



July 6, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Re: Independent Electricity System Operator (IESO) 2018 Fees Application
AMPCO's Comments of the IESO's Draft Issues List
Board File No. EB-2018-0143

Dear Ms. Walli:

In accordance with Procedural Order No.1 issued June 26, 2018, below please find AMPCO's submissions on the IESO's Draft Issues List.

The Final Issues List in the 2017 Fees Application, EB-2017-0150, included the following issue under Issue 1.0 Revenue Requirement, Operating Costs and Capital Spending:

Issue 1.6 Are the IESO's forecast 2017 operational costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

AMPCO submits the above issue is relevant to the IESO's 2018 Application as well, and should be added as Issue 1.5 under Issue 1.0 as follows:

Issue 1.5 Are the IESO's forecast 2018 operational costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

In addition, AMPCO submits that the following Issue should be added to reflect the capital costs for Market Renewal:

Issue 1.6 Are the IESO's forecast 2018 capital costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

The total 2018 operating budget for the Market Renewal Program is \$12.7 million. In 2017, due to anticipated underspending of \$4 million relative to the 2017 Market Renewal Operating budget of \$12 million, as part of the approved Settlement Proposal in EB-2017-0150, the OEB approved a reduction of the IESO's Operating Reserve by \$4 million and a rebate to customers. The actual amount underspent in 2017 was \$4.1 million.¹

¹ EB-2018-0143 Ex C T2 S1 Page 8

The Market Renewal Program will begin its capital implementation stage at the end of 2018² and the IESO has included \$4 million in its 2018 capital expenditure envelope of \$26.6 million for the Market Renewal Program. Capital spending in 2017 for the Market Renewal Program was \$0.2 million against a forecast of \$0. The IESO had forecast \$20 million in capital costs in 2018 for Market Renewal in EB-2017-0150.

Given the overall significance of the Market Renewal Program, the potential for variances in the actual operating and capital results against the 2018 operating and capital budgets and the need for a clear view on spending, AMPCO submits two stand-alone issues related to the appropriateness of the operating and capital costs for Market Renewal in the context of the scope and timing of the overall project is appropriate.

The Final Issues List in the 2017 Fees Application, EB-2017-0150, included the following issues under Issue 5.0 Commitments from Previous OEB Decisions:

Issue 5.2 Are the four Standard Financial Reporting Forms appropriate?

Appendix 2-A (Capital Projects)

Appendix 2-JB (Operations and Administration Cost Drivers)

Appendix 2-JC (Operations and Administration Programs)

Appendix 2-K (Employee Costs)

AMPCO submits the format of Appendix 2-JB and Appendix 2-K in this Application differs from the format provided in the OEB-approved Settlement Proposal in EB-2017-0150. As such, AMPCO submits this Issue should be added to the Issues List, consistent with 2017.

With respect to proposed Issue 6.0 Market Renewal Program, AMPCO submits the Issue should be retitled “Market Renewal Program Reporting” to better reflect the content of the proposed issues.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

(Original Signed By)

Colin Anderson
President
Association of Major Power Consumers in Ontario

Copy to: Independent Electricity System Operator

² EB-2018-0143 Ex B T2 S1 Page 3