

**2017-20 OEB Budget
(Sections 26 and 12.1 only)**

<i>Units in thousand dollars</i>	2017-18	2018-19	2019-20
Revenues:			
General cost recovery	40,385	41,050	41,950
Licence fees	373	373	373
Interest income	111	111	111
Miscellaneous income	5	5	5
Amortization of deferred revenue related to capital assets	1,106	2,571	2,804
Total Revenues	41,980	44,110	45,243
Expenses:			
Salaries and benefits	30,017	30,869	31,695
Consulting and professional	3,744	3,241	3,156
Meetings, training and travel	1,169	1,168	1,159
Consumer outreach	1,421	1,676	1,676
Premises	3,094	3,122	3,256
Information technology	990	1,020	1,049
Office and administration	439	443	448
Amortization of capital assets paid by OEB	1,106	2,571	2,804
Total Expenses	41,980	44,110	45,243
Capital Expenditures:			
Leasehold improvements	1,860	50	50
Office furniture and equipment	300	50	50
Computer equipment and related software	1,550	1,150	1,050
Audio visual equipment	150	100	100
Total Capital Expenditures	3,860	1,350	1,250
Total Assessment before Adjustments	44,245	42,400	43,200
Operating Reserve Adjustment	(2,245)	0	0
Total Assessment	42,000	42,400	43,200

2016-2017 Forecast Summary

The 2016-2017 forecast as of mid-December 2016 shows an underspend of \$1.6 million, reflecting a slower than expected recruitment process for new positions, unanticipated retirements and the deferral of renovations to 2017-2018.

2016-17 Forecast - (Sections 26 and 12.1 only)

Units in thousand dollars	Forecast	Budget	Variance	
			\$	%
Revenues:				
General cost recovery	36,702	38,013	(1,311)	(3%)
Licence fees	393	373	20	5%
Interest income	132	111	21	19%
Miscellaneous income	5	5	0	0%
Amortization of deferred revenue related to capital assets	781	941	(160)	(17%)
Total Revenues	38,013	39,443	(1,430)	(4%)
Expenses:				
Salaries and benefits	27,986	29,445	(1,459)	(5%)
Consulting and professional	3,646	3,274	372	11%
Meetings, training and travel	714	971	(257)	(26%)
Consumer outreach	650	453	197	43%
Premises	2,940	3,047	(107)	(4%)
Information technology	897	856	41	5%
Office and administration	399	456	(57)	(13%)
Amortization of capital assets paid by OEB	781	941	(160)	(17%)
Total Expenses	38,013	39,443	(1,430)	(4%)
Capital Expenditures:				
Leasehold improvements	50	150	(100)	(67%)
Office furniture and equipment	50	200	(150)	(75%)
Computer equipment and related software	1,559	1,637	(78)	(5%)
Total Capital Expenditures	1,659	1,987	(328)	(17%)
Total Assessment before Adjustments	38,361	40,000	(1,639)	(4%)
Operating Reserve Adjustment	1,129	0	1,129	100%
Total Assessment	39,490	40,000	(510)	(1%)

2015-2016 Financial Summary

The 2015-16 financial results balance to budget as a result of the allocation of \$1.9M of underspending to the operating reserve. Most of that underspending reflected the deferral of renovation costs and consumer-related expenditures until pending the establishment of the new Public Affairs Division.

2015-16 Financial Results (Sections 26 and 12.1 only)

Units in thousand dollars	Actual	Budget	Variance	
			\$	%
Revenues:				
General cost recovery	33,578	34,472	(894)	(3%)
Licence fees	390	367	23	6%
Interest income	137	130	7	5%
Miscellaneous income	2	10	(8)	(80%)
Amortization of deferred revenue related to capital assets	795	864	(69)	(8%)
Total Revenues	34,902	35,843	(941)	(3%)
Expenses:				
Salaries and benefits	26,344	26,791	(447)	(2%)
Consulting and professional	2,646	2,518	128	5%
Meetings, training and travel	591	621	(30)	(5%)
Publications, media and advertising	415	884	(469)	(53%)
Premises	2,743	2,935	(192)	(7%)
Information technology	968	837	131	16%
Office, administration and other	400	393	7	2%
Amortization	795	864	(69)	(8%)
Total Expenses	34,902	35,843	(941)	(3%)
Capital Expenditures:				
Leasehold improvements	0	262	(262)	(100%)
Office furniture and equipment	0	213	(213)	(100%)
Computer equipment and related software	691	827	(136)	(16%)
Total Capital Expenditures	691	1,302	(611)	(47%)
Total Assessment before Adjustments	34,269	35,774	(1,505)	(4%)
Operating Reserve Adjustment	1,851	346	1,505	435%
Total Assessment	36,120	36,120	0	0%

Human Resources Assumptions

Staff headcount over the planning period is budgeted at 178 full-time positions.

The OEB has also budgeted for 13 Board Members.

Seventy-five percent of staff positions are unionized. The current four-year Collective Agreement with the Society of Energy Professional expires on March 31, 2019. The salaries and benefits for bargaining unit employees are based on the terms of the collective agreement.

For non-represented staff, the OEB's compensation philosophy is targeted to the 50th percentile of our market comparator group which is made up of public sector and, more specifically, comparators from the energy sector and other regulators. Benefits for non-represented employees are based on a traditional benefit plan that mirrors the bargaining unit and reflects corporate policies.

The OEB participates in the Ontario Public Service Pension Plan with matching employee and employer contributions.

Incentive pay for eligible bargaining unit and non-represented staff, including full-time appointees, has been budgeted in accordance with the collective agreement and approved Incentive Plans.

Strategic human resource priorities include a focus on a recruitment philosophy to leverage emerging social media trends and increased visibility of the organization to potential candidates. Knowledge transfer and recruitment strategies are important to maintaining organizational capacity due to the aging demographics of our workforce and requirements for new emerging skills sets to the organization.

Staff development continues to be a priority to ensure the OEB can promote internal staff, where appropriate, to take on new responsibilities. With a greater focus on stakeholder engagement and an evolving adjudicative framework, new and different skills sets will be required.

Employee communication is a key driver of organizational performance and behaviour. A comprehensive HR communication plan will be developed that establishes a strategy for sending messages, making announcements and publishing information to employees.

Information and Information Technology (I & IT) Assumptions

The OEB has developed a rolling three year I&IT Plan for the 2017-2020 planning period. That I&IT Plan aligns with and supports the Strategic Directions and programs and activities outlined above.

The I&IT Plan incorporates appropriate flexibility to allow for: a) the changing needs of the OEB over the planning period, and b) the continuing rapid pace of change and evolution in IT. This change and evolution is reflected in core areas such as office applications, infrastructure and IT security, as well as in emerging areas such as social media, web and mobility applications.

The I&IT Plan builds on past investments in infrastructure. Those investments enable the OEB to upgrade existing business applications and further harvest value from existing infrastructure to support the achievement of the OEB's Business Plan objectives.

COMMUNICATIONS PLAN

Background

The OEB's 2017-2020 Business Plan focuses on empowering consumers, enabling access to competitive energy choices, advancing utility performance expectations and improving the effectiveness of the OEB. In particular, the Business Plan highlights the OEB's commitment to:

- Regulating the sector in a manner that focuses on outcomes that are valued by consumers: cost, transparency, fairness, and reliability.
- Deepening its understanding of consumer perspectives through a robust consumer engagement framework.
- Enhancing energy literacy and the tools consumers need to make informed energy choices.
- Continued efforts to protect consumers, in particular those who are vulnerable and who are underserved.
- Removing regulatory barriers to innovation and expanding consumer access to new technologies.
- Raising the performance expectations of utilities.
- Delivering on its policy mandate in areas such as *Conservation First* and the new Climate Change Action Plan.

Target Audiences

Communication of the 2017-2020 Business Plan will be directed toward both internal and external audiences.

Internal audiences include Board Members and OEB employees.

External audiences include consumers (residential, commercial, institutional, and industrial), the entities that the OEB regulates or licenses, other public agencies in the energy sector, industry associations, consumer advocates and social service agencies, local communities, opinion leaders and the media, and the Minister of Energy and Ministry staff.

Key Themes

Several key themes will underlie the OEB's communications. Those themes are:

1. The OEB is Ontario's energy consumer protection agency connecting consumers to the right information and tools at the right time and in the right way.
2. The OEB aligns consumer and utility needs and expectations with the public interest to the benefit of all Ontarians – ensuring a reliable, sustainable and affordable energy sector now and for the future.
3. The OEB delivers value to consumers and the sector by ensuring an integrated and consumer-centric approach to applications and hearings.

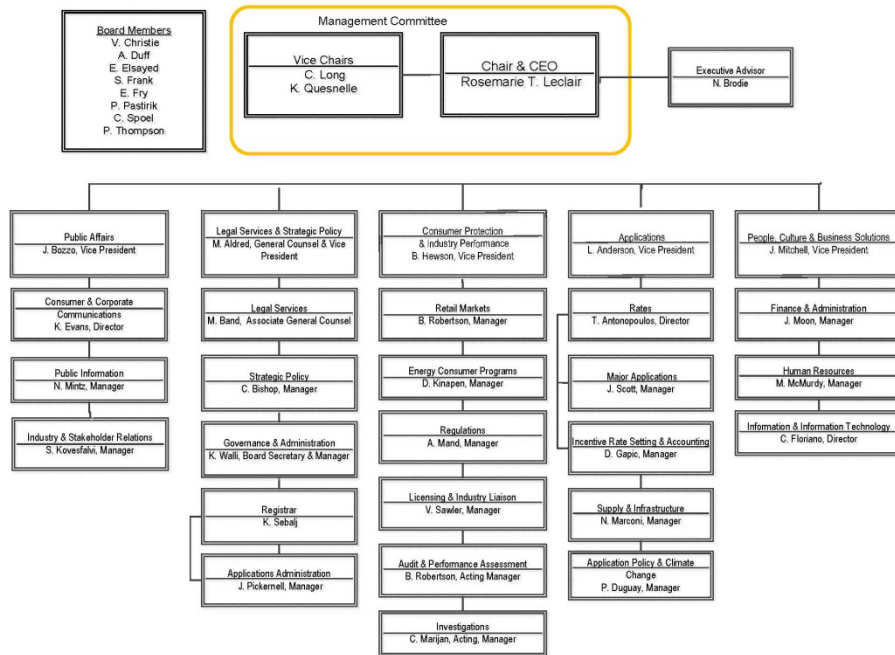
Proposed Activities

The OEB is proposing to undertake a range of communications activities during 2017/2018, including:

- Launch of a more engaging and consumer-focused website.
- An integrated campaign (including paid and earned media, social media, community events and consultations) to educate consumers regarding the mandate and work of the OEB and about their rights and choices as consumers.
- Targeted campaigns about particular initiatives such as the Customer Charter, the OESP and the new *ECPA* rules.
- Expansion of the OEB's program of public outreach.
- Co-ordination of consumer-focused communications with third parties, including social service agencies, consumer advocates, professional associations, governments, and local representatives.
- Baseline measurement of consumer "energy literacy".

APPENDIX – A OEB ORGANIZATIONAL CHART

Ontario Energy Board



APPENDIX B – OEB ENTERPRISE RISK REGISTER

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Mitigating Controls (OEB to supplement and confirm listing below)	Likelihood	Impact	Score
1	Government Policy & Oversight	Volume and complexity of new programs and initiatives from government may limit the OEB's organizational capacity to respond to changes in a timely manner, impacting the OEB's ability to effectively execute their regulatory role.	Regulatory	People	Capacity	<ul style="list-style-type: none"> - Weekly and Monthly discussions with Ministry of Energy staff and Minister's office. - Executive Policy Committee - bi-weekly updates to the Chair and Vice Chairs on progress against policy development plan and oversight of matters of strategic significance to the OEB. - Periodic Enterprise Risk Assessment and Risk Register Refresh. - Annual Three Year Business Plan Refresh. - Monthly Executive Team meetings. - Quarterly Management Committee meetings. - Monthly Board Member meetings. - Monthly Adjudicative Committee meetings. 	4	5	20
2	Legislative Changes affecting Administration	Changes in federal or provincial legislation, regulations, standards, codes or directives may not be appropriately accommodated within the OEB's operations leading to non-compliance by the OEB.	Operational	Process	Capacity	<ul style="list-style-type: none"> - Integrity Commissioner Quarterly Reporting. - Ministry of Energy Annual Reporting. - OEB Quarterly Compliance Reporting. - Annual Finance Audit (scope includes expense claims). 	4	4	16
3	Industry Evolution	An evolving energy industry and emerging technologies requires creation of new, or changes to existing OEB programs, policies, and procedures.	Strategic	Process / Technology	Capability	<ul style="list-style-type: none"> - Executive Policy Committee - bi-weekly updates to the Chair and Vice Chairs on monitoring progress against policy development plan and oversight of matters of overarching strategic significance to OEB. - Periodic Policy Assessment Review (Natural Gas Market Reviews conducted every 3 years with annual updates). - Consultation Papers. - Chairs Advisory Roundtable. - Steering Committee for industry liaison. - Stakeholder, Sectorial and Government Meetings (statutory codes/ rules compliance regarding Stakeholder Engagement). - Industry Affairs Standing Committee. - Annual Three Year Business Plan Refresh. 	3	3	9

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Mitigating Controls (OEB to supplement and confirm listing below)	Likelihood	Impact	Score
4	Cyber-security	Highly sophisticated cyber security attack could lead to disclosure or loss of sensitive or confidential data, or shut down of critical OEB Information Management Systems.	Operational	Technology	Capability	<ul style="list-style-type: none"> - Ontario Provincial Services IT Security Directives (applied internally). - McAfee anti-virus has been installed on all servers and workstations within the OEB corporate environment. - Anti-virus definition updates have been configured to be automatically checked and updated from the McAfee servers on the internet. - On-access file scanning has also been configured to ensure all files are scanned for potential malware prior to use. - IT provides training to business units regarding the IT Security Directive requirements. Training includes educational videos and instruction on how the directive should be interpreted. - Management conducts training at least annually. All new employees must take Cyber Security training as part of their On-Boarding. Also ad hoc training and alerts occur depending on the need and based on ongoing threats. Management interprets the OPS directives and Policies and develops training material as necessary. - Email gateway filtering is in place to protect from malicious email. - Internet Gateway is in place to protect from Malicious Internet traffic. - Active Directory Group policies in place to specifically counter a Ransomware attack. 	4	5	20

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Mitigating Controls (OEB to supplement and confirm listing below)	Likelihood	Impact	Score
5	Information Management	Aspects of record management processes (physical and logical) that are not sufficiently scalable may not ensure the accuracy, integrity, confidentiality, reliability, and accessibility of data (unauthorized use or access, accidental disclosure, modification, or loss of data) with the increasing number of records.	Operational	Process	Capacity	<ul style="list-style-type: none"> - Electronic Records are backed up on a nightly basis. - Disaster Recovery Plan includes replication of data and critical Infrastructure at a secondary location in case of an issue at our Primary Data Centre location. - OEB Primary Records systems are Pivotal and Trim which are off the Shelf Software Programs that enable appropriate Security to ensure Confidentiality of data and avoid unauthorized use. - OEB Network runs on Microsoft Active Directory. - All OEB users must have authorized credentials to access OEB Data. - OEB Records Management Policy . 	2	3	6
6	Technology	Infrastructure may not be sufficient to adapt to changes in technology requirements or be able to accommodate implementation of new projects and programs.	Operational	Technology	Capacity	<ul style="list-style-type: none"> - On an annual basis IT updates the IT 3 year plan. This plan is aligned with the OEB Business Plan to ensure IT's ability to accommodate new OEB Initiatives. - The IT Plan uses a Risk based and Asset Management approach to ensure Assets are kept up to date and can keep pace with the changing nature of technology. 	2	3	6
7	Vendor Management	Vendors may not comply with Service Level Agreements ("SLA"), meet performance standards, or protect sensitive or confidential information; creating challenges in attracting qualified resources in an expeditious manner, that are not conflicted.	Operational	Process	Capacity	<ul style="list-style-type: none"> - OEB Agreement - 15.0 Inspection and Warranty Clause. - OEB Agreement - 17.0 Termination Clause. - Purchase Order sign off requirement (T&C's). - Consultants on and off boarding process. - Escalation clause development. 	1	3	3

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Mitigating Controls (OEB to supplement and confirm listing below)	Likelihood	Impact	Score
8	Market Participants' Compliance	Market participants' non-compliance with regulation, legislation, or OEB decisions could go undetected or be inadequately addressed.	Operational	Process	Capacity	<ul style="list-style-type: none"> - Consumer Relations Centre Policies. - Complaints Management Process. - Compliance Review Committee. - Risk-based Compliance Assessment Framework. - Quarterly OEB Compliance Reporting. - Compliance & Enforcement undergoes many levels of scrutiny. - Retailer & Marketers Code of Conduct. - Sector and Industry Audit program. 	2	4	8
9	Succession	Loss of key staff, a limited pool of qualified candidates to recruit from, and changes in requirements as the industry evolves could result in the OEB not having sufficient employees with adequate skills, expertise or capabilities.	Operational	People	Capability	<ul style="list-style-type: none"> - Employee Engagement Surveys & Improvement Plans. - HR Policies - confidential Exit Interviews; Annual L&D Plans; Internal Promotion Priority; Competitive/Attractive Compensation & Benefit plans; Annual - Performance Appraisals (for internal vacancy selection); Management/Staff Competency Models; Behaviour Assessments; Job Descriptions. - Quarterly Measurement of Turnover Rates. 	2	3	6
10	Organizational Capability / Capacity	Staffing capabilities (skills / competencies) and capacity could be insufficient to implement new programs and initiatives.	Operational	People / Process	Capability / Capacity	<ul style="list-style-type: none"> - Knowledge Management (Transfer) Program. - Workforce Plan Review (supply/demand and gap analysis). - Operational Planning (By Business Unit). - Regular use of consultants to augment workforce. - Succession Plan. - Annual Individual Learning & Development Plans. - Annual Three Year Business Plan Refresh. 	3	4	12

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Mitigating Controls (OEB to supplement and confirm listing below)	Likelihood	Impact	Score
11	External Communication	The quality or sufficiency of information communicated to consumers and market participants could result in consumers not being adequately or appropriately informed, impacting their ability to effectively understand energy matters.	Reputation	Process	Capacity	<ul style="list-style-type: none"> - Consumer Panel. - Consumer Engagement Framework including Community Meetings and enhanced approaches for customer input to the adjudicative process . - Public Affairs function. - Strategic Communications Plan. - Media Management Program. - OEB Outreach and Education Programs. - Consumer Relations Centre Complaints Management Process. - Website redesign. 	5	3	15
12	Business Continuity	Natural disaster or unexpected event causes an interruption to OEB operations.	Operational	Process	Capability	<ul style="list-style-type: none"> - Emergency Response Plan. - IT Disaster Recovery Plan. - Annual simulation testing of the plan(s). - Annual review of acceptable rate of recovery of OEB operations. 	1	5	5
13	Financial Management	Financial budget may not be aligned to the strategic plan, resulting in inappropriate spending and/or inability to effectively allocate resources to deliver on OEB's mandate.	Financial	Process	Capacity	<ul style="list-style-type: none"> - Monthly Cash Flow Projections. - Cost Assessment Model Review. - Annual Financial Budget Process. - Monthly Financial Reporting Management. - Quarterly Management Committee reviews of financial results and forecasts. - Annual Strategic Business Plan Process. 	2	2	4
14	Financial Reporting	Given the increasingly heightened expectations and requirements for financial transparency and reporting, there is added complexity to ensuring internal controls over financial reporting are adequately designed or operating effectively to provide reasonable assurance that the financial reporting is	Financial	Process	Capability	<ul style="list-style-type: none"> - Documented policies and procedures. - Documented processes. - Active management oversight including Management Committee. - Annual External Audit. - Monthly Finance Report to Management - Internal Audits. 	2	2	4
15	Risk Management	Processes to effectively and efficiently identify, assess, manage and govern risk may not adapt quickly enough to respond to evolving industry and public policy, resulting in the inability to achieve strategic and operational objectives.	Operational	Process	Capability	<ul style="list-style-type: none"> - Periodic Enterprise Risk Assessment and Risk Register Refresh. - Annual Business Plan Audit. - Annual Internal Audit Plan. - Documented policies, processes and procedures. 	2	4	8

Likelihood - the probability of the risk occurring, after considering mitigating controls.	
1	There is very little chance of the risk occurring.
2	There is little chance of the risk occurring.
3	There is a moderate chance of the risk occurring.
4	There is a high chance of the risk occurring.
5	There is very high chance of the risk occurring.
Impact - the extent to which this risk could adversely affect the OEB's ability to satisfy their mandate.	
1	Occurrence of the risk will not have a material impact on the OEB's ability to satisfy their mandate.
2	Occurrence of the risk may have some impact on the OEB's ability to satisfy their mandate.
3	Occurrence of the risk may impact the OEB's ability to satisfy their mandate.
4	Occurrence of the risk will impact the OEB's ability to satisfy their mandate.
5	Occurrence of the risk will inhibit the OEB from satisfying their mandate.
Score - the product of likelihood and impact.	
1 - 4	This risk poses little to no chance of impacting the OEB's ability to satisfy their mandate.
5 - 10	This risk poses a small chance of impacting the OEB's ability to satisfy their mandate.
11 -18	This risk poses a moderate chance of impacting the OEB's ability to satisfy their mandate.
19 -25	This risk poses a high chance of impacting the OEB's ability to satisfy their mandate.

