



PUBLIC INTEREST ADVOCACY CENTRE
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September 10, 2019

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Walli:

**Re: EB-2019-0002 – Independent Electricity System Operator
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC) – Post
Settlement**

In accordance with Procedural Order No. 6 please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Ms. Miriam Heinz, Advisor Regulatory Affairs, IESO
regulatoryaffairs@ieso.ca

For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME

VECC

TO:

IESO 2019 Fees Application

DATE:

August 10, 2019 – Updated Evidence

CASE NO:

EB-2019-0002

APPLICATION NAME

2019 Fees

1. Revenue Requirement, Operating Costs and Capital Spending

1.7 Reference Updated Evidence Aug 26/19 B/T2/S1/pg.2 & B/T3/S1Appendix 2-AA

- a) Please confirm the 2018 capital amounts shown in Table 4 (Capital Envelope) and Appendix 2-AA are actual amounts. If not please provide the 2018 actuals.

6. Market Renewal Program

6.2 Reference Updated Evidence Aug 26/19; C/T2/S1, pgs. 10-

- a) Please restate Tables 7 and 8 to show the actual spending as of August 1, 2019?

6.3 Exhibit I, BOMA IR 8

The following is extracted from the Directive on Accounting Standards: GC 3150 Tangible Capital Assets. <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32518§ion=html>

8. Other indirect costs, such as employer benefit plans (EBPs), internal legal services, public service insurance (PSI) and standard accommodation allowances, should be capitalized if, in the judgment of the department, they are considered material to the cost of the asset. (Emphasis added)

- a) Please confirm the reduction in external legal costs related to the MRP is \$0.6 million (1.7-1.1).
- b) Please explain what portion of these costs are capitalized and, if any, explain how capitalization of external legal costs meet the referenced Directive.

6.4 Reference Exhibit I, Staff IR 14

- a) Please explain why the total headcount in the months December through April are higher in the revised MRP Monthly and Accumulative

- Headcount charge?
- b) Why were “Support Resources” not shown in the original response?
Are the totals in the original chart comparable to the headcount net of
“Support Resources”? Or is the gross amount in the revised
interrogatory comparable to the gross amount in the original chart?

6.5 Reference Exhibit I, SEC 21, Attachment 1 A Benefit Case Assessment of the
Market Renewal Project – Brattle, April 2017 , pgs. 8-

- a) The Brattle reports states the majority of benefits of the MRP are
attributable to the (now cancelled) Capacity Auction (\$2,530 million),
as compared to (\$1,090 million) in benefits from energy and operability
projects. Furthermore The energy component relies on the
commitment to locational marginal pricing for suppliers which is not
currently part of Ontario`s electricity market (pg. 6). Given the
cancellation of the Capacity project and the inherent uncertainty of
benefits in the Energy component what is the basis for relying on the
Brattle benefit assessment to continue with the MRP program?

6.6 Reference SEC IR 21

- a) Please explain why the Opex for the Capacity phase of the MRP
remains unchanged at \$4.72 million.
- b) The unchanged Opex includes a contingency amount of \$0.26 million.
Please explain what contingency the IESO is contemplating for the
cancelled program?

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