



EB-2008-0312

IN THE MATTER OF sections 25.20 and 25.21 of the *Electricity Act, 1998*;

AND IN THE MATTER OF a Submission by the Ontario Power Authority to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements and the fees which it proposes to charge for the year 2009.

PROCEDURAL ORDER NO. 1

On November 2, 2008, the Ontario Power Authority ("OPA") filed with the Ontario Energy Board ("Board") its proposed 2009 expenditure and revenue requirement and fees for review pursuant to subsection 25.21(1) of the *Electricity Act, 1998*. The OPA is a non-profit agency of the Ontario Government established to ensure an adequate, reliable and secure supply of electricity in Ontario.

The OPA is seeking approval for a proposed 2009 operating budget of \$65.073 million and a proposed fee of \$0.485/MWh. The OPA usage fee forms part of the Wholesale Market Service Charge invoiced by the Independent Electricity System Operator.

The OPA is also seeking interim approval of a usage fee of \$0.485/MWh effective January 1, 2009.

The Board assigned file number EB-2008-0312 to this matter.

The Board issued a Notice of Application on November 28, 2008. The Board received nine requests for intervenor status. The Board approves these intervention requests. The Board also approves the request for observer status from the Independent Electricity System Operator. A list of the intervenors is attached as Appendix A.

The following parties also applied for cost award eligibility: Association of Major Power Consumers in Ontario ("AMPCO") and Energy Probe Research Foundation ("EP"). The Board finds that both of these parties are eligible for a cost award.

Most parties indicated no preference for the type of hearing and only one party requested an oral hearing. The Board intends to proceed by way of a written hearing preceded by a written interrogatory process and a settlement conference.

The Board has attached a Board staff proposed Issues List at Appendix B. Intervenors and the OPA may make submissions on the list and propose changes for the Board's consideration. In proposing additional issues parties should provide justification and give consideration to whether the item is already included under one of the proposed issues. Similarly, parties proposing to remove or limit the scope of an issue on the proposed list should provide justification. After reviewing these submissions, the Board will issue a final Issues List. Only matters that are on the final Issues List will be considered in this proceeding.

The Board has not provided for an Issues Day proceeding, but may adjust the schedule if it is determined that one is required. The Board is also requiring that Intervenors indicate whether they intend to file evidence in this proceeding. In the event that Intervenor evidence is filed the schedule will be adjusted accordingly.

The Board would like to remind parties that the Board's scope of review in this proceeding, is limited to a review of the OPA's proposed expenditures and revenue requirements and the fees that the OPA proposes to charge for 2009.

The Board considers it necessary to make provision for the following procedural matters. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. The Board approves a usage fee for 2009 of \$0.485/MWh on an interim basis, effective January 1, 2009 pending a final decision in this proceeding. In so approving, the Board considered that a) the higher interim rates present a reasonable smoothing mechanism, b) there is a variance account to record any adjustment to the proposed fee from the final fee, and c) no party objected to this aspect of OPA's application.
2. The OPA and Intervenors may make submissions on the proposed Issues List (attached as Appendix B) and shall file any submissions with the Board and deliver them to each Intervenor no later than Tuesday January 13, 2009.
3. The OPA may respond to the submissions of intervenors, and Intervenors may respond to the submissions of the OPA or other intervenors by filing those

responses with the Board and delivering them to each Intervenor no later than Tuesday January 20, 2009.

4. Board staff seeking information and material that is in addition to the Applicant's pre-filed evidence, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to the Intervenors and the Applicant on or before Thursday January 29, 2009.
5. Intervenors seeking information and material that is in addition to the Applicant's evidence, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to the Intervenors and the Applicant on or before Tuesday February 3, 2009.
6. Intervenors and Board staff shall, on or before Tuesday February 3, 2009 indicate if it is their intention to file evidence.
7. Responses by the Applicant to interrogatories shall be filed with the Board and delivered to all parties on or before Monday February 16, 2009;
8. A settlement conference shall be held at the Board's offices, commencing at 9:30 a.m. on Monday February 23, 2009, and continuing to Tuesday February 24, 2009 if required;
9. If there is a settlement or a partial settlement agreement forthcoming from the settlement conference then that agreement shall be filed with the Board on or before Monday March 2, 2009;

All filings to the Board noted in this Procedural Order must be in the form of 2 hard copies and must be received by the Board by **4:45 p.m.** on the stated dates. An electronic copy of the filing must also be provided. If you already have a user ID, the electronic copy of your filing should be submitted through the Board's web portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the "e-Filing Services" page on the Board's website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions, please refer to the RESS Document Guidelines also found on the "e-Filing Services" webpage. If the Board's web portal is not available, the electronic copy of your filing may be submitted by e-mail at Boardsec@oeb.gov.on.ca. Those who do not have internet access are required to submit the electronic copy of their filing on a CD or diskette in PDF format.

Ontario Energy Board
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Attention: Board Secretary

Filings: www.errr.oeb.gov.on.ca
E-mail: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

ISSUED at Toronto, December 17, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "A"
Procedural Order No. 1

EB-2008-0312
ONTARIO POWER AUTHORITY

Intervenors and Observers List

**ONTARIO POWER AUTHORITY
REVENUE REQUIREMENT
EB-2008-0312**

APPLICANT & LIST OF INTERVENTIONS

DATE December 17, 2008

Applicant

Rep. And Address for Service

Ontario Power Authority

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Ontario Power Authority
Regulatory Coordinator, Corporate
Affairs/Legal
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AND

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Intervenors	Rep. And Address for Service
1. Association of Major Power Consumers In Ontario (“AMPCO”)	Ms. Shelley Grice AITIA Analytics Inc. c/o AMPCO 372 Bay Street, Suite 1702 Toronto, Ontario M5H 2W9 Tel: 416-260-0280, ext. 104 Fax: 416-260-0442 Email: shelley.grice@aitia.ca
2. Electricity Distributors Association (“EDA”)	Kevin Mackenzie Electricity Distributors Association (EDA) Policy Analyst 3700 Steeles Ave. W. Suite 1100 Vaughan ON L4L 8K8 Tel: 905-265-5300 Fax: 905-265-5301 E-mail: kmackenzie@eda-on.ca
3. Energy Cost Management Inc. (“ECMI”)	Roger White Energy Cost Management Inc. (ECMI) President 1236 Sable Drive Burlington ON L7S 2J6 Tel: 905-639-7476 Fax: 905-639-1693 Email: rew@worldchat.com
4. Ontario Power Generation Inc. (“OPG”)	Roberta Reynolds Ontario Power Generation Inc. Assistant Regulatory Analyst 700 University Avenue, H18-G2 Toronto ON M5G 1X6 Tel: 416-592-4783 Fax: 416-592-8519 Email: roberta.reyns@opg.com
5. Union Gas Limited (“UNION”)	Patrick McMahon

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6 **Energy Probe (“EP”)**

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AND

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9 **Toronto Hydro Electric System Limited**

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Observers

Rep. And Address for Service

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Appendix "B"
Procedural Order No. 1

EB-2008-0312
ONTARIO POWER AUTHORITY

Board Staff Proposed Issues List

EB-2009-0312

OPA 2009 Revenue Requirement Review

Board Staff Proposed Issues List

- 1. Strategic Objective #1- POWER SYSTEM PLANNING-Plan for an adequate, reliable and sustainable system that integrates conservation, generation and transmission and implements the Minister's directives**
 - 1.1. 2009 Operating Budget for Strategic Objective #1-Power System Planning
 - Is the Operating Budget of \$ 5.790 million allocated to Strategic Objective # 1 reasonable and appropriate?

- 2. Strategic Objective # 2: CONSERVATION – Plan and procure conservation resources to meet the requirements identified in the IPSP and promote sustainable conservation practices that contribute to a culture of convention.**
 - 2.1. 2009 Operating Budget for Strategic Objective # 2 -Conservation
 - Is the Operating Budget of \$ 20.072 million allocated to Strategic Objective # 2 reasonable and appropriate?

- 3. Strategic Objective # 3: SUPPLY PROCUREMENT AND CONTRACT MANAGEMENT-Plan and design procurement processes and enter into procurement contracts for generation resources to meet the requirements identified in the IPSP and to embed “best in class” contracting practices that support investment in necessary infrastructure and contribute to a sustainable electricity system**
 - 3.1. 2009 Operating Budget for Strategic Objective # 3 – Supply Procurement and Contract Management
 - Is the Operating Budget of \$ 7.732 million allocated to Strategic Objective # 3 reasonable and appropriate?

- 4. Strategic Objective # 4 –BARRIERS TO THE DEVELOPMENT OF ECONOMICALLY SUSTAINABLE CONSERVATION AND SUPPLY RESOURCES- Identify and assess barriers to the development of economically sustainable conservation and supply resources and develop solutions to address these barriers in cooperation with stakeholders**

- 4.1. 2009 Operating Budget for Strategic Objective # 4 –Barriers to Resource Development
 - Is the Operating Budget of \$ 1.031 million allocated to Strategic Objective # 4 reasonable and appropriate?
- 4.2. Is it appropriate for two government agencies (the IESO and the OPA) to both be involved in market development activities?
5. **Strategic Objective # 5- ORGANIZATIONAL CAPACITY -Maintain and develop organizational capacity to achieve all other strategic objectives.**
- 5.1. 2009 Operating Budget for Strategic Objective # 5 – Organizational Capacity
 - Is the Operating Budget of \$ 30.448 million allocated to Strategic Objective # 5 reasonable and appropriate?
- 5.2. Are organizational resources adequate, appropriately managed and suitably allocated amongst the various OPA functions and work groups?
- 5.3. Is the appropriate resource mix of in-house resources, consultant/purchased services and out-sourcing utilized by the OPA in all areas and for all circumstances?
6. **General**
- 6.1. Proposed Usage Fee
 - Is the proposed usage fee reasonable and appropriate?
- 6.2. Deferral and Variance Accounts
 - Is the proposed disposition of the various Deferral and Variance Accounts reasonable and appropriate?
- 6.3. Commitments from previous Settlement Agreements
 - Has the OPA met its commitments, as set out in previous Settlement Agreements and Decisions?