



EB-2007-0816

IN THE MATTER OF the Ontario Energy Board Act,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF the Independent Electricity
System Operator 2008 Fees Submission for Review.

BEFORE: Gordon Kaiser
Presiding Member

Bill Rupert
Member

DECISION AND ORDER

The Application

On November 2, 2007, the Independent Electricity System Operator (the "IESO") filed its 2008 Fees Submission with the Ontario Energy Board (the "Board") in accordance with sections 18 and 19 of the *Electricity Act, 1998*.

The IESO sought Board approval for:

1. A revenue requirement of \$135.5 million, inclusive of the revenue requirement associated with proposed 2008 capital expenditures of \$20 million;
2. A reduction of the usage fee from \$0.815 per MWh in 2007 to \$0.799 per MWh commencing January 1, 2008;
3. Continuation of the \$1,000 application fee; and
4. A rebate to market participants in 2008 to the extent the accumulated

operating surplus in the deferral account exceeds \$5 million at December 31, 2007.

In April 2008, the IESO published its 2007 audited financial statements that indicate the IESO will not be paying any rebates to market participants in 2008 because it incurred a net loss in 2007 and has an accumulated surplus at December 31, 2007 that is below \$5 million. Accordingly, there is no need for the Board to approve the IESO's request (item 4 above) that it be permitted to make rebate payments.

The Proceeding

The Board issued a Notice of Application on December 12, 2007 which included a draft issues list. The parties intervening are set out in Appendix A. Intervenors provided comments on the draft issues. The Board-approved issues list, published on January 24, 2008, is presented in Appendix B.

On December 17, 2007, the Board issued an interim fees order to allow the IESO to implement its proposed reduced fee starting January 1, 2008, pending a final decision in this proceeding.

A technical conference was held on February 11, 2008 to provide the intervenors and Board staff an opportunity to ask the IESO questions regarding its evidence.

A settlement conference was held on February 26, 2008 and the settlement proposal, attached to this decision and order as Appendix C, was filed by the IESO on the same date. All parties, except Energy Probe (which took no position on many issues), reached agreement on all the issues.

The Board reviewed the settlement proposal and required that the parties attend an oral hearing on March 20, 2008 to respond to specific questions. At the March 20 oral hearing, the Board asked questions about three issues covered by the settlement proposal:

- Issue 2.1 with respect to capital expenditures for the proposed Day-Ahead Market ("DAM"). Specifically, the Board asked why the IESO was seeking the Board's approval for capital expenditures on DAM when the proposed

program and capital expenditures have yet to receive approval from the IESO's board of directors.

- Issue 1.3 concerning the financial implications to the IESO of non-payment of interest and principal on asset-backed commercial paper ("ABCP"). The IESO's third quarter 2007 financial statements indicated that the IESO had exposure to ABCP, a fact that was not mentioned in the IESO's 2008 fee submission.
- Issue 3.1 on the IESO's process for separating costs of the Smart Metering Entity from the costs that are the subject this fee submission.

Each of these issues is discussed below.

The Day-Ahead Market

The IESO's three-year business plan projects capital expenditures of \$20 million for each year in the period 2008-2010. The forecast capital expenditures include \$16 million to build and implement the proposed DAM (\$8 million for 2008 and \$8 million for 2009). The DAM costs are broken down between labour (25%), software development (70%) and hardware (5%).

The approval requested by the IESO was set out by Mr. Zacher, counsel for the IESO, at the March 20, 2008 hearing:

Mr. Chair, if I could clarify one point. Under Section 19 of the Act, the IESO comes before you to ask for approval of its fee, but also of its proposed expenditure and revenue requirements. So as part of seeking approval of its proposed expenditure requirements, the IESO is seeking to have the \$20 million [capital spending] envelope identified for 2008 approved. [Transcript, page 11]

Mr. Zacher also confirmed that the IESO board of directors has not approved the DAM initiative and the related expenditures. He indicated that the IESO board is scheduled to consider the DAM at a June 19, 2008 meeting. Material that will be considered by the IESO board includes a detailed cost-benefit analysis, which has yet to be completed and is not available at this time.

At the March 20, 2008 oral hearing, the Board expressed concern that it was being

asked to approve expenditures for a project that had not been approved by the IESO's own board. In response to those concerns, counsel for the IESO filed on March 20, 2008 a letter explaining the IESO's approval and proposed implementation processes with respect to the DAM. The IESO also filed a copy of the its Stakeholder Engagement Plan SE-21, "Day-Ahead Market Evolution," which sets out the process and timeline for arriving at a recommendation to the IESO board on the day-ahead mechanism.

The IESO confirmed that if the DAM is approved by the IESO board of directors the subsequent process would unfold in two phases. No significant capital expenditures are expected to be required to complete Phase I, which counsel indicated would unfold through late 2008 and possibly into 2009. It was suggested that if the Board had concerns with respect to the capital expenditures on DAM, the matter could be revisited in next year's fees case.

If the IESO proceeds with the DAM initiative, it will be necessary for the IESO to amend its market rules. Counsel for the IESO submitted that the OEB will also have the opportunity to review DAM-related capital expenditures as part of the OEB's review process for the market rule amendments required to implement DAM.¹

The Board is not convinced that either of the future review processes referred to by the IESO – the IESO's 2009 fees case, or the Board's consideration of the market rule amendments for the DAM – provide a basis for the Board to approve proposed DAM capital expenditures now. The ability of the Board to review the IESO board-approved DAM capital expenditure plan as part of the 2009 rates case is not a valid basis for approving the proposed spending now. The Board has serious doubts as to whether there is any scope for the Board to review the amount or prudence of capital expenditures as part of the market rule amendment process.

Despite the fact that the parties to the settlement accepted these capital expenditures, this panel finds no evidentiary basis for that conclusion. The IESO board of directors has yet to approve the DAM. The cost-benefit analysis that is

¹ Section 33 of the *Electricity Act, 1998* requires that the IESO submit market rule amendments to the Ontario Energy Board. Any person may apply to the Board within 21 days after the amendment is submitted requesting that the Board review the amendment. The Board also has the authority to revoke an amendment within 15 days after it is filed.

being prepared will no doubt be very useful to the IESO board of directors. This Board also requires that type of analysis.

IESO Counsel submitted that section 19 the *Electricity Act, 1998* contemplates the IESO coming to the Board to request approval for capital expenditures. Given that the IESO board has yet to approve any expenditure on a DAM initiative, the Board questions whether the \$16 million DAM expenditure included in the IESO's fees application truly qualifies as a "proposed expenditure" under section 19.

The Board understands that the IESO, like other regulated entities, would prefer to get some assurance from the Board about proposed projects for which spending will occur during a test year but that will not go into service (and, hence, into rates or fees) until a later year. In other cases, the Board has been prepared to provide assurance that proposed projects appear to be necessary and that the estimated costs appear to be reasonable. But the Board sees no basis for providing such assurance when the applicant's own board of directors has not approved the projects or the budget.

The Board approves a 2008 capital expenditure budget of \$12 million, that is, the originally proposed \$20 million plan less the \$8 million forecast for the DAM project. At the March 20, 2008 oral hearing, the IESO confirmed that the amount of capital spending, if any, on the DAM project in 2008 would have no impact on the IESO's 2008 revenue requirement.

The applicant is free to return to this Board to obtain approval of these expenditures once the DAM initiative and project budget have been approved by the IESO board. Any other procedure renders the decision-making process by this Board a rubber stamp. We note that the DAM stakeholdering process now underway is substantive. That process should develop in the normal course. When the IESO board of directors reaches a conclusion, the IESO can return to this Board for any necessary approvals.

To the greatest extent possible, this Board defers to the parties in settlement agreements. With the exception of Energy Probe (which took no position), there was unanimous approval with respect to this matter. Nonetheless, the longstanding principle is that there must be evidence to support a settlement. We are unable to find that in this record.

Asset-Backed Commercial Paper

As part of its administration of the IESO electricity market, the IESO directs the temporary investment of market funds throughout the settlement cycle. The IESO invests those funds in highly-rated short-term securities, including ABCP. The investments are not recognized on the IESO's balance sheet but the IESO apparently has been entitled to receive the interest income generated by those investments. This "market-related interest income" reduces the amount of the IESO's revenue requirement that needs to be recovered in the usage fee charged to market participants.

The IESO's 2008-2010 Business Plan, which was filed as part of the 2008 fees submission, shows forecast market-related interest income of \$4.2 million for 2007 and \$5.0 million in 2008. The IESO's accumulated operating surplus was forecast to be \$5.0 million at the end of both 2007 and 2008.

In August 2007, several issuers of Canadian ABCP were unable to rollover maturing ABCP and did not redeem ABCP that had matured. At that time, market-related investments at the IESO included \$23.1 million of non-bank sponsored ABCP. No principal or interest payments have been received on those investments, which are the subject of a restructuring proposal pursuant to the so-called Montreal Accord.²

The 2008 fees submission, which was filed on November 2, 2007, did not mention any issues related to ABCP. Board staff subsequently became aware of the issue when it reviewed the disclosures made in the IESO's September 30, 2007 financial report.

At the March 20, 2008 oral hearing, the IESO acknowledged that its 2008 fees submission had been prepared without regard for the events that had occurred in 2007 in the ABCP markets. It also stated that, as a result of the ABCP problems, it had decided not to recognize any market-related interest income in 2007. That action has the effect of reducing the IESO's 2007 net income, and its year end

² In addition to the \$23.1 million of market funds invested in ABCP, the IESO indicated that a further \$35 million of ABCP is held in the IESO's transmission rights clearing account and that the IESO itself owns \$1.4 million of ABCP. At the March 20, 2008 oral hearing, the IESO stated that it would be booking a reserve in 2007 against the \$1.4 million investment. The IESO stated that it does not recognize any income or loss on investments held in the transmission rights clearing account.

accumulated operating surplus, by \$4.2 million compared to amounts shown in its fees submission.

The Board panel asked the IESO about the possible impact of the ABCP problem on its 2008 market-related interest income, which the IESO initially forecast would be \$5.0 million. The IESO did not provide an updated forecast of 2008 interest income but did state that:

We are still earning investment income, even aside from the fact that we've got this money tied up with asset-backed commercial paper. So there is still – the 5 million that you are seeing for 2008 budgeted, it doesn't entirely go away because we've got 23 million tied up. [Transcript, page 41]

The Board also asked whether, over and above its decision not to recognize any interest income in 2007, the IESO should record an impairment loss on the ABCP. The IESO said that the non-recognition of interest income in 2007 covered more than just the interest income that has not been collected on the \$23.1 million of ABCP. It estimated that not booking any interest income in 2007 was equivalent to taking a 15 to 20 per cent "haircut" on the ABCP. The IESO also submitted that it is not obligated to reimburse the market accounts for any credit losses that may ultimately be incurred on the ABCP investments. Any such losses could reduce the amount of market-related interest income the IESO might recognize in the future. But the IESO has concluded that credit losses could not result in the IESO booking a net negative amount of market-related interest income.

The IESO noted that it had sufficient accumulated surplus in 2007 to absorb the reversal of \$4.2 million of interest income and that it will earn interest income in 2008 (although perhaps not as much as the \$5 million that had been forecast). The IESO submitted that it is not its policy to keep a \$5 million balance in its operating surplus deferral account. It therefore chose to go with a lower accumulated surplus instead of amending its application to increase the usage fee to make up for the shortfall in the market-related interest. The IESO considers this to be in keeping with the purpose and intent of the regulatory deferral account for maintaining an accumulated operating surplus to allow for variances with respect to its budgets.

The Board is concerned that the IESO's 2008 fees submission, which was filed

well after the serious problems in the Canadian ABCP market became public, made no reference to IESO's exposure to ABCP and the possible impact on 2007 and 2008 operating results. Based on the IESO's pre-filed evidence, on December 17, 2007, the Board approved, on an interim basis, a reduction in the usage fee effective January 1, 2008. In the Board's view, prior to implementing the interim fee reduction, the IESO should have provided information about its exposure to ABCP, the possible impact on 2007 and 2008 operating results, and the IESO's assessment as to why a usage fee reduction for 2008 was appropriate notwithstanding the problems with the ABCP. Going forward, the Board cautions the IESO to exercise greater vigilance in ensuring that the estimates used in the determination of revenue requirements and fees reflect the latest information available or reasonably foreseeable at the time the application is filed and during the proceeding.

The Board will accept the IESO's proposed reduced usage fee for 2008 given that there is no evidence the reduced fee, in combination with the financial consequences of the ABCP, is likely to result in an accumulated deficit by the end of 2008. In next year's fees submission, the Board expects the IESO to clearly address the ABCP issue and the financial consequences for the IESO.

Separation of Costs

In 2007, the IESO was designated Ontario's Smart Metering Entity ("SME") to plan, implement, and administer the central meter data repository and to develop communications in support of the Ontario-wide roll-out of smart meters.

The direct and incremental costs associated with the SME, which is not a separate legal entity, are to be collected and charged separately from all other IESO costs that form part of the revenue requirement for the IESO usage fee. The IESO has not yet established a separate charge for its SME activity.

Issue 3.1 is: "Is the IESO's process for separating costs associated with its role as the Smart Metering Entity from costs incurred as the System Operator appropriate?"

During the March 20, 2008 oral hearing, the Board panel asked the IESO how it has been paying the costs of the SME given that it has not yet started to collect a

fee for the SME. The IESO indicated that it is using IESO lines of credit to finance the SME and that the interest expense on those borrowings is not included in the interest expense in this 2008 fees submission. Although the Board accepts that this separation has occurred, it noted that the balance sheet, income statement and other financial information in the IESO's fees submission does not clearly set out the SME and non-SME operating costs, borrowings and interest expense. At the March 20, 2008 hearing, the Board asked the IESO to more clearly distinguish the assets, liabilities, and expenses of the SME in the financial material filed for the 2009 IESO usage fee. The IESO indicated it would do so.

The parties to the settlement proposal, with the exception of Energy Probe which took no position on the issue, are satisfied with the IESO's evidence on Issue 3.1. The Board accepts that settlement.

THE BOARD ORDERS THAT:

1. The Board's December 17, 2007 Order, which approved Interim Rates for the IESO effective January 1, 2008, is supplanted and replaced by this final Decision and Order in which the Board approves:
 - a. The proposed 2008 revenue requirement of \$135.5 million,
 - b. The proposed usage fee for 2008 of \$0.799/MWh; and
 - c. The proposed application fee of \$1,000.
2. A decision regarding cost awards will be issued at a later date. Eligible parties shall submit their cost claims by May 12, 2008. A copy of the cost claim must be filed with the Board and one copy is to be served on the IESO. The cost claims must be prepared in accordance with section 10 of the Board's Practice Direction on Cost Awards.
3. The IESO will have until May 26, 2008 to object to any aspect of the costs claimed. A copy of the objection must be filed with the Board and one copy must be served on the party against whose claim the objection is being made.
4. Any party whose cost claim was objected to will have until June 2, 2008 to make a reply submission as to why their cost claim should be allowed.

Again, a copy of the submission must be filed with the Board and one copy is to be served on the IESO.

DATED at Toronto on April 22, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2007-0816
DATED April 22, 2008**

INTERVENOR LIST

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

2008 FEES SUBMISSION FOR REVIEW EB-2007-0816

List of Applicant and Intervenors

April 22, 2008

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**APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2007-0816
DATED April 22, 2008**

ISSUES LIST

INDEPENDENT ELECTRICITY SYSTEM OPERATOR (“IESO”)

FISCAL 2008 FEES SUBMISSION FOR REVIEW

BOARD – APPROVED ISSUES LIST

EB-2007-0816

1.0 Operating Cost

- 1.1 Are the IESO's projected OM&A Costs reasonable?
- 1.2 Are the IESO's projected staff costs and strategy for setting compensation levels appropriate and reasonable?
- 1.3 The IESO's third quarter 2007 financial statements indicate that the IESO holds \$23.1 million of illiquid Asset-Backed Commercial Paper on which neither principal nor interest has been paid. What are the implications of this ABCP for the IESO's 2008 revenue requirement?

2.0 Capital Spending

- 2.1 Are the projected expenditures including \$8 million in 2008 and \$8 million in 2009 on Day-Ahead Market (“DAM”) appropriate and reasonable?
- 2.2 What is the level of IESO commitment to DAM and is this sufficient for funding approval?
- 2.3 Is the proposed schedule for the DAM initiative reasonable? (Approval of DAM by the IESO Board by late 2007 or early 2008, capital work to start in 2008 and DAM to be operational in 2009).

3.0 Smart Metering Initiative

- 3.1 Is the IESO's process for separating of costs associated with its role as the Smart Metering Entity from costs incurred as the System Operator appropriate?

4.0 Benchmarking

- 3.2 Are the IESO's proposed cost categories for comparison to its peers appropriate for improving operational efficiency?

5.0 Reliability

- 5.1 Are the IESO's proposed 2008 measures to address reliability appropriate and cost-effective?

6.0 Undertakings from 2007 Fees Submission

6.1 Has the IESO complied with its undertakings and obligations?

6.2 Do any of the IESO's actions described in its November 2, 2007 Status Report on obligations and undertakings have implications for 2008 fees which should be reviewed in the current proceeding?

**APPENDIX "C" TO
DECISION AND ORDER
BOARD FILE No. EB-2007-0816
DATED April 22, 2008

SETTLEMENT PROPOSAL**

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)
FISCAL YEAR 2008 FEES SUBMISSION FOR REVIEW
SETTLEMENT PROPOSAL
EB-2007-0816**

This Settlement Proposal is filed with the Ontario Energy Board (“the OEB” or “Board”) for consideration in the determination of the Independent Electricity System Operator (“the IESO”) 2008 Fees Submission for Review (EB-2007-0816). A Settlement Conference was conducted on February 26th, 2008, in accordance with Rule 31 of the OEB’s *Rules of Practice and Procedure* and the OEB’s *Settlement Conference Guidelines*. The Settlement Proposal, prepared in accordance with Rule 32 of the *Rules of Practice and Procedure*, arises from the Settlement Conference.

The following parties (the “Parties”) participated in the Settlement Conference:

- The IESO;
- Association of Power Producers of Ontario (APPrO);
- Energy Probe Research Foundation (Energy Probe);
- Ontario Power Generation (OPG);
- Power Workers’ Union (PWU);
- Society of Energy Professionals (SEP); and
- Vulnerable Energy Consumers Coalition (VECC)

This Settlement Proposal deals with all issues on the Board-approved Issues List:

1. Operating Cost
2. Capital Spending
3. Smart Metering Initiative
4. Benchmarking
5. Reliability
6. Undertakings from 2007 Fees Submission

The Parties have settled all issues.

The OEB Staff is not party to this Settlement Proposal and takes no position on any issue.

On February 11, 2008, a Technical Conference was held and Board Staff and intervenors examined a panel of IESO witnesses on matters within the Issues List; this Technical Conference was transcribed. The IESO answered undertakings arising from the Technical Conference and circulated and filed these answers with the Board on February 15, 2008.

On the basis of the IESO’s pre-filed evidence, evidence provided at the Technical Conference and responses to undertakings from the Technical Conference, the Parties agree, with the exceptions noted below, with the IESO’s 2008 Fees Submission for review, including, *inter alia*, the IESO’s proposed 2008 revenue requirement, inclusive of the revenue requirement associated with the proposed capital expenditures amount, usage fee and application fee.

This Settlement Proposal outlines the Parties' positions and provides a direct and transparent link between each issue and the supporting evidence in the record. The Parties agree, with the exceptions set out below, that the IESO's Fees Submission for Review, evidence given at the Technical Conference, and responses to undertakings as cited, is sufficient to support the Settlement Proposal. Moreover, the quality and the detail of the supporting evidence will allow the Board to make findings on the issues.

IESO 2008 Revenue Requirement, Expenditures and Fees

The Parties, with the exception of Energy Probe which takes no position on this matter, reached agreement on the IESO's 2008 proposed revenue requirement of \$135.5 million and proposed 2008 capital expenditures of \$20 million.

The Parties agreed to the reduced IESO usage fee of \$0.799/MWh commencing January 1, 2008, as per the OEB Interim Fees Order of December 17, 2007, and to the continuation of the \$1,000 application fee.

The following evidence supports this agreement:

Exhibit A, Tab 1, Schedule 1, Fees Submission For Review

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 30-34, 41-44, 48-49.

Final Transcript for February 11, 2008 Technical Conference.

1.0 Operating Cost

1.1 Are the IESO's projected OM&A Costs reasonable?

The Parties are satisfied with the evidence set out below, with the exception of Energy Probe which takes no position on Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 52-54, and the Final Transcript for February 11, 2008 Technical Conference, Pages 46-52.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 35-40, 52-54.

Final Transcript for February 11, 2008 Technical Conference, Pages 32-35, 46-52.

IESO Answers to Undertakings, filed February 15, 2008, JT4.

1.2 Are the IESO's projected staff costs and strategy for setting compensation levels appropriate and reasonable?

The Parties are satisfied with the evidence set out below.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 35-40.

Exhibit B, Tab 3, Schedule 1, Status Report on the Obligations and Undertakings Arising Out of the IESO's 2007 Fees Submission for Review, Appendix 1, Pages 7-11.

Final Transcript for February 11, 2008 Technical Conference, Pages 4-22, 34-46, 53-54.

IESO Answers to Undertakings, filed February 15, 2008, JT1, JT2, JT3.

1.3 The IESO's third quarter 2007 financial statements indicate that the IESO holds \$23.1 million of illiquid Asset-Backed Commercial Paper on which neither principal nor interest has been paid. What are the implications of this ABCP for the IESO's 2008 revenue requirement?

The Parties, with the exception of Energy Probe, which takes no position on Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Page 49, are satisfied with the evidence set out below.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Page 49.

Final Transcript for February 11, 2008 Technical Conference, Pages 23-30.

2.0 Capital Spending

2.1 Are the projected expenditures including \$8 million in 2008 and \$8 million in 2009 on Day-Ahead Market ("DAM") appropriate and reasonable?

2.2 What is the level of IESO commitment to DAM and is this sufficient for funding approval?

2.3 Is the proposed schedule for the DAM initiative reasonable? (Approval of DAM by the IESO Board by late 2007 or early 2008, capital work to start in 2008 and DAM to be operational in 2009).

The Parties are satisfied with the evidence set out below.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 13, 41-42, 55.

Final Transcript for February 11, 2008 Technical Conference, Pages 54-64

IESO Answers to Undertakings, filed February 15, 2008, JT5.

3.0 Smart Metering Initiative

3.1 Is the IESO's process for separating of costs associated with its role as the Smart Metering Entity from costs incurred as the System Operator appropriate?

The Parties, with the exception of Energy Probe, which takes no position on this matter, are satisfied with the evidence set out below.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 12, 50-51.

Final Transcript for February 11, 2008 Technical Conference, Pages 65-70.

4.0 Benchmarking

4.1 Are the IESO's proposed cost categories for comparison to its peers appropriate for improving operational efficiency?

The Parties, with the exception of Energy Probe, which takes no position on this matter, are satisfied with the evidence set out below.

Exhibit B, Tab 3, Schedule 1, Status Report on the Obligations and Undertakings Arising Out of the IESO's 2007 Fee Submission for Review, Page 3, and Appendix II, Page 12.

Final Transcript for February 11, 2008 Technical Conference, Pages 70-73.

5.0 Reliability

5.1 Are the IESO's proposed 2008 measures to address reliability appropriate and cost effective?

The Parties are satisfied with the evidence set out below.

Exhibit B, Tab 1, Schedule 1, 2008-2010 Business Plan, Pages 4, 6-7, 27-29, 42-43.

Final Transcript for February 11, 2008 Technical Conference, Pages 76-82.

6.0 Undertakings from 2007 Fees Submission

6.1 Has the IESO complied with its undertakings and obligations?

6.2 Do any of the IESO's actions described in its November 2, 2007 Status Report on obligations and undertakings have implications for 2008 fees which should be reviewed in the current proceeding?

The Parties, with the exception of Energy Probe which takes no position on the Final Transcript for February 11, 2008 Technical Conference: Pages 73-75, are satisfied with the evidence set out below.

Exhibit B, Tab 3, Schedule 1, Status Report on the Obligations and Undertakings Arising Out of the IESO's 2007 Fee Submission for Review.

Final Transcript for February 11, 2008 Technical Conference: Pages 61, 64, 73-75.

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