



December 12, 2013

BY E-MAIL AND WEB POSTING

To: All rate-regulated licensed electricity distributors
All rate-regulated licensed electricity transmitters
Association of Major Power Consumers in Ontario
Building Owners and Managers Association of the Greater Toronto Area
Canadian Manufacturers & Exporters
Consumers Council of Canada
Energy Probe Research Foundation
Federation of Rental-housing Providers of Ontario
Low-Income Energy Network
Northwatch
Retail Council of Canada
School Energy Coalition
Vulnerable Energy Consumers Coalition

Re: Notice of Hearing for Cost Awards
Defining & Measuring Performance of Electricity Distributors
Board File No.: EB-2010-0379

Background

On October 18, 2012, the Board released its “Report of the Board: A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach” (the “RRFE Report”). In the letter accompanying the release of the RRFE Report (the “October 18 Letter”), the Board also announced the consultation activities that would be undertaken for the purposes of implementing the policies set out in the RRFE Report. Those consultation activities included implementation of performance, benchmarking and rate adjustment indices (“Performance and Rate-setting”). A working group was established to assist staff.

In the October 18 Letter, the Board indicated that cost awards would be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* in relation to their participation in the consultation activities, and that costs to be awarded would be recovered from rate-regulated licensed electricity distributors (65%) and rate-regulated licensed electricity transmitters (35%). However, as matters relating to performance and rate-setting have evolved to focus solely on electricity distribution, the Board has determined that the costs to be awarded will instead be recovered 100% from rate-regulated licensed electricity distributors.

Eligible Participants

In accordance with a letter issued by the Board on October 30, 2012 and the Board's decisions on cost eligibility issued on January 8, 2013, February 11, 2013, and March 5, 2013, the following 11 stakeholders (collectively, the "Eligible Participants") have been determined to be eligible for an award of costs in relation to consultation activities that have occurred since the release of the RRFE Report in relation to Performance and Rate-setting:

- Association of Major Power Consumers in Ontario;
- Building Owners and Managers Association of the GTA;
- Canadian Manufacturers & Exporters;
- Consumers Council of Canada);
- Energy Probe Research Foundation;
- Federation of Rental-housing Providers of Ontario;
- Low-Income Energy Network;
- Northwatch;
- Retail Council of Canada;
- School Energy Coalition; and
- Vulnerable Energy Consumers Coalition.

Consultation Activities to Date

Since the release of the RRFE Report, a number of consultation activities have occurred in relation to Performance and Rate-setting, including meetings of the working group. On September 17, 2013, the Board issued its Decision and Order on Cost Awards for eligible consultation activities that occurred on or before April 30, 2013 in relation to the implementation of the RRFE Report policies. While work is still under way in relation to Performance and Rate-setting, the Board considers it expedient to deal with cost awards associated with the consultation activities to the end of 2013. Consultation activities are not scheduled for the balance of December, 2013, and cost awards in relation to future consultation activities related to Performance and Rate-setting will be addressed separately.

In a letter issued to stakeholders on May 3, 2013, the Board stated that it would allow Eligible Participants to request eligibility to claim the costs of an expert to prepare a separate expert report on the issues addressed in a report prepared by Board staff's consultants, the Pacific Economics Group Research, LLC. The Board did not receive any requests.

Appendix A to this Notice sets out the consultation activities in respect of which Eligible Participants may now file cost claims. In addition to the activities set out in Appendix A, the Board is making provision for the Vulnerable Energy Consumers Coalition to claim cost awards for its work in planning and leading the October 7, 2013 industry workshop.

Notice of Hearing

The Board is initiating this hearing on its own motion in order to determine the cost awards that will be made in accordance with section 30 of the *Ontario Energy Board Act, 1998* in relation to eligible consultation activities that have occurred since April 30, 2013 in relation to Performance and Rate-setting as described above. The file number for this hearing is **EB-2010-0379**.

The Board intends to proceed by way of written hearing unless a party can satisfy the Board that there is a good reason for not holding a written hearing. If a party wants to object to a written hearing, the objection must be received by the Board no later than **7 days** after the date of this Notice.

Assuming that the Board does not receive any objections to a written hearing, the hearing will follow the process set out below.

1. Eligible Participants shall submit their cost claims by **December 23, 2013**. The cost claim must be filed with the Board and one copy is to be served on each rate-regulated licensed electricity distributor. The cost claims must be completed in accordance with section 10 of the Board's *Practice Direction on Cost Awards*. As contemplated in the *Practice Direction on Cost Awards*, the cost claim form has been customized for this consultation.

Eligible Participants must use the customized form that is attached as Appendix B to this Notice.

2. Electricity distributors will have until **January 9, 2014** to object to any aspect of the costs claimed. The objection must be filed with the Board and one copy must be served on the Eligible Participant against whose claim the objection is being made.
3. An Eligible Participant whose cost claim was objected to will have until **January 16, 2014** to make a reply submission as to why its cost claim should be allowed. A copy of the reply submission must be filed with the Board and one copy is to be served on the objecting electricity distributor.
4. The Board will then issue its decision on cost awards. The Board's costs may also be addressed in the cost awards decision.

Service of cost claims, objections and reply submissions on other parties may be

effected by courier, registered mail, facsimile or e-mail.

Parties must file two paper copies and one electronic copy of their filings with the Board Secretary by **4:45 pm** on the required dates. The Board requests that parties make every effort to provide electronic copies of their filings in searchable / unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.ontarioenergyboard.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@ontarioenergyboard.ca. Persons that do not have internet access should provide a CD or diskette containing their filing in PDF format.

All filings must quote file number **EB-2010-0379** and include your name, address telephone number and, where available, your e-mail address and fax number.

All filings in this hearing (i.e., cost claims, objections, or replies), will form part of the public record. Copies of the filings will be available for inspection at the Board's office during normal business hours and the filings may be placed on the Board's website.

If the filing is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the filing available for viewing at the Board's offices or placing the filing on the Board's website, the Board will remove any personal (i.e., not business) contact information from the filing (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and

the content of the filing may be available for viewing at the Board's offices and will be placed on the Board's website.

If you do not file a letter objecting to a written hearing or do not participate in the hearing by filing written materials in accordance with this Notice, the Board may proceed without your participation and you will not be entitled to further notice in this proceeding.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachments

Appendix A: Consultation Activities for Which Cost Claims may be Filed and Maximum Number of Hours

Rate setting & Benchmarking

Table 1: Rate setting & Benchmarking

Activity Eligible for Cost Awards	Maximum Number of Hours
Preparation for, attendance at, and reporting on the May 16, 2013 Q&A session	10 hours
Preparation for, attendance at, and reporting on the May 27 & 28, 2013 stakeholder conference	10 hours per day
Review expert reports, including any questions, to a maximum of 20 hours.	20 hours
Written comments on Experts Reports (due June 27, 2013)	20 hours
Preparation for (including review of the Board's draft report), attendance at, and reporting on the September 11, 2013 stakeholder conference	20 hours
Written comments on the Board's draft report and on consultant's report (due September 25, 2013)	10 hours
Preparation for, attendance at, and reporting on the October 7, 2013 industry workshop	10 hours

Performance & Scorecard

Table 2: Performance & Scorecard

Activity Eligible for Cost Awards	Maximum Number of Hours
Written comments on Staff Report to the Board (due August 12, 2013)	20 hours

Appendix B: Ontario Energy Board Cost Claim for Consultations: Affidavit and Summary of Fees and Disbursements

The forms that Eligible Participants must complete are provided in a separate MS Excel Workbook named, "EB-2010-0379 Policy Consultation Cost Claim Form for Activities up to December 31 2013.xls".