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September 27, 2004

To all participants in RP-2004-0188

Re: Funding for Stakeholder Participation

The Board has considered the requests for funding stakeholder participation in the 2006 Electricity Distribution Rates (“EDR”) process. The following discussion outlines the Board’s approach to (i) eligibility; (ii) the reasonableness of amounts requested, and (iii) the specific requests by reference to the interests represented.

(i) Eligibility

Eleven Parties requested funding for their participation in the EDR. These are:

Association of Major Power Consumers
Canadian Manufacturers & Exporters
Consumers Council of Canada
Energy Probe Research Foundation
Green Energy Coalition
London Property Management Association
Federation of Ontario Cottagers’ Association
Pollution Probe
Power Workers Union (“PWU”)
Schools Energy Coalition
Vulnerable Energy Consumers’ Coalition

Of these, all but the PWU have been traditionally found eligible for funding in proceedings pursuant to the *Practice Direction on Cost Awards* (the “*Practice Direction*”). The Board has made funding available to the PWU in previous processes. Most recently, in the Smart Meter Initiative, the Board provided a contribution to the PWU’s costs in the amount of \$10,000. The rationale of that approach was to facilitate PWU’s presentation of the issues respecting the implementation of smart metering. The PWU was uniquely situated to provide that perspective. It does not appear that the PWU brings a unique perspective to bear in this process, which is aimed at setting a new revenue requirement for electricity distributors. If anything, the interest

of the PWU would appear to mirror the interests of LDCs, who are not eligible for funding. The Board has determined that funding will not be made available to the PWU in this process.

With respect to the other participants, the Board is prepared to conclude that they are eligible for funding subject to the discussion below.

(ii) Reasonableness of Amounts Requested

The EDR process continues to evolve as parties participate through working groups to clarify issues and positions. The working groups will continue this process until the Board clarifies the treatment of issues following an Issues Day. As a result, until this clarification is provided, it is difficult for parties to reasonably estimate their time commitments and therefore their funding requests. The Board believes that the appropriate approach under these circumstances is to bifurcate the funding application in this process so that eligible parties will be provided with funding to participate in the working group process up to and including Issues Day. Following Issues Day, parties should have better information about the extent of their expected participation. Those that seek funding should file their requests for funding at that time.

With respect to the funding to be made available up to and including Issues Day, the Board has determined that eligible parties will be entitled to receive funding at the requested hourly rate for one person to participate in the working group process and in the proceedings on Issues Day. The allowed time will be limited to time spent in their working group and in Issues Day, plus an additional 45% of that time for preparation and reporting. It is currently anticipated that this commitment will consist of 6 days in the working group process (commencing September 7, 2004) and 2 days for Issues Day. Additional funding for reasonably and actually incurred expenses for travel and accommodation will also be accommodated in accordance with the Board's practice under the *Practice Direction*.

(iii) The Interests Represented

As indicated, the Board is effectively providing full funding for eligible parties to participate in the working group process up to and including Issues Day. Parties who seek funding following Issues Day should file their requests at that time. It should be noted that the Board will continue to remain flexible in its approach and parties should be prepared to demonstrate why they should be entitled to funding after that time.

Yours truly,

Original signed by

John Zych
Board Secretary