

**MH/COALITION I-1**

<b>Part and Chapter:</b>	Evidence Prepared by Darren Rainkie  Part 3.0	<b>Page #:</b>	16
<b>Topic:</b>	Strategic Management Framework		
<b>Subtopic</b>			

**PREAMBLE (IF ANY):**

Page 16 states:

*“An Integrated Strategic Management Framework (ISMF) is essential for an organization to determine its areas of focus, make prudent choices that involve trade-offs and achieve synergies between the strategic areas of focus that lead to improved and sustained performance.”*

**QUESTION:**

- a) Please provide documentation regarding the Integrated Strategic Management Framework (“ISMF”) that Mr. Rainkie references. Please include original source, detailed description of the framework, and its originating author(s).
- b) Please provide example(s) of the ISMF from other utilities that use the framework provided in part (a).

**RATIONALE FOR QUESTION:**

To evaluate source and material that Mr. Rainkie is using.

**RESPONSE:**

- a) Mr. Rainkie uses the term Integrated Strategic Management Framework (ISMF) to encompass a comprehensive, integrated and iterate management framework which includes strategy, risk management, planning, budgeting, execution, performance measurement and a feedback loop to the next cycle of strategy and planning. This

management framework is also referred to by other terms such as an Integrated Business Planning Framework (IBPF).

Mr. Rainkie prefers the term ISMF to IBPF as it includes and emphasizes strategy and not just planning and is a broader and more holistic term than IBPF. This is consistent with the view to which he ascribes that strategy and planning are complimentary but not substitutes for one another.

ISMF and IBPF are not associated with a single originating source or author. These frameworks have been developed through the work of numerous strategic management scholars and authors over many decades, such as Peter Drucker, Michael Porter and Rodger Martin, to name only a few. The roots of these frameworks can be traced back as early as the 1950's and 1960's. As such, it is not practical to provide a comprehensive listing of sources of these frameworks. These frameworks are commonly used in business and their detailed descriptions are available to MH through simple searches of the world wide web.

- b) In Mr. Rainkie's experience, all utilities use forms and elements of ISMF and IBPF, with varying levels of maturity and effectiveness. MH can source numerous examples of the frameworks in use on the websites of major utilities and their regulators.

**MH/COALITION I-2**

<b>Part and Chapter:</b>	Evidence Prepared by Kelly Derksen	<b>Page #:</b>	30
<b>Topic:</b>	Load Impacts to Cost of Service		
<b>Subtopic</b>			

**PREAMBLE (IF ANY):**

Page 30 states,

*“This Section of the Evidence evaluates PCOSS26 in the context of changes in Load Research. The overall conclusions are: i) there is considerable variability in LR results impacting class cost-to-serve; and ii) focused rate design and other demand management programs aimed at smaller volume class is necessary to moderate cost increases due to the load shedding capabilities of GSL classes.”*

**QUESTION:**

Please explain what is meant by the conclusion “focused rate design and other demand management programs aimed at smaller volume class is necessary to moderate cost increases due to the load shedding capabilities of GSL classes.”

**RATIONALE FOR QUESTION:**

To understand Ms. Derksen’s conclusions.

**RESPONSE:**

The statement means more effort/focus is required to assist the smaller volume class to shed its load than what has been extended to the class to date.