

1 OSEA INTERROGATORY 3

2 3.0 Registration and Application Fees

3 3.0 OSEA 3

4 INTERROGATORY

5 Reference: Exhibit B, Tab 2, Schedule 1, Page 1

6 *The IESO proposes to continue charging the registration and application fees as previously*
7 *approved by the Board and as described below... The IESO charges registration fees to assist in*
8 *covering a portion of the costs associated with processing and reviewing submissions.*

- 9 a) Please indicate how many IESO staff are dedicated to reviewing applications for the
10 Feed-in-Tariff program and Large Renewable Procurement for 2016.
- 11 b) Please indicate what is the forecasted number of applications IESO expects to receive for
12 Feed-in-Tariff and Large Renewable Procurement for 2016.
- 13 c) Please indicate whether IESO expects the forecasted \$1 million in registration fees to
14 cover all staff costs to review the applications? If not, please indicate any expected
15 shortfall or surplus.
- 16 d) For each year from 2010-2015, please provide a table summarizing (i) the number of
17 applications received for Feed-In-Tariff and Large Renewable Procurement, (ii) the
18 amount of registration fees received, (iii) the number of contracts entered into by IESO
19 and (iv) how registration fees were spent by IESO (or OPA).Reference: Exhibit B, Tab 2,
20 Schedule 1, Page 2
- 21 a. *The IESO has forecast registration fees revenue of \$1 million for 2016. The IESO*
22 *expects this revenue to be collected from LRP and FIT programs based on the IESO's*
23 *expectations of the applications and submissions it will receive in 2016.*

24 RESPONSE

- 25 a) In 2016 it is planned that there will be 10 dedicated staff that review the Feed-in-Tariff
26 ("FIT") Program applications that will be received.

1 For the Large Renewable Procurement (“LRP”), there are 4 staff members that represent the
 2 Procurement Team that are dedicated to the procurement process. Throughout the review
 3 process for the LRP, an evaluation team composed of non-conflicted individuals from
 4 outside the Procurement Team are seconded to conduct the evaluation process of the LRP
 5 submissions. This would also include an independent individual to chair the process and a
 6 Fairness Advisor to oversee the process.

7 b) For the FIT Program, given the history of the number of applications received during each
 8 period in which applications have been received, it is expected that there will be
 9 approximately 1,000 FIT applications received.

10 For the LRP, it is expected that there will be approximately 50 qualification submissions
 11 received in 2016 for the LRP II RFQ process.

12 c) Please see the response to OSEA Interrogatory 2, at Exhibit I, Tab 1.4, Schedule 7.02.

13 d) The IESO tracks revenue by the type of revenue collected, such as registration fees, rather
 14 than by program, and as such is not able to provide the information in the format requested.
 15 Information on the number of applications received, contracts issued and total registration
 16 fees collected by year is provided below:

17 **Feed-in-Tariff**

Phase	Year Application s Received	Year Contracts Issued	Application s Received	Contracts Issued
FIT 1 *	2009 - 2010	2010 - 2011	3719	2443
FIT 2.1	2012 - 2013	2013	3938	951
FIT 3 **	2013	2014 - 2015	2024	969
FIT 4	2015	2016	1732	936

* FIT 1 applications included Capacity Allocation Exempt (CAE) and Capacity Allocation Required (CAR) projects. All CAR applications received after June 4th, 2010 and all CAE applications received after Dec 7th, 2010 were subsequently terminated and the associated fees collected were to be returned to the applicants. Additionally, all CAR applications that were awaiting the Economic Connection Test (ECT) were also terminated and the associated fees were to be returned.

** Includes the applications associated to the FIT 3, FIT 3 Extension, Unbuilt Rooftop Solar Pilot and the Combined Project Option processes.

Large Renewable Procurement

Phase	Submissions Received	Submissions Qualified	
RFQ*	70	42	
	Registrations Received	Proposals Submitted	Contracts Issued
RFP	122	103	16

* Submissions qualified under the RFQ process were eligible to submit multiple proposals under the RFP process.

1

2 For each year from 2010 to 2015, the amount of registration fees received is provided below.

Year	Amount
2010	\$3.3 million
2011	\$0.3 million
2012	(\$1.4 million)
2013	\$1.7 million
2014	\$2.7 million
2015	\$2.2 million

3

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1 ENERGY PROBE INTERROGATORY 11

2 4.0 Deferral and Variance Accounts

3 INTERROGATORY

4 Reference: Exhibit B, Tab 2, Schedule 1, Page 3

5 If the IESO gets approval of a single fee, then please discuss how a true up on FDVA balances
6 should be done to reflect fairly both costs and revenues for each of the Classes of customers.

7 RESPONSE

8 Under a single fee, in future, the rebate allocation basis to market participants will be based on
9 the proportionate quantity of energy withdrawn from the grid (including exports) plus reported
10 embedded generation for the year. Any deficit balance in the FVDA could be included in the
11 following year's revenue requirement.

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1 CME INTERROGATORY 2

2 4.0 Deferral and Variance Accounts

3 4.4 Is the IESO's proposal to retain an Operating Reserve of \$10 million in the Forecast Variance
4 Deferral Account appropriate?

5 4.4-CME-2

6 INTERROGATORY

7 Ref: Exhibit B, Tab 3, Schedule 1, page 7 of 7

8 The IESO is proposing that any final year end 2015 FVDA balance in excess of \$10M be
9 recalculated into two pools of funds to allow the funds to be returned to the OPA and IESO
10 usage fee payers in a manner which accurately and fairly reflects the usage fees they paid in
11 2015 as a percentage of the total IESO revenues.

12 It appears to CME that the IESO's operating reserve of \$10M is based on the fact that both the
13 IESO and the OPA each previously had operating reserves of \$5M. In light of the fact that the
14 IESO and OPA are now merged, CME questions whether an operating reserve of \$10M remains
15 necessary. Please provide a detailed justification as to why the IESO requires such a large
16 operating reserve.

17 RESPONSE

18 Please refer to pages 7 – 9 of Exhibit B-1-1 where the current approval for \$10 million of
19 operating reserve is described, as well as an explanation of how material unplanned work
20 activities (e.g., risks) that are beyond the control of management could impact spending as
21 justification for maintaining this level of operating reserve on an ongoing basis.

22 Objectives of maintaining this reserve include funding the IESO's operations in the event of
23 revenue shortfalls or unanticipated expenditures. It is to be used for cash flow management
24 and to support working capital requirements. The operating reserve equals approximately
25 5.5% of the IESO's revenue requirement which the IESO believes is a reasonable percentage of
26 annual revenue to hold for contingencies.

27 This is aligned with the practices of other similar sector organizations, such as the OEB. As part
28 of its self-financing status, the OEB established an operating reserve, which is adjusted on an

- 1 annual basis. The primary objective of maintaining this reserve is to fund the OEB's operations
- 2 in the event of revenue shortfalls or unanticipated expenditures. It is to be used for cash flow
- 3 management and to support working capital requirements.

1 CME INTERROGATORY 1

2 5.0 Merger Costs and Savings

3 INTERROGATORY

4 Ref: Exhibit B, Tab 3, Schedule 1, pages 1 and 2

5 The evidence states that the merger of the IESO and the OPA on January 1, 2015 has resulted in
6 a decrease in annual costs of more than \$5M in 2015. Furthermore, based on the 2016-2018
7 Business Plan, the IESO is targeting savings of more than \$10M by 2018.

8 CME wishes to better understand these achieved and potential efficiencies. In this regard:

9 (a) Please provide a more detailed description of the drivers of the decrease in annual costs
10 of approximately \$5M in 2015;

11 (b) Please provide a detailed description of the drivers for the targeted savings of \$10M to
12 be achieved by 2018. In answering this question, please confirm whether the targeted
13 savings of more than \$10M to be achieved by 2018 is inclusive or exclusive of the \$5M
14 reduction in annual costs already achieved in 2015;

15 (c) For each of the drivers described in (a) and (b), please identify those savings which are
16 sustainable on a year-over-year basis, and which are one-time savings (if any).

17 RESPONSE

18 a) Please see the response to SEC Interrogatory 11, at Exhibit I, Tab 5, Schedule 8.11 for
19 information relating to costs savings that supported the merger.

20 b) and c)

21 Please see the response to AMPCO Interrogatory 22, at Exhibit I, Tab 5.4, Schedule 2.22, for a
22 description of the targeted savings of \$10 million by 2018.

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1 CME INTERROGATORY 3

2 5.0 Merger Costs and Savings

3 INTERROGATORY

4 Ref Exhibit A-2-2, page 3 of 20

5 The IESO confirms that throughout 2015 it has focussed on integrating the OPA and IESO,
6 merging information technology, financial and business systems and processes, and
7 consolidating staff in new work units and locations. In this regard, while a significant amount of
8 merger-related work has been completed, a number of activities are still under way.

9 CME would like to better understand the merger-related work that remains outstanding. Please
10 provide a description of the merger-related work to be completed in 2016 or beyond. In
11 providing this description, please also identify the anticipated cost for that merger-related
12 work. If possible, also explain when the IESO anticipates that all merger-related work will be
13 completed.

14 RESPONSE

15 Please see the response to AMPCO Interrogatory 19, at Exhibit I, Tab 5.4, Schedule 2.19.

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1 ENERGY PROBE INTERROGATORY 12

2 5.0 Merger Costs and Savings

3 INTERROGATORY

4 Reference: Exhibit A-2-2, Page 3

5 Preamble: The merger has driven savings, including a workforce reduced by 35 employees, real
 6 estate savings and the elimination of one Board of Directors. These and other efficiencies have
 7 resulted in a decrease in annual costs of more than \$5 million. The IESO’s 2016-2018 business
 8 planning efforts build on these efficiencies and achieve annual savings of more than \$10 million
 9 by 2018.

10 a) Please provide a breakdown of the major categories of Cost Saving in 2016 and beyond.

11 b) Please reconcile this to the 2016 Budget and Fees.

12 RESPONSE

13 a) The following table shows synergy savings achieved through the merger:

Description of Synergy Savings, \$ millions	2015
Compensation & Benefits	3.2
Single Board of Directors	0.6
Office Space Reduction	1.3
Rationalization of systems and services	0.2
	5.3

14
 15 Please see the response to AMPCO Interrogatory 22, at Exhibit I, Tab 5.4, Schedule 2.22 for
 16 details regarding cost savings expected to 2018.

17 b) The synergy savings shown in (a) above were included in the IESO’s 2015 budget of
 18 \$184.6 million in operating expenses, as compared to a combined 2014 budget of
 19 \$190.2 million for the two predecessor organizations. The synergy savings realized in 2015
 20 through the merger are sustained over the planning period and are therefore embedded in
 21 the budget base for each year. In addition, further efficiencies over the planning period
 22 result in operating expenses of \$180.2 million in 2018 – a reduction of \$10 million versus the
 23 2014 combined budget benchmark.

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1 ENERGY PROBE INTERROGATORY 13

2 5.0 Merger Costs and Savings

3 INTERROGATORY

4 Reference: Exhibit B, Tab 3, Schedule 1, Page 2

5 Preamble: The majority of the (merger) costs were associated with compensation and benefits
6 costs due to staff reductions of 35 people (\$7.8 million).

7 a) For each of OPA and IESO please provide a more detailed breakdown of Merger Costs.

8 b) Please provide a breakdown of the \$7.8 million related to staff reductions.

9 c) Specifically show the amount of severances paid by OPA/IESO as a result of the
10 downsizing. Please show Executive, Management and Other amounts separately.

11 d) Clarify if the amounts of severance include Bridging to Pension, and if so the amount of
12 this.

13 RESPONSE

14 a) Please see the response to AMPCO Interrogatory 16, Exhibit I, Tab 5.1, Schedule 2.16.

15 b) See response c) below

16 c) The severance paid to employees whose employment was terminated as a result of the
17 downsizing is shown in the table below. The balance of the \$7.8 million expense related to
18 staff reductions was for benefits and pension coverage through the severance period, as well
19 as employer-paid payroll taxes.

Employee Category	Severance Paid
Executive	\$2,803,365
Non-represented (Management)	\$2,430,987
Represented	\$1,751,791
Total	\$6,986,143

20 d) One Represented individual received bridging to pension eligibility in the amount of
21 \$17,976, which is included in the numbers above.

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1 ENERGY PROBE INTERROGATORY 14

2 5.0 Merger Costs and Savings

3 INTERROGATORY

4 Reference: Updated Exhibit B, Tab 3, Schedule 2, Page 1

5 Please provide details/specifics of the refund of the RFDA and FDVA 2015 balances to customer
6 classes.

7 RESPONSE

8 As illustrated in the first table in Exhibit B-3-2, page 1, the proposed rebate to market
9 participants is \$9.6 million, which is a combination of the balance in the year-end 2015 FVDA
10 above the \$10 million operating reserve (based on the IESO's audited financial statements as
11 approved by the IESO Board of Directors), and the balance in the RFDA (Registration Fee
12 Deferral Account). The RFDA had a balance of \$2.2 million as of December 31, 2015, and the
13 IESO proposes that this amount be returned to OPA usage fee payers. The IESO proposes that
14 the remaining surplus of \$7.4 million be rebated in a manner which accurately and fairly reflects
15 the revenues paid by each market participant in 2015, as described at Exhibit A-1-1, page 3.
16 This will result in 31.3% of the year-end operating surplus in the FVDA in excess of \$10 million
17 being returned to the OPA usage fee payers and 68.7% of the year-end 2015 operating reserve in
18 excess of \$10 million being returned to the IESO usage fee payers. The IESO usage fee is
19 recovered on a gross load basis over both export and domestic customers and the
20 corresponding proposed rebate is \$5.1 million. The OPA usage fee is recovered on a net load
21 basis from domestic customers and the corresponding proposed rebate is \$2.3 million.

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1 OSEA INTERROGATORY 4

2 5.0 Merger Costs and Savings

3 5.0 OSEA 4

4 INTERROGATORY

5 Reference: Exhibit B, Tab 3, Schedule 1, Page 4

6 *As the Board approved the establishment of the RFDA effective January 1, 2014, this account had*
7 *a zero balance on that date. As described in Exhibit B-2-1, in the calendar year 2014, \$2.7 million*
8 *was generated through Board approved fees, and these were tracked in the RFDA. The IESO*
9 *proposes to use the 2014 year-end balance of the RFDA to partially fund the OPA's 2014 merger*
10 *costs.*

11 *The 2015 year-end balance of the RFDA will be provided in the update the IESO will file on*
12 *March 31, 2016 and will be dealt with as described below.*

- 13 a) We could not locate the 2015 year-end balance of the RFDA provided in the March 31,
14 2016 update. Please provide the reference and/or the 2015 year-end balance of the RFDA.
- 15 b) Please provide IESO's justification for using funds provided specifically for the review
16 of renewable energy generation projects to fund the 2014 mergers costs.

17 RESPONSE

18 a) Please see the response to BOMA Interrogatory 27, at Exhibit I, Tab 1.4, Schedule 3.27.

19 b) Please see the response to OSEA Interrogatory 2d), at Exhibit I, Tab 1.4, Schedule 7.02.

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1 SEC INTERROGATORY 10

2 5.0 Merger Costs and Savings

3 5-SEC-10

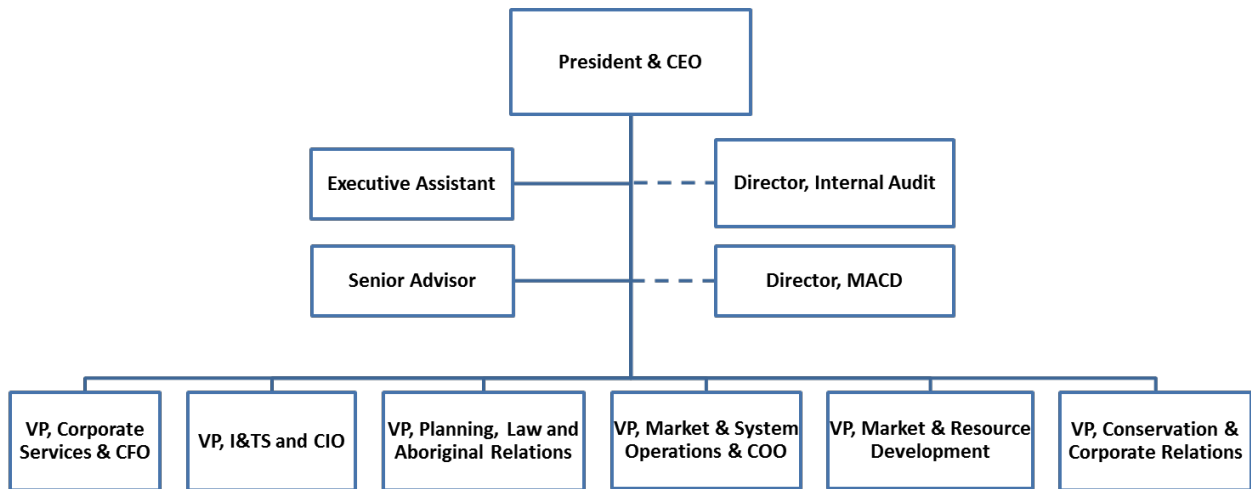
4 INTERROGATORY

5 Please provide an organizational chart for the IESO. Please also provide the last organizational
6 chart for both, the previous IESO and the OPA.

7 RESPONSE

8 The requested current and historical organizational charts are provided on the following pages.
9 The organizational charts are updated on an ad hoc basis and are therefore not necessarily
10 reflective of reported FTE totals at any point in time.

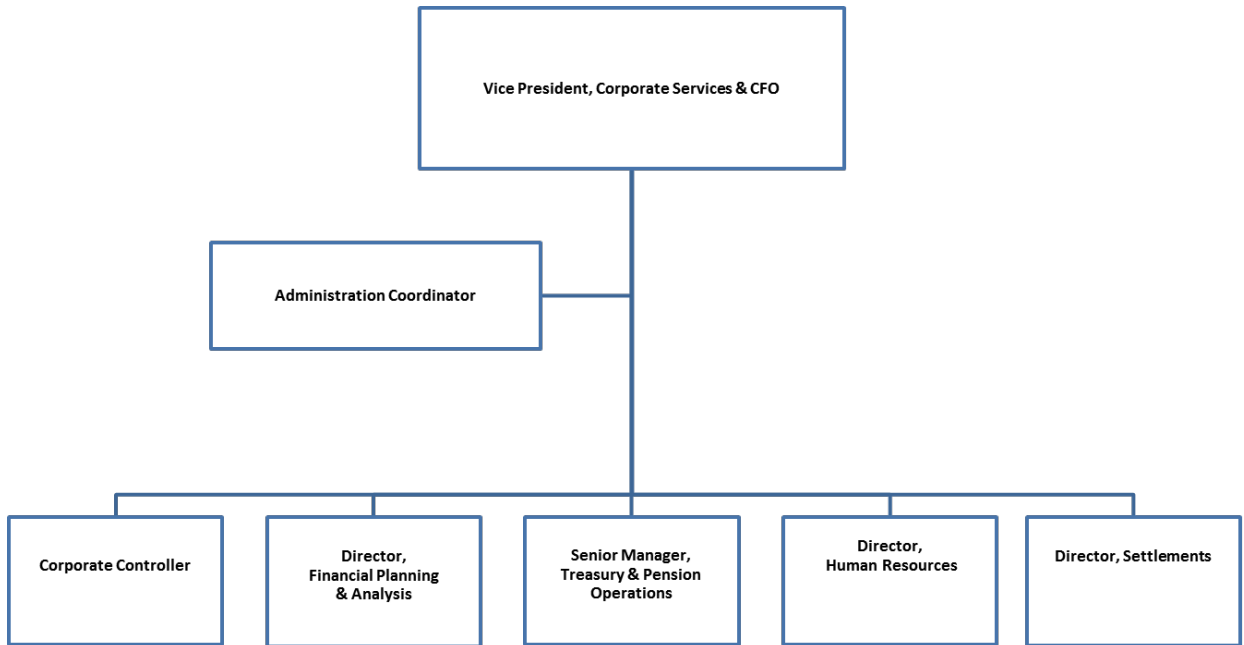
1 **Current IESO Organizational Chart**



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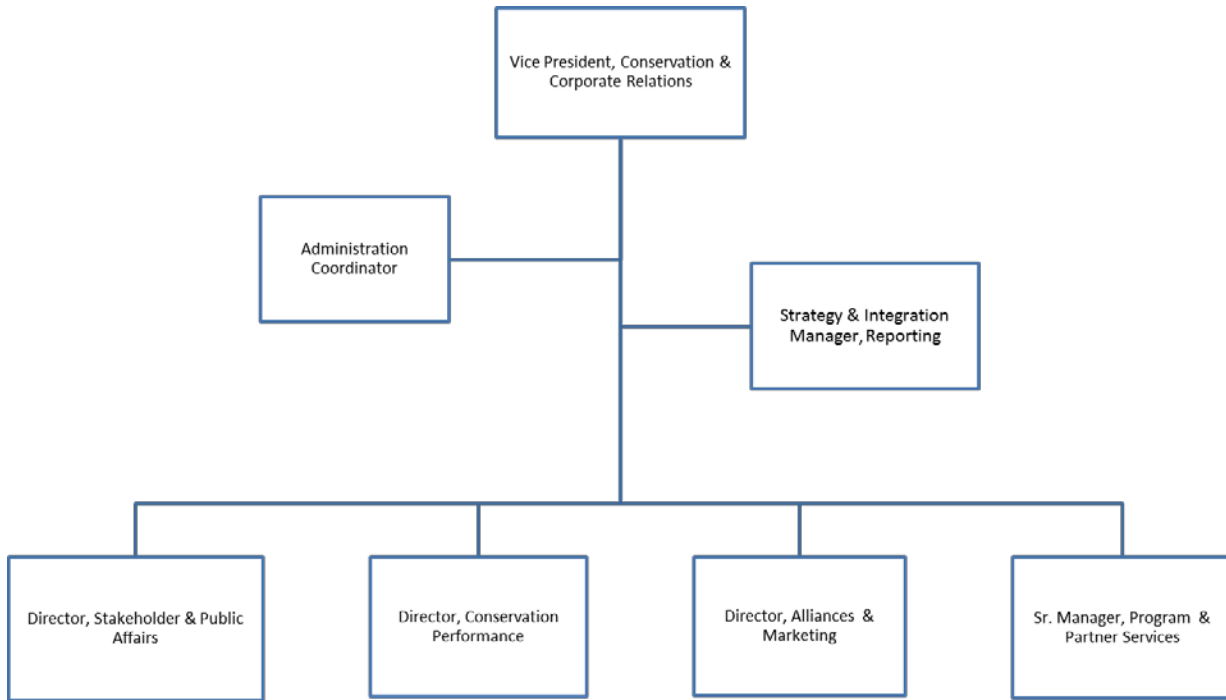
1 **Corporate Services**



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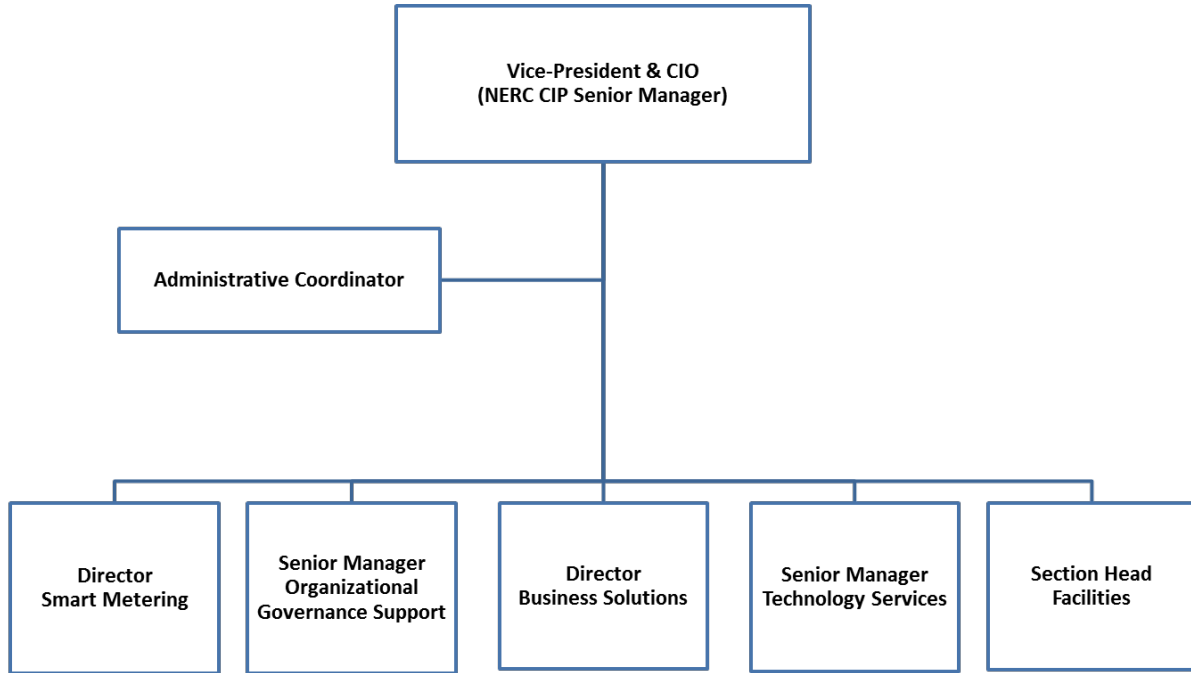
1 **Conservation & Corporate Relations**



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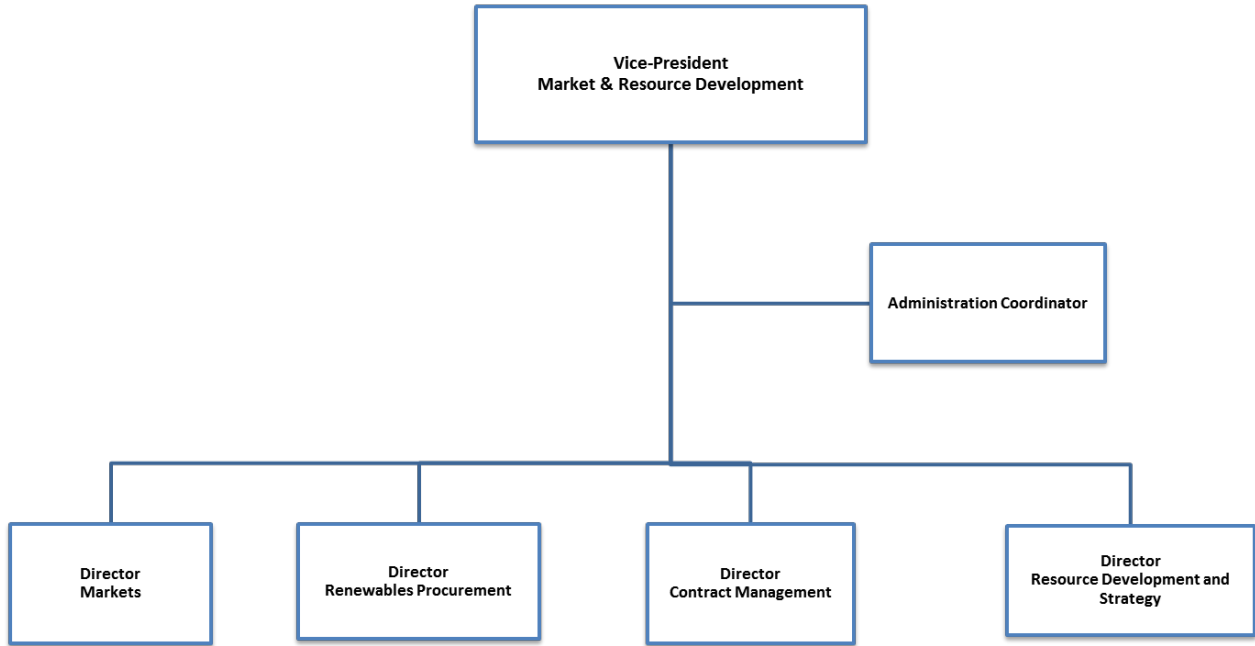
1 **Information & Technology Services**



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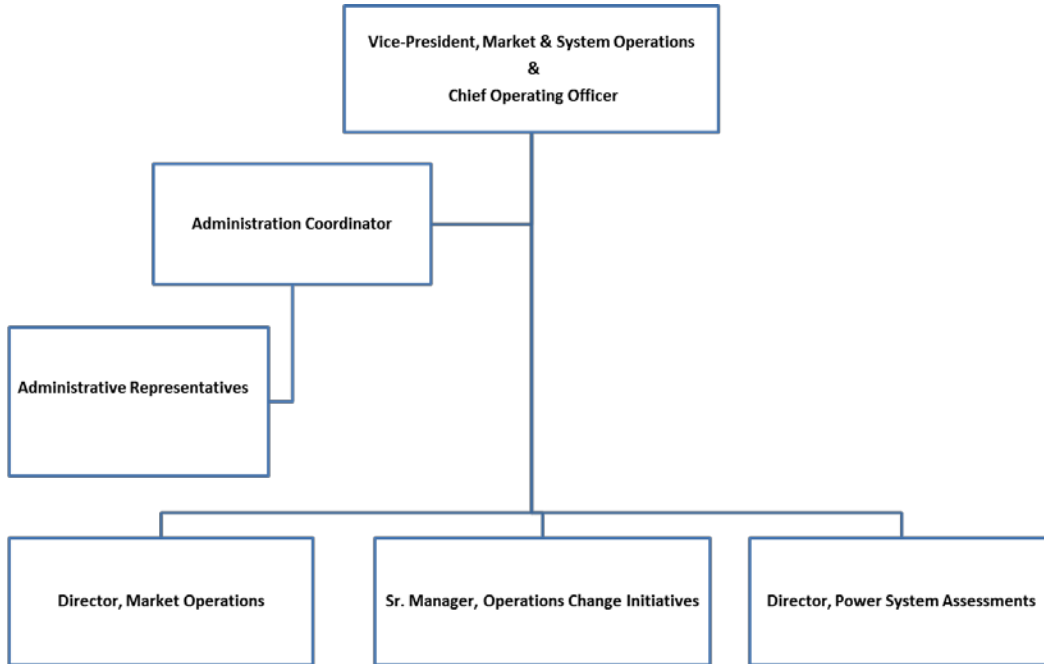
1 **Market & Resource Development**



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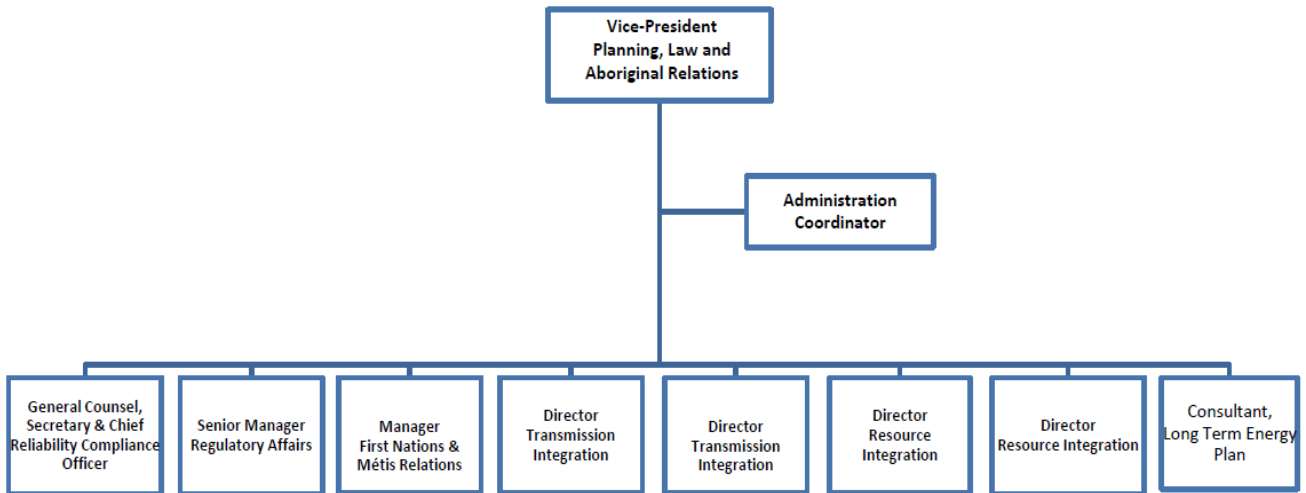
1 **Market & System Operations**



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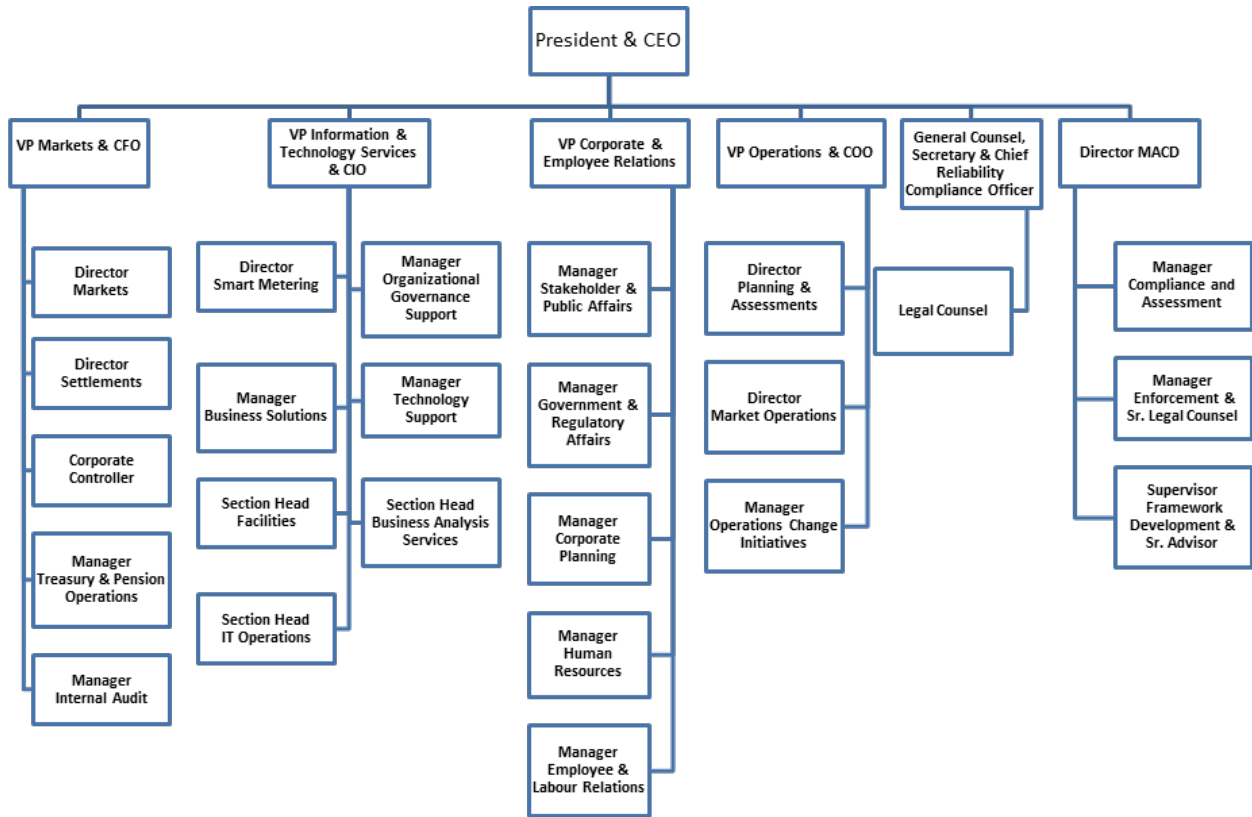
1 **Planning, Law and Aboriginal Relations**



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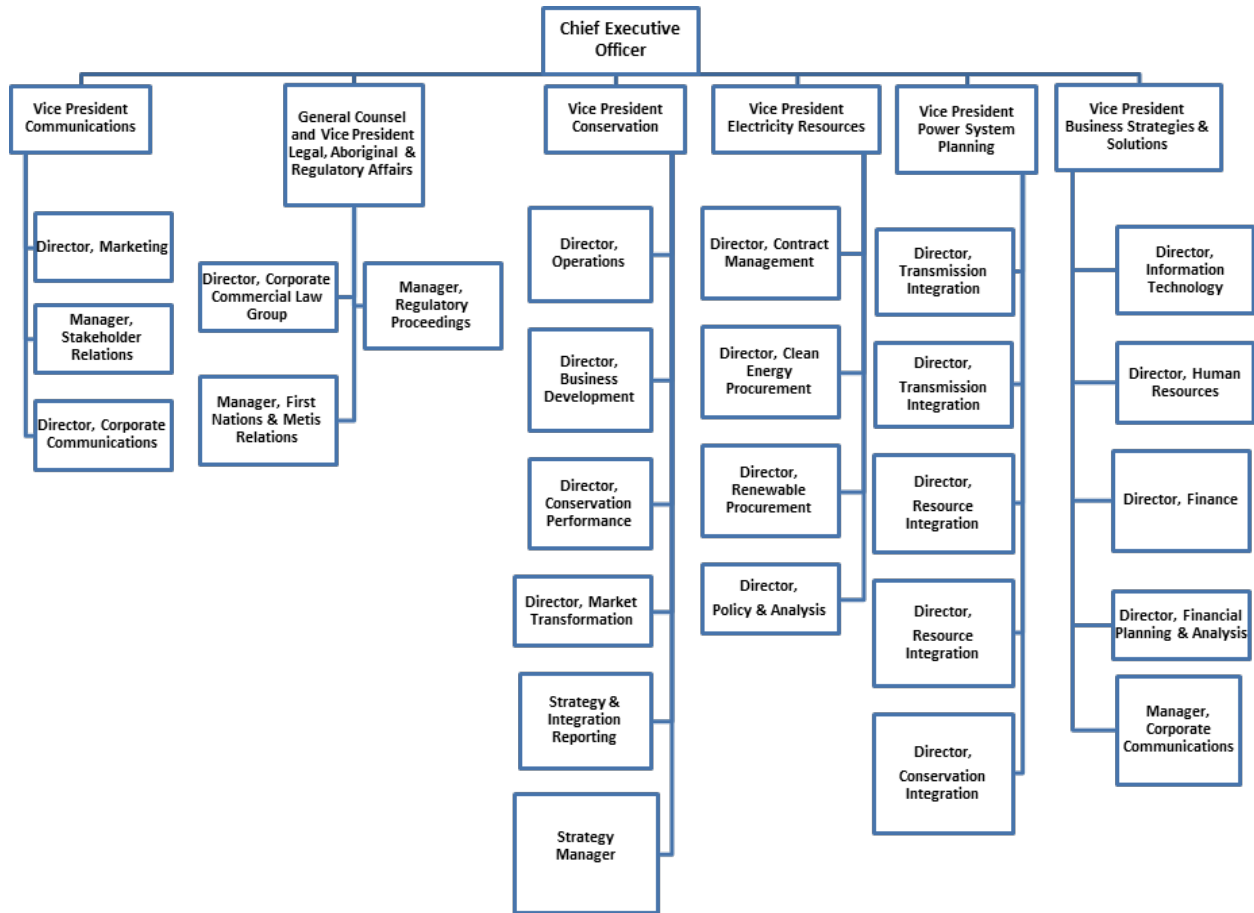
1 **Former IESO Organizational Chart (June 24, 2014)**



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1 **Former OPA Organizational Chart (November 3, 2014)**



1 SEC INTERROGATORY 11

2 5.0 Merger Costs and Savings

3 5-SEC-11

4 INTERROGATORY

5 Did the IESO (or its predecessors) conduct or commission any analysis, reports, and/or business
6 cases regarding potential savings and costs from the merger? If so, please provide copies.

7 RESPONSE

8 Although the IESO (or its predecessors) did not commission any analysis, reports or business
9 cases regarding potential costs from the merger, the IESO and OPA together established
10 expected cost savings that supported the following merger objectives:

Strategic Objectives	<ul style="list-style-type: none">• Day-to-day functionality of the market and reliable operations are maintained• Adequate supply for Province, today, tomorrow and in the future• Markets and Contracts working together for the benefit of the customer
Business Objectives	<ul style="list-style-type: none">• A productive organization working on behalf of the rate payer.• Consider the mix of businesses for the merged entity, including determining which lines of business to exit, if appropriate• Achieve lower pro-forma combined fee and operating expenses (synergies) and achieve lower overall headcount while balancing the new IESO's ability to deliver on its priorities
Process Objectives	<ul style="list-style-type: none">• Minimize business disruption• Treat people with respect, operate with integrity and honesty• Decisions seek to maximize fairness and transparency by employing a well thought out and systematic approach

11

12 The expected costs savings considered both synergies and dis-synergies associated with the
13 merger, including:

- 14
 - A single Board of Directors;

15
 - A single CEO Office;

- 1 • A streamlined executive team, including administrative assistants;
- 2 • Reduced office space;
- 3 • Rationalization of external services;
- 4 • Elimination of duplicate functions/activities; and
- 5 • Harmonization of Pay & Benefits.

6 This assessment resulted in the realization of \$5.3 million of ongoing cost savings and the
 7 reduction of 35 FTEs as summarized in the table below:

Description of Synergy Savings, \$ millions	2015
Compensation & Benefits	3.2
Single Board of Directors	0.6
Office Space Reduction	1.3
Rationalization of systems and services	0.2
	5.3

8
 9 Below is a summary of 2014 amalgamation costs incurred by the OPA and IESO:

2014 Amalgamation Costs (\$s Millions)			
	OPA	IESO	Total
Labour	5.0	2.8	7.8
Contract services and consultants	0.6	0.8	1.4
Other	-	1.7	1.7
Sub-total	5.6	5.3	10.9

10

1 VECC INTERROGATORY 15

2 5.0 Merger Costs and Savings

3 5.1 Are the merger costs of \$5.6 million incurred by the OPA and \$5.3 million incurred by the
4 IESO appropriate?

5 5.0-VECC-15

6 INTERROGATORY

7 Reference: B/T3/S1

8 a) The IESO notes that it has achieved savings based, in part of the reduction of 35
9 employees. Please provide a breakdown of showing the total annual costs saved by this
10 initiative.

11 b) Please provide a table which shows a breakdown of the redundancies into: Executive,
12 Management, Union, Non-Union and temporary staff.

13 RESPONSE

14 a) Please see the Description of Synergies Savings table the response to SEC Interrogatory 11,
15 at Exhibit I, Tab 5, Schedule 8.11.

16 b) Please see the response to AMPCO Interrogatory 17, at Exhibit I, Tab 5.4, Schedule 2.17.

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1 AMPCO INTERROGATORY 16

2 5.0 Merger Costs and Savings

3 5.1 Are the merger costs of \$5.6 million incurred by the OPA and \$5.3 million incurred by the
4 IESO appropriate?

5 5.1-AMPCO-16

6 INTERROGATORY

7 Ref: Exhibit B-3-1, Page 3 Table 1

8 (a) Please provide the forecast budget for the merger.

9 (b) Please provide a description/breakdown of the components of the labour costs.

10 (c) Please provide a list of contract services and consultants including the type of work
11 done and the associated cost.

12 (d) Please explain "Other" IESO merger costs of \$1.7 million.

13 RESPONSE

14 a) Please see the response to SEC Interrogatory 11, at Exhibit I, Tab 5, Schedule 8.11 for
15 information relating to cost and savings that supported the merger. The IESO does not
16 anticipate any further merger costs beyond those incurred in 2014.

17 b) Labour costs of \$7.8 million are related to the termination and severance of 35 staff
18 positions eliminated in the merger. Please see the responses to AMPCO
19 Interrogatory 17, at Exhibit I, Tab 5.4, Schedule 2.17 and SEC Interrogatory 11.

20 c) A summary of the types of services required in support of the merger can be found in
21 the following table:

1

Description
Project Management Support
Outplacement
New HR Processes
Labour Relations Support
Legal Support
Communication Costs
Facilities reconfiguration costs
Network & Security
Longer term system/IT costs
Finance processes

2

3

4

- d) Other merger costs of \$1.7 million are comprised of Real Estate/Facilities costs incurred to reduce and reconfigure the total office space occupied by the IESO.

1 AMPCO INTERROGATORY 17

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
 4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-17

6 INTERROGATORY

7 Ref: Exhibit B-3-1, Page 1

8 Preamble: The evidence indicates that the merger savings result from a workforce reduction of
 9 35 employees.

10 (a) AMPCO seeks to better understand the workforce reductions. Please complete the
 11 following table:

	OPA	IESO	Total
# employee reductions 35			35
# FTE reductions			
# job position reductions			
# permanent reductions			
# temporary reductions			
# student reductions			
# executive management reductions			
reductions			
# senior management reductions			
# management reductions			
# non-union reductions			
# union reductions			

12 (b) Are any of the 35 employee reductions due to retirement?

13 (c) For each employee reduction, please provide the job title and the job function.

1 RESPONSE

- 2 a) Due to confidentiality and privacy considerations with respect to the individuals involved,
3 the IESO is able to provide the following details regarding the staff-related merger savings.
4 The IESO terminated 42 staff and retained 7 of those positions to be utilized in the new
5 organization, while meeting its commitment to eliminate 35 positions, as shown below:

CEO, Executive, Executive Assistants	10
Management	14
Represented staff	18
Total terminations	42
New positions	(7)
Total FTE reduction	35

- 6
7 b) One of the employee reductions was due to retirement.
- 8 c) As stated in a) above, the IESO is unable to provide job titles or other unique identifying
9 information that would result in a breach of privacy and confidentiality agreements
10 executed as part of the termination process during the merger.

1 AMPCO INTERROGATORY 18

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-18

6 INTERROGATORY

7 Ref: Exhibit A-2-3, Page 1

8 Preamble: The letter to the IESO from the Ministry of Energy dated December 9, 2015 references
9 the IESO's synergy savings target for 2015 and that the IESO should report any synergy savings
10 achievement, including budget variances, on a periodic basis to the Ministry.

11 (a) Please provide the 2015 synergy savings target and its composition.

12 (b) Please advise of the frequency of reporting to the Ministry and provide any reports on
13 synergy savings achievement, including budget variances, provided to date to the
14 Ministry of Energy.

15 RESPONSE

16 a) Please see the response to SEC Interrogatory 11, at Exhibit I, Tab 5, Schedule 8.11 for
17 information relating to cost savings that supported the merger.

18 b) The IESO provides quarterly and ad hoc financial reporting to the Ministry of Energy.
19 Synergy savings were demonstrated to the government through submission of the
20 IESO's 2016-2018 Business Plan.

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1 AMPCO INTERROGATORY 19

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
 4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-19

6 INTERROGATORY

7 Ref: Exhibit A-2-2, Page 3

8 Preamble: The evidence indicates that a significant amount of merger-related work has been
 9 completed, and a number of activities are still underway.

10 (a) Please provide the activities still underway, the cost, and when the work will be
 11 completed.

12 RESPONSE

13 a) The table below provides the activities underway in support of ongoing integration of
 14 IESO's systems and processes:

Work Stream	Area	Project Name	Project Description	Target Completion
Finance	Finance	Transition to single payroll system.	Transition from payroll system to In Sync (Ceridian) payroll system	Q4 2016
Finance	Procurement	Harmonization of procurement processes and tools.	Review and harmonization to a single set of procurement processes and tools.	Q4 2016
IT	Standards and Policies	Governing document alignment	Harmonization of IT Policies and Standards	Q4 2016
IT	Standards and Policies	Governing Document Alignment (non IT)	Harmonization of Non-IT Policies and Standards	Q4 2016
IT	Procedures	Long-Term Add/Change/Remove Person Process (on/off-boarding)	Harmonization of Personnel to On-Board and Off-Boarding	Q2 2016
IT	Procedures	Grant/Revoke Access Process Review	Update the Grant/Revoke access process.	Q2 2016
Corporate relations	Website	Consolidated Corp Website	Consolidation of the former OPA and IESO legacy websites	Q1 2017

15
 16 These activities are being undertaken with existing internal resources and are part of the IESO's
 17 ongoing initiatives to generate and increase efficiencies. The associated costs are part of IESO's
 18 general operating costs, included as part of the fee submission, and will not be tracked
 19 separately as merger costs.

20 The IESO does not anticipate any further merger costs beyond those incurred in 2014.

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1 AMPCO INTERROGATORY 20

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-20

6 INTERROGATORY

7 Ref: Exhibit A-2-2, Page 11

8 Preamble: Moving into the 2016 plan, the IESO will have absorbed 60 positions over the prior
9 two years.

10 (a) Please provide the number of position reductions by year, between the IESO and OPA
11 and if they are Regular or Temporary positions.

12 RESPONSE

13 a) The number of position reductions by year, by regular and temporary categories, is as per
14 the table below.

15 The 2014 positions include a reduction of 10 positions in the OPA during the course of 2014
16 as well as the merger reductions of 35 and one additional reduction to offset the cost of the
17 PWU award.

18 While the IESO continues to work to achieve the savings discussed in its 2016-2018 Business
19 Plan, it faces risks in both its revenues and its operating expenses as described at B-1-1,
20 page 8. The business plan shows a combined reduction of 14 positions through the
21 planning period as illustrated below.

Positions Reduced by Year						
	2014	2015	2016	2017	2018	Total
Regular	37		6	4	4	51
Temp	9					9
Total	46	0	6	4	4	60

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1 AMPCO INTERROGATORY 21

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-21

6 INTERROGATORY

7 Ref: Exhibit B-3-1, Page 1

8 Preamble: The evidence indicates the merger has driven savings from a workforce reduction,
9 real estate savings, the elimination of one Board of Directors, as well as other efficiencies.

10 (a) Please provide the savings associated with each driver.

11 (b) Please explain "other efficiencies".

12 RESPONSE

13 a) Please see the response to Energy Probe Interrogatory 2, at Exhibit I, Tab 1, Schedule 5.02
14 and SEC Interrogatory 11, at Exhibit I, Tab 5, Schedule 8.11.

15 b) "Other efficiencies" relates to rationalization of IESO systems and services that the IESO
16 procures from external vendors.

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1 AMPCO INTERROGATORY 22

2 5.0 Merger Costs and Savings

3 5.4 Has the IESO appropriately reflected in its 2016 Fiscal Year revenue requirement the
4 synergies and cost savings arising from the merger of the IESO and the OPA?

5 5.4-AMPCO-22

6 INTERROGATORY

7 Ref: Exhibit A-2-2, Page 3

8 The IESO anticipates a \$10 million reduction by the end of the third year from the combined
9 budgets of the merged organizations.

10 a) Please provide a summary of the types of further reductions in 2017 and 2018 (operating
11 expenses and resources) to achieve this.

12 RESPONSE

13 a) While the IESO continues to work to achieve the savings discussed in its 2016-2018 Business
14 Plan, it faces risks in both its revenues and its operating expenses as described at B-1-1,
15 page 8. The IESO's expenses and revenues are forecast based on the experience of IESO staff
16 and the best information available when the business plan is being composed. The IESO
17 plans to achieve the savings described in its 2016-2018 Business Plan through the measures
18 described below:

19 (1) Reduction of 4 FTEs in 2017 and in 2018.

20 (2) Reduced Amortization expenses in both 2017 and 2018 related to change in timing of
21 capital projects going into service.

22 (3) Ongoing efficiencies due to investment in capital projects, further rationalization of
23 systems and services, and reduced consulting expenses.

24 The \$10 million of saving by 2018 are inclusive of the \$5.3 million synergy savings achieved
25 through the merger, and are expected to be sustainable on a year-over-year basis.

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