



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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August 17, 2017
Our File: EB20170150

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0150 – IESO 2017 Fees – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Pursuant to Procedural Order No. 2, please find SEC’s interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and Interested parties (by email)

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF a Submission by the Independent Electricity System Operator to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements for the fiscal year 2017 and the fees it proposes to charge during the fiscal year 2017.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1.1-SEC-1

Please provide a copy of all documents provided to the IESO's Board of Directors for the purposes of approving the 2017 budget.

1.1-SEC-2

Please provide details of all productivity and efficiency measures the IESO undertook in 2016 and plans to undertake in 2017.

1.1-SEC-3

With respect to the 2016 Corporate Performance Measures:

- a. Please provide a copy of the 2016 Corporate Performance Measures and targets.
- b. Please provide the actual results of each Corporate Performance Measure.

1.1-SEC-4

Please provide information to demonstrate how the savings from the merger of the IESO and the Ontario Power Authority have, and will continue to be, sustainable.

1.1-SEC-5

Please provide a summary of all internal audit reports issued in the past 2 years, their recommendations and the status of the implementation of those recommendations.

1.1-SEC-6

With respect to the budgeting process:

- a. Please provide a step-by-step explanation of the IESO' budgeting process.
- b. Please provide copies of any budget planning instructions that are circulated within the organization.

1.1-SEC-7

Please provide a copy of the IESO's organizational chart.

1.3-SEC-8

[B-1-1, p.10] Please provide a copy of any shared services agreement or other document that outlined the policies or relationships between the IESO and the Ontario Climate Change Solutions Deployment Corporation (“OCCSD”).

1.3-SEC-9

[B-1-1, p.10] Has the IESO included in its 2017 budget, any offsetting revenue for work it is doing to support the OCCSD? If so, please provide details. If not, please explain how ratepayers will be held harmless by the work the IESO does on behalf of the OCCSD.

1.3-SEC-10

[C-2-1, Attach 2] Please revise the Appendix 2-JB table to show the cost drivers on a year-over-year incremental basis as opposed to a breakdown of total operations costs.

1.3-SEC-11

[C-2-1, Attach 3] With respect to Appendix 2-JC:

- a. Please provide additional columns for: i) 2016 budgeted amounts, and ii) year-to-date actuals.
- b. Please provide an explanation of all material variances between 2016 budget and actuals for each category.

1.3-SEC-12

[EB-2015-0275, S-1-1, Settlement Proposal, p.17-18] “The Board stated its expectations regarding stakeholder consultation in the EB-2013-0326 Decision and Order. Intervenor are concerned that, aside from the IESO’s Stakeholder Advisory Committee, there are few if any consumer or consumer group participation in the IESO’s working groups and stakeholder engagement initiatives. The IESO’s current Stakeholder Engagement Principles include the principle of inclusive and adequate representation which includes consumers and consumer groups. To address intervenors’ concern, the IESO commits to the implementation of the principle of inclusive and adequate representation, including from consumers and consumer groups, in all of its stakeholder engagement activities and working groups. The IESO will report on how it has implemented this principle in its next Revenue Requirement Submission filed with the Board.”

- a. Please identify where in the pre-filed evidence the IESO has reported on the implementation of this principle, as required by the EB-2015-0275 Settlement Proposal.
- b. If the IESO has not reported on the implementation of this principle, please do so.

1.4-SEC-13

[A-2-2, p.13] Please provide the budget, and FTEs breakdown, associated with each IESO business unit in a similar format as provided in AMPCO IR #2 (EB-2015-0275, Ex 1, Tab 1.2, Sch 2.02 AMPCO 2).

1.6-SEC-14

[B-1-1, p.8] The pre-filed evidence states that “the IESO is proposing to allocate \$3.0 million from its budget for core operation, from the IESO redeploying consulting support as well as impacts and hiring timing and staffing rates...” Please provide further details of where specifically the IESO is reallocating \$3M from core operations.

1.6-SEC-15

[B-1-1, p.5-8; B-2-1, p.3] With respect to the Market Renewal Program:

- a. Please provide a copy of all documents provided to the IESO's Board of Directors and senior management team approving the Market Renewal Program.
- b. Please provide a copy of all business cases or similar documents that were undertaken regarding the Market Renewal Program.
- c. Please provide a detailed breakdown of the costs for the Market Renewal Program for each year between 2017 and 2019.
- d. Please explain what mechanisms the IESO has in place to ensure that there are robust cost controls in place regarding the Market Renewal Program.
- e. Please provide the IESO's expectations regarding Market Renewal Program costs after 2019.
- f. Please provide a copy of all communications between the IESO and the Ministry of Energy regarding the Market Renewal Program.
- g. Please provide a copy of the Brattle Group Report, referenced at footnote 7 (B-1-1, p.7).

1.4-SEC-16

[C-2-1, Attach 4] With respect to Appendix 2-JK, please provide:

- a. Additional columns for: i) 2015 actuals, ii) 2016 budgeted amounts, and iii) 2017 year-to-date actuals.
- b. Details on the additional FTEs the IESO is adding in 2017, including a description of the individual roles and responsibilities.
- c. How many of those incremental FTEs have been filed to date.

1.5-SEC-17

[A-2-2, p.28-29] Please provide further details, including a breakdown of costs, regarding the Operations Readiness Initiative.

1.5-SEC-18

[C-2-1, Attach 2] Please provide a detailed breakdown of IESO's amortization costs and calculation.

4.1-SEC-19

[B-2-1, p.1-2] For each year since the Forecast Variance Deferral Account, or similar operating reserve account, was established for the IESO (or its processors organizations, please provide details regarding how much of the reserve was actually used.

5.1-SEC-20

[C1-1-1, Attach 1, p.33] The Elenchus Report states "One stakeholder also suggested that one or more metrics pertaining to compliance with the market rules would be of greater value. The IESO, however, is concerned that it would be difficult to do so without violating confidentiality rules around investigations and disclosure of outcomes. Given the complexity of investigations and the nature of settlement, classifying the outcomes would be problematic".

- a. Please explain fully the IESO's concern regarding potential high-level metrics regarding market rules compliance and investigations.
- b. Please explain how the IESO measures compliance with the market rules.

- c. Please explain how the IESO's Market Assessment and Compliance Division measures its own performance.

5.1-SEC-21

[C1-1-1, Attach 1, p.42] Please complete the proposed scorecard showing metrics calculated on an annual basis for 2015 and 2016.

Respectfully submitted on behalf of the School Energy Coalition this August 17th, 2017.

Original signed by

Mark Rubenstein
Counsel for the School Energy
Coalition