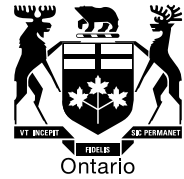


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**BY EMAIL**

June 30 , 2017

Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: OEB Staff Submission on Draft Issues List.  
Independent Electricity System Operator (IESO) Application for Approval of  
2017 Revenue Requirement, Expenditures and Fees  
OEB File Number: EB-2017-0150**

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Pursuant to Procedural Order No. 1, please find attached the submission of OEB staff on the draft issues list prepared by the IESO in the above referenced proceeding.

Yours truly,

*Original Signed By*

Michael Lesychyn  
Project Advisor, Supply and Infrastructure

cc: Parties to EB-2017-0150



# **ONTARIO ENERGY BOARD**

## **OEB Staff Submission on Draft Issues List**

**Independent Electricity System Operator's Application for the Approval of  
2017 Expenditures, Revenue Requirement and Fees**

**EB-2017-0150**

**June 30 , 2017**

## INTRODUCTION

The Independent Electricity System Operator (IESO) filed an application with the Ontario Energy Board (OEB) on April 21, 2017 under section 25(1) of the *Electricity Act*, 1998, seeking approval for the IESO's 2016 expenditures, revenue requirement and fees.

On June 22, 2017, the OEB issued Procedural Order No. 1 in which it asked intervenors and OEB staff to file written submissions on the draft issues list that was prepared by the IESO and filed with its application by June 30, 2017.

The following are the submissions of OEB staff on the draft issues list.

## SUBMISSION

The IESO's draft issues list groups issues under six categories/topics. These are: 1.0 Revenue Requirement, Operating Costs and Capital Spending; 2.0 Usage Fees, 3.0 Registration and Application Fees, 4.0 The Deferral and Variance Account, 5.0 Commitments from Previous OEB Decisions and 6.0 Pensions and Other Post-Employment Benefits (OPEBs) Costs. OEB staff supports the categories/topics submitted by the IESO with its application with the following addition to section 1.0 Revenue Requirement, Operating Costs and Capital Spending as subsection 1.7 – How have productivity improvements impacted the net revenue requirements from 2016 to 2017? In addition, the following addition to section 6.0 Pensions and Other Post-Employment Benefits (OPEBs) Costs as subsection 6.2 Impact of Current and future Pension Liabilities on 2017 and future Revenue Requirements.

In summary, OEB staff proposes that the IESO's draft issues list be revised by adding the following subsections in section 1 and section 6.

### 1.0 Revenue Requirement, Operating Costs and Capital Spending

1.1 Is the IESO's Fiscal Year 2017 net revenue requirement of \$190.8 million appropriate?

1.2 Is the IESO's Registration & Application Fees revenue forecast of \$0.6 million for Fiscal Year 2017 appropriate?

1.3 Is the IESO's Operating Costs budget of \$191.4 million for Fiscal Year 2017

appropriate?

1.4 Are the IESO's projected staffing levels appropriate and reasonable?

1.5 Is the IESO's Capital Expenditure budget for Fiscal Year 2017 appropriate?

1.6 Are the IESO's Market Renewal Program 2017 operational costs appropriate?

**1.7 How have productivity improvements impacted the net revenue requirements from 2016 to 2017?**

## **6.0 Pensions and Other Post-Employment Benefits (OPEBs) Costs**

6.1 Is the IESO's treatment of pensions and other post-employment benefits costs appropriate?

**6.2 What is the impact of Current and future Pension Liabilities on 2017 and future Revenue Requirements?**

**All of which is respectfully submitted**