

1 ENERGY PROBE INTERROGATORY 8

2 2.0 Usage Fee

3 INTERROGATORY

4 Reference: Exhibit B, Tab 1, Schedule 1, Page 6, Table 2

5 a) IESO is proposing to charge a Single fee of \$1.13. Can IESO provide a breakdown of
6 what the fee would be if the OPA portion of costs was still billed on a net rather than a
7 gross basis?

8 b) Please provide in a single table, the historic forecast and actual (2011-2015) and 2016
9 forecast TWH for the three user classes.

10 c) Based on historic experience provide a sensitivity analysis for 2016 for the three
11 components and discuss the result.

12 d) How will IESO "true up" its 2016 Fees if one or more of the TWH forecasts is in error?

13 RESPONSE

14 a) The IESO is unable to split out the OPA portion of costs, as since the merger of the IESO and
15 OPA on January 1, 2015, the organization has operated as a single entity with one set of
16 books. As stated in Exhibit A-1-1, page 3, "As the merger of the IESO and OPA took effect
17 on January 1, 2015... the IESO only recorded IESO expenses in 2015, no expenses in 2015
18 were recorded as OPA expenses." Therefore, the OPA portion of costs cannot be broken out
19 as requested.

20 b) In this answer the IESO assumes that the three "user classes" referred to in question (b) are
21 Ontario demand, exports and embedded generation.

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Year	Source	Ontario Demand (TWh)	Exports (TWh)	Embedded Generation (TWh)
2010	Forecast (18-Month Outlook released 2009/08/25)	141.1	10.0	N/A
	Actual	142.2	15.2	2.3
2011	Forecast (18-Month Outlook released 2010/08/23)	142.9	12.9	N/A
	Actual	141.5	12.8	2.9
2012	Forecast (18-Month Outlook released 2011/08/24)	144.5	15.2	N/A
	Actual	141.3	14.6	3.3
2013	Forecast (18-Month Outlook released 2012/09/12)	141.1	14.2	4.8
	Actual	140.7	18.3	4.3
2014	Forecast (18-Month Outlook released 2013/09/03)	141.0	14.4	5.6
	Actual	139.8	19.1	5.2
2015	Forecast (18-Month Outlook released 2014/09/04)	138.8	13.7	6.7
	Actual	137.0	22.6	6.2
2016	Forecast (18-Month Outlook released 2015/09/21)	138.7	17.9	6.6

2 *Note: The forecast of export volumes is created by the IESO for the purpose of our revenue requirement submission.*

- 3 c) The three components are added together to form the denominator of the IESO fee. Any
 4 change in the components will have an equal impact on the denominator.
- 5 d) The IESO utilizes the \$10 million contingency fund and/or tracks the amounts and any
 6 associated borrowing costs in the Forecast Variance Deferral Account ("FVDA"). Please see
 7 the response to Energy Probe Interrogatory 11, at Exhibit I, Tab 4, Schedule 5.11 for the
 8 process associated with truing up FVDA balances.