

Appendix: Consultant Qualifications



1 INTRODUCTION TO BDR

BDR NorthAmerica Inc. is a Toronto-based management consulting firm specializing in advising the electricity industry and related affiliates. Our clients include policy makers such as governments and regulators, and stakeholders such as consumers, generators, transmission and distribution companies and their affiliates.

BDR's key areas of practice are:

Business and Strategic Planning: BDR staff has completed strategic business plans and options analyses for well over 100 clients in the electricity and related sectors. These plans include consideration of the strengths and weaknesses of the client in a range of business options.

Mergers and Acquisitions: A changing industry requires basic reassessments and decisions to merge and/or acquire businesses and to expand some businesses and exit others. BDR has managed the process of merger, divestment and acquisition of generation and "wires" facilities in the electricity industry and related affiliates. Key in these assignments is the development of a valuation the enterprise(s).

Regulatory: BDR advises regulated entities and intervenors in regulatory proceedings and stakeholder processes. This includes supporting applications for mergers and acquisitions, studies in support of rates and revenue requirements, such as cost of capital, cost allocation and working capital analysis. Services include analysis and expert testimony where required.

2 CONSULTING TEAM FOR THIS ASSIGNMENT

The consulting team for this assignment consisted of Trent Winstone, Neil Yeung, and Paula Zarnett.

Paula Zarnett, the team leader for this assignment, is a Vice President of BDR. She has more than 25 years of experience in the Ontario electricity sector.

A Toronto Hydro employee from 1984 to 1998, Paula was Supervisor of Rates and Cost Analysis, and later promoted to the position of Manager of Marketing and Energy Management. In those capacities she was responsible for rate designs, load forecasting and load research, cost allocation, and financial analysis of specific projects. She led a 4-person cross-functional team in a year-long project that produced Toronto Hydro's first customer class cost allocation study, and later contributed to the on-going development of the cost allocation methodology (prior to regulation by the OEB). On Toronto Hydro's behalf, she participated in the Cost Allocation Subcommittee of the Retail Rates Committee of the MEA (predecessor of EDA).

Paula brought to her cost allocation work for Toronto Hydro the expertise gained in prior positions for a natural gas utility, where she performed cost allocation studies for the company's service territories in Manitoba and Alberta. All of these projects involved development of the study methodology, data collection, analysis model development, scenarios, and documentation. The Manitoba and Alberta gas cost allocation studies were presented and successfully defended to the regulators in those jurisdictions.

A consultant since 1998, some of her relevant assignments include:

- For the OPA -- a financial comparison of generation alternatives to the proposed transmission build by Hydro One in York Region, filed as expert evidence with the OEB;
- Cost allocation and rate design for Enwave District Energy;
- Two fully allocated cost of service studies for Saint John Energy, a municipal electric utility in New Brunswick; a third study commenced last year, but was suspended pending implementation of IFRS;
- Cost allocation, revenue requirement and rate design plan for Perth-Andover Electric Light & Power, a municipal utility in New Brunswick;
- Expert review of the customer cost allocation study methodology of New Brunswick Power Distribution and Customer Service, recommendations, and oral testimony before the New Brunswick regulator on behalf of the New Brunswick Municipal Electric Utilities Association;
- For the Town of Markham -- Analyzing impacts on transmission rates that might result from undergrounding a component of transmission lines;
- For Rogers Cable and Communications Inc. – participation in OEB stakeholder processes with regard to Cost Allocation and electricity distribution Rate Design;
- For FortisOntario, EnWin Utilities, and Kingston Hydro – studies in support of methodology to allocate shared service costs among affiliates – filed with the OEB as part of these LDCs' cost of service applications.
- For Summerside Electric, submission of expert evidence to the PEI Island Review and Appeals Commission in the matter of an open access transmission tariff, which has not yet come to hearing.

She was an instructor in Advanced Cost Allocation and Rate Design, 2006, 2007 and 2008, for the CAMPUT Energy Regulation Course.

Paula is a Certified Management Accountant, and holds a Masters degree in Business Administration (Finance) from the University of Calgary.

Neil Yeung is an Associated Subcontractor with BDR. He has nearly three decades of utility accounting, rates, and regulatory experience in the Ontario electricity sector. In his lengthy career with Toronto Hydro, he led initiatives in cost allocation and design of rates for all customer classes in the years prior to regulation by the OEB. He analyzed and designed changes to the utility's commercial/industrial rate structure and

recommended specific rates for small classes of customers. Following passage of the Energy Competition Act, 1998, he assisted in the design of Toronto Hydro's unbundled rates, made presentations within the organization and to customers to explain the rates, and calculated wholesale transmission costs for setting retail transmission rates.

After leaving Toronto Hydro, Neil provided his expertise to the Ontario Energy Board as a staff member and later as an independent consultant. He has direct experience in issues conferences, alternate dispute resolution ("ADR") and hearings in the matter of distribution rate approvals. He has made presentations and led workshops on behalf of the OEB, assisted in developing policies and guidelines, and served as a subject matter expert in cost allocation. Neil has also assisted a distributor in the preparation of submissions to the OEB.

Following his retirement from the OEB, Neil consulted with Enersource on work relating to various regulatory issues. He was then retained by OEB to act a staff consultant for a Cost of Service Study in 2005. He led numerous group discussions with Stakeholders and LDC's to resolve Categorization, Classification, Customer Class etc. issues. In conjunction with staff from THESL and Hydro One, he developed a draft working model for a Generic Cost Allocation Study for the OEB.

He is an experienced analyst, skilled in the use of electronic spreadsheets and other analytical tools, with proven ability to work with large volumes of data and statistics. Neil has a B. Comm degree from Concordia University and is a Certified Management Accountant.

Trent Winstone is a Vice President of BDR. He has 20 years of broadly based experience in both electricity and natural gas, specializing in financial forecasting, project feasibility, regulatory compliance issues and tariff design. Trent has been involved in the economic evaluation of various power generation projects, electrical utility preparations for market opening, power purchase contracts, and long term development strategies. Trent's distribution utility experience also includes a feasibility analysis for advanced (smart) metering, distribution automation and demand side management, which was conducted as part of a regulatory business case submission. Trent's relevant assignments include:

- A Cost of Service Study for the Uttar Pradesh Power Corporation in India
- The designed of retail tariffs for the Lahore Electric Supply Company in Pakistan
- The review of Cornwall Electric's rate application on behalf of the City of Cornwall to ensure compliance with contractual terms and conditions, including investigation of power purchase arrangements;
- prepared unbundled tariff design and preparation of evidence for electricity distribution utilities in accordance with the Ontario Energy Board Electricity Rate Handbook for West Perth Mitchell & Orangeville Distribution Utilities.

Trent also has wide experience in the assessment of rate impacts related to major capital expenditure projects, and in the development of financial and operating models of energy and utility businesses. A former Enbridge employee, Trent has extensive experience preparing supporting material for a variety of applications to regulators.

Trent is a Professional Engineer and holds an MBA degree from Queen's University.