

January 28, 2019



VIA Email, Courier and RESS

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

Independent Electricity System Operator

1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Dear Ms. Walli:

**Re: Independent Electricity System Operator
2019 Expenditure and Revenue Requirement Submission
Ontario Energy Board File No.: EB-2019-0002**

Pursuant to subsection 25(1) of the *Electricity Act, 1998*, please find enclosed, two paper copies of the Independent Electricity System Operator's (IESO) proposed 2019 Expenditure and Revenue Requirement Submission (Submission) for review and approval of the Ontario Energy Board (OEB). All intervenors to the IESO's 2018 Revenue Requirement Submission, EB-2018-0143, have been copied on this Submission.

There are several procedural matters that the IESO wishes to raise with the OEB at this time. First, the IESO proposes that the OEB's Notice of Hearing ("Notice") be given in a manner similar as was required for the IESO's 2018 Submission, EB-2018-0143, which was as follows:

- The IESO shall post the Notice, and a link to the OEB's webpage where all official documents in this application will be posted, on the IESO's website at the "2019 Revenue Requirement Submission" page (<http://www.ieso.ca/en/corporate-ieso/regulatory-accountability/revenue-requirement-submission>);
- The IESO shall post an announcement, in English and French, on the IESO's website at the "IESO News" page (<http://ieso.ca/sector-participants/ieso-news>);
- The IESO shall email the announcement to all market participants and interested parties who are registered to receive IESO news and other communiqués (this includes all connection proponents with respect to whom the IESO maintains a public registry);
- The IESO shall serve an electronic copy of the Notice and the Submission, including the pre-filed evidence, on all registered intervenors to EB-2018-0143;
- The IESO shall make a copy of the Notice, the application and the evidence, and any amendments thereto, available for public review at the IESO's office and on the "Regulatory Accountability" page on the IESO's website; and
- The IESO shall provide a copy of the Notice, the application and the evidence, and any amendments thereto, to anyone requesting these materials.

The IESO has included a draft Issues List which it believes addresses the issues of relevance to this proceeding and requests that this be posted for comment along with the Notice. The draft Issues List is attached hereto as Appendix "A" for the OEB's consideration, and the IESO requests that the OEB finalize the Issues List prior to parties filing interrogatories.

In addition, the IESO requests it be allowed three weeks to respond to interrogatories.

Please contact me directly at 905-855-6340 or Devon.Huber@ieso.ca if you have any questions or wish to discuss these points further.

Sincerely,



Devon Huber
Senior Manager, Regulatory Affairs

cc: Mr. Fred Cass, Aird & Berlis (email)
Intervenors to EB-2018-0143 (email)

Appendix "A"
IESO Fiscal Year 2019 Revenue Requirement Submission
Draft Issues List
EB-2019-0002

1.0 Revenue Requirement, Operating Costs and Capital Spending

- 1.1 Is the IESO's Fiscal Year 2019 net revenue requirement of \$190.8 million appropriate?
- 1.2 Is the IESO's Registration & Application Fees revenue forecast of \$0.0 million for Fiscal Year 2019 appropriate?
- 1.3 Are the IESO's projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate and reasonable?
- 1.4 Is the IESO's Capital Expenditure budget for Fiscal Year 2019 appropriate?

2.0 Usage Fees

- 2.1 Is the allocation of energy volumes and costs between domestic and export markets reasonable?
- 2.2 Is the methodology used to derive the proposed IESO Usage Fees and the resulting Usage Fees of \$1.227/MWh for domestic customers and \$1.0125/MWh for export customers appropriate?
- 2.3 Is the proposed January 1, 2019 effective date for the Usage Fees appropriate?

3.0 Registration and Application Fees

- 3.1 Are the Registration Fees of up to \$10,000 per proposal for electricity supply and capacity procurements, including ancillary services, appropriate?
- 3.2 Is the \$1,000 Application Fee for market participation appropriate?

4.0 The Deferral and Variance Account

- 4.1 Is the IESO's proposal to retain an Operating Reserve of \$10 million in the Forecast Variance Deferral Account appropriate?
- 4.2 Is the IESO's proposal to clear the 2018 Year-End balance in the Forecast Variance Deferral Account that is in excess of the \$10 million operating reserve appropriate?

5.0 Commitments from Previous OEB Decisions

- 5.1** Is the IESO's 2019 Regulatory Scorecard appropriate?
- 5.2** Is the Total Compensation Study for represented and non-represented staff appropriate?
- 5.3** Has the IESO adequately described the division of responsibilities between the IESO and Hydro One Networks Inc. with respect to Transmission Losses?

6.0 Market Renewal Program

- 6.1** Is the level of reporting on the Market Renewal Program appropriate?