not fair. As the first joint entity submission to the OEB, this is not a trivial case, but a very important one. BOMA requests that the Board issue a new schedule which allows both intervenors and IESO three weeks.

Yours truly,

FOGLER, RUBINOFF LLP



Thomas Brett

TB/dd

cc: All Parties (via email)