

July 15, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Via Board's Web portal and by mail

Dear Ms. Walli:

**Re: Board File No. EB-2008-0272 - Cost Awards
Hydro One Networks Objection to EDA's Claim for Cost Awards**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of over 80 publicly and privately owned LDCs in Ontario.

On July 2, 2009, the EDA submitted an application for cost awards in Hydro One's Transmission rate application proceeding, EB-2008-0272, in accordance with the Board's Practice Direction on Cost Awards. On July 9, Hydro One requested the Board's Assessment Officer to review the activities claimed by the EDA in order to ensure that the activities are related to the review of AMPCO's Evidence.

In response to Hydro One's request, the EDA submits the following for the Board's consideration:

- In November 2008, the EDA, as the representative of LDCs in Ontario and in the interests of distribution consumers, sought to intervene in this proceeding. At the time of registering as an intervenor, the EDA did not anticipate filing for cost awards but stated that it reserved the right to request cost eligibility for its participation if additional resources became necessary at a later stage in the proceeding.
- The EDA's Regulatory Council discussed the Hydro One's transmission rate application and found no particular issue of concern to distributors at that time as the application reflected no changes to the charge determinants.
- However, on January 14, 2009, the Association of Major Power Consumers (AMPCO) submitted intervenor's evidence stating that Hydro One's rates are an impediment to efficient demand management and recommended an alternate proposal to establish customer's network charge determinant. The EDA believed that the alternate proposal, if implemented as put forward by AMPCO, would benefit only transmission-connected customers (AMPCO's

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members) and negatively impact distribution-connected customers. The EDA, therefore, requested the Board to confirm its eligibility for cost awards in this proceeding so as to be able to retain legal counsel to represent the EDA at the oral hearing to defend against AMPCO's alternate proposal.

- On January 30, 2009, the Board confirmed that the EDA is eligible for award of costs under the Board's Practice Direction on Cost Awards, in respect of costs related to the evidence submitted by AMPCO in the proceeding. Although Hydro One had the right to object to EDA's eligibility for cost awards, it did not do so at that time in the proceeding.
- Thereafter, the EDA retained Ogilvy Renault as its counsel and focused its attention only on the issue of 'determining network charge determinant'. Further, the EDA coordinated its efforts with other intervenors to avoid duplication to the maximum extent possible as was done in the previous Hydro One's transmission rate hearing.
- The EDA submitted its interrogatories to AMPCO and participated in the oral hearing responsibly by restricting itself only to the issue of 'determining network charge determinant'. The EDA cross-examined Hydro One's witness panel 4 on March 2, 2009 and AMPCO's witness panel on March 3, 2009 only on the narrow issue of 'determining network charge determinant'. EDA's counsel did not attend any other days of the hearing. Based on an analysis of the information received from the cross-examination of witness panels, the EDA submitted its final argument prepared by the counsel on March 20, 2009 as directed by the Board.
- The EDA's counsel spent 54.25 hours in preparation for the hearing, attendance at the oral hearing, preparing final argument and for case management. As well, due to the fact that AMPCO did not file evidence on the workings of the network charge determinant in the PJM market yet referred to that market as being an example for Ontario to follow in accordance with AMPCO's model, it was necessary for EDA's counsel to spend 20.5 hours solely focusing on researching the legal framework within which decisions on the network charge determinants are made in PJM.
- The EDA's cost claim does not include the EDA's staff time spent on Hydro One's application in this proceeding. Thus the cost claim reflects only a part of the EDA's expenses incurred to defend the interests of customers of LDCs on the narrow issue of AMPCO's alternate proposal.

In view of the above, the EDA reconfirms its request for the cost award.

Yours truly,

“original signed”

Bill Hawkins
Vice President, Policy and Regulatory Affairs

cc: Mr. Glen MacDonald, Senior Advisor - Regulatory Affairs, Hydro One Networks Inc,
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