

OEB STAFF INTERROGATORY 8

1.2 *Is the IESO's Registration & Application Fees revenue forecast of \$0.0 million for Fiscal Year 2019 appropriate?*

Staff IR #8

INTERROGATORY

Reference: Exhibit A-1-1. Pg. 3

Preamble:

The IESO seeks approval to continue charging registration fees up to \$10,000 for electricity supply and capacity procurements, including conservation and load management procurements as well as to continue charging \$1,000 for the IESO's market participation application fee.

Questions:

- a) Please identify all procurements that the IESO will or may undertake in 2019 where a registration fee for participation will be charged.

RESPONSE

Further to the Minister's introduction of Bill 87 on March 21, 2019 and its amendments to the *Electricity Act* with respect to transmission procurement contracts, the IESO may seek approval to charge registration fees for the procurement of transmission in 2019. The IESO has requested to continue to charge registration fees with respect to supply and capacity procurements as it examines opportunities for 2019 for electricity service procurements.

SUP INTERROGATORY 1

Issue 1.2 Are the IESO's projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate and reasonable?

INTERROGATORY

1.2 Society#1

Reference: Exhibit B Tab 3 Schedule 1 Attachment 4 Page 1 Appendix 2-K Employee Costs, dated March 28, 2019.

		2017 Actual	2018 Actual	2018 Budget	2019 Budget
FTE's					
Executive		7	7	6	7
Management		107	117	118	132
Non-Mgmt Regular		534	526	575	633
Non-Mgmt Temporary		53	65	32	71
Total		701	715	731	843
Total Compensation (Salary, Wages, Benefits)					
Executive		4.1	4.7	3.5	4.2
Management		20.8	23.7	24.7	23.2
Non-Mgmt Regular		86.5	88.8	85	85.7
Non-Mgmt Temporary		7.2	7	4.5	5.8
Total		118.6	124.2	117.7	118.9
Total Compensation per FTE (k\$)					
Executive		\$585.71	\$671.43	\$583.33	\$600.00
Management		\$194.39	\$202.56	\$209.32	\$175.76
Non-Mgmt Regular		\$161.99	\$168.82	\$147.83	\$135.39
Non-Mgmt Temporary		\$135.85	\$107.69	\$140.63	\$81.69
Total		\$169.19	\$173.71	\$161.01	\$141.04

a) Please confirm that the FTE values provided are indeed Full Time Equivalents and not year end headcount for all years, in particular 2019 Budget.

b) Please confirm or correct the Total Compensation per FTE figures provided above based upon Appendix 2-K.

- 1 c) Please provide the % change in the annual compensation per FTE for 2017, 2018 actual and
2 2019 budget for each of the four staff categories as well as the IESO total.
- 3 d) Please explain the percentage change in compensation per FTE from 2018 actual to 2019
4 budget for each of the four staff categories as well as the IESO total.
- 5 e) Please provide the median annual compensation for the four employee categories above as
6 well as for IESO total and total Society as well as total PWU represented (combining Non-Mgmt
7 Regular and Temporary as appropriate) so that these figures can be compared to the Mercer
8 benchmarking results as provided in Exhibit C-4-1, Attachment 1. Please be informed that SUP
9 is aware that the pension and benefits costs included in Appendix 2-K are likely done on a
10 different basis than that used in the Mercer results but please provide the requested information
11 with whatever qualifications IESO feels is necessary.
- 12 f) Using the median compensation data provided in part e) above, please provide comparable
13 responses to parts c) and d) above.
- 14 g) Please provide b), c), e) and f) above in excel format.

15 **RESPONSE**

- 16 a) The FTE values provided in the Appendix 2-K Employee Costs table (Exhibit B, Tab 3,
17 Schedule 1, Attachment 4 reflect full year average headcount and are not headcount at the
18 end of the year.
- 19 b) The total compensation per FTE calculation above, is not an accurate representation of the
20 per FTE compensation as there are other considerations to be taken into account for each of
21 the 4 categories.

22 The executive category includes board member compensation; however, board members are
23 not included in headcount. The management, non-management regular/temporary
24 categories may include expenses such as severance, salary continuation or over-time that are
25 not correlated with FTEs. Additionally, significant staff time may be capitalized in support
26 of project work, including MRP, which creates further irregularities in compensation/FTE
27 calculations.

28 Parts (c), (d), (e), (f) and (g)

29 The percentage change in annual compensation per FTE is dependent on various factors. As
30 mentioned in part (b) each of the groupings (Executive, Management, Non- Management
31 Regular/Temporary) contain variables which do not allow for an accurate computation of

1 compensation per/FTE. Therefore, the calculation methodology proposed is not appropriate
2 for this data set.

3 In terms of compensation changes, represented staff have increases that are determined by
4 the collective agreements which are negotiated or are awarded through an arbitration
5 process. Management and Executive compensation changes are approved by IESO's Board
6 of Directors and its committees.

