

Ontario Energy Board Funding for the Power Workers' Union's Participation in RP-2004-0188 2006 Electricity Distribution Rates Initiative

On August 12, 2004 the Ontario Energy Board (the Board) issued notice on a process to establish 2006 electricity distribution rates. In its notice the Board stated its expectation that electricity distribution companies, consumers and industry stakeholders work cooperatively in developing revisions to the Electricity Distribution Rate Handbook for the establishment of 2006 revenue requirement and rate design. On June 23, 2004 the Board indicated that this process would be eligible for participant funding. To this end, the Board in its August 12, 2004 notice set out information required from participants requesting funding.

The Power Workers' Union (PWU) seeks funding from the Board for its participation in the RP-2004-0188 2006 Electricity Distribution Rates Initiative and herein provides the information requested by the Board.

1 INTEREST REPRESENTED AND INSTRUCTIONS FROM REPRESENTATION

The PWU represents a large majority of employees working in Ontario's electricity generation, transmission, distribution, market operations, research, and safety authority. We represent approximately 15,000 members in 40 different collective agreements with employers, mostly in the electricity industry.

The PWU proactively invests in the on-going service quality, reliability and safety of the electricity system. It does so by taking the initiative of promoting training and education programs and providing opportunities for apprenticeships that ensure the maintenance of an on-going skilled workforce for the electricity industry.

The PWU is led by the Executive Officers consisting of a President and 3 Vice Presidents who are elected for four-year terms. The Executive Officers are elected by the Chief Stewards who in turn are elected by elected Stewards who form an extensive network throughout the province. The Executive Board Members are responsible for setting the strategy for the PWU's future, for dealing with major issues that are important to the PWU members, their employers or the wider community. Instructions from PWU members therefore comes through a democratic process and the interest represented includes those of the PWU members, energy industry participants as well as the public.

2 ISSUES AND GENERAL POSITION

The PWU intends to pursue all issues that impact the financial viability of electricity distributors and the provision of service quality, reliability and safety at a level that customers in this province have come to expect. In line with the Board's objective (3) in the *Ontario Energy Board Act, 1998* the PWU's general position is to ensure consumer value with respect to price, and the adequacy, reliability and quality of service. In

addition, the PWU's objective includes the safety of electricity service, both for electricity customers, and for persons working to generate, transmit and distribute electricity to end users. The PWU's participation in this process, therefore, will assist the Board in realizing one of its mandates by enhancing the discussions and contributing to the completeness of the review.

Implicit in the PWU's interest in preserving the distributors' ability to effectively provide distribution services, is the protection of our members' collective agreements and bargaining rights that preserve the fair treatment and safety of the men and women who work to ensure that distribution systems are run in a manner that provides consumer value. The PWU's members form the distribution industry's direct interface with the customers and in providing services to customers are sensitive to their needs and values. This interface provides the PWU with a public interest perspective and the PWU's position is not only that the distributors' revenue requirement needs to be sufficient to provide customer value but also that it is in fact used to realize customer value. The PWU therefore brings a unique perspective to the Board's process that balances those of the industry and the customers.

3 BUDGET

It is difficult to set a budget for this process without knowing the frequency of working group sessions, or the number of active participants and positions in the upcoming proceeding. Therefore, in putting together a budget estimate we have made assumptions on these factors. However, should our assumptions differ substantially from the actual process we expect that the Board, in awarding cost awards, will give due consideration to the differences between our estimated budget and actual cost award request.

The budget for the Issues Conference covers 6 hours of preparation time and 12 hours participation assuming the Issues Conference will require 2 days.

For the Working Group sessions it is likely that each separate working group will hold both Working Group as well as Sub-group working sessions as has generally been the case in past Board initiatives. Therefore, for the purpose of this budget, four weekly Working Group sessions and two Sub-group sessions in the month of September are assumed. In addition to attendance time, equal preparation time for Working Group sessions is included in the budget.

Given the number of substantive issues on the initial issues list, the ADR can be expected to be lengthy and five days has been assumed for the settlement conference duration. In addition, preparation time is also included in the budget.

The hearing process is assumed to involve the filing and review of evidence, an interrogatory process, cross examination and final argument. The actual hearing is assumed to last five days.

The PWU has retained Judy Kwik of Elenchus Research Associates as expert consultant and Andrew Lokan of Paliare Roland as legal counsel in its participation in RP-2004-0188. Judy Kwik is a former Board staff and led the development of the first generation performance based regulatory framework for electricity distributors while with

the Board. She has 28 years of work experience in energy related matters, 14 of which are in energy regulation. Andrew Lokan was called to the Bar in 1988 and has extensive experience as legal counsel for the PWU in previous Board proceedings. He is well acquainted with the Board's rules of practice and procedure.

Process	Expert Consultant			Legal Counsel			Total
	Hours	Rate	Sub-total	Hours	Rate	Sub-total	
Issues Conference							
Preparation	6	\$210	\$1,260	3	\$210	\$630	\$1,890
Attendance	12	\$210	\$2,520	12	\$210	\$2,520	\$5,040
Working Groups							
Preparation	24	\$210	\$5,040				
Attendance	36	\$210	\$7,560				
ADR							
Preparation	6	\$210	\$1,260	6	\$210	\$1,260	\$2,520
Attendance	30	\$210	\$6,300	30	\$210	\$6,300	\$12,600
Hearing							
Evidence							
Prepare	25	\$210	\$5,250	10	\$210	\$2,100	\$7,350
Review	25	\$210	\$5,250	10	\$210	\$2,100	\$7,350
Interrogatories							
Prepare	12	\$210	\$2,520				
Review	12	\$210	\$2,520	5	\$210	\$1,050	\$3,570
Cross examination							
Prepare	25	\$210	\$5,250	30	\$210	\$6,300	\$11,550
Final Argument	25	\$210	\$5,250	30	\$210	\$6,300	\$11,550
Hearing attendance	30	\$210	\$5,250	30	\$210	\$6,300	\$12,600
Case Management	10	\$210	\$2,100				
Sub-Total	278		\$58,380	166		\$34,860	\$93,240
GST 7%			\$4,086.60			\$2,440.20	\$6,526.80
Total			\$62,466.60			\$37,300.20	\$99,716.80

4 FUNDING REQUEST

With the budget assumptions set out in the previous section, the PWU's request for Board funding for its participation in RP-2004-0188 is \$99,716.80.

5 OTHER SOURCES OF FUNDING

The PWU intends to participate fully and actively in the Board's process RP-2004-0188. Should the Board's funding fall short of the PWU's actual cost of participation, we will make up the short fall from our general funds received through membership dues. With the number of Board processes related to the electricity sector underway currently and given the cost of participation in these processes, the PWU's funds for involvement in regulatory matters is strained and cost award eligibility will provide relief.

6 COORDINATING AND JOINING WITH OTHER PARTIES

In our view, the PWU is unique in its representation and has generally not been able to identify stakeholders with whom it can join efforts for a combined intervention and shared costs without compromising our objective for participating. However, in past OEB proceedings, the PWU has cooperated with other parties in various aspects of proceedings including the calling of expert evidence. The PWU would pursue such opportunities as they arise.

As appropriate, the PWU has in the past and will in its participation in RP-2004-0188 cooperate with other parties to reduce duplication of evidence and in cross-examination.