

EB-2013-0301

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sch. B, as amended;

AND IN THE MATTER OF a consultation by the Board with respect to the role of intervenors in Board proceedings

Submissions of the
Federation of Rental-housing Providers of Ontario

September 27, 2013

Introduction

On behalf of the Federation of Rental-housing Providers of Ontario ("FRPO"), we would like to thank the Ontario Energy Board for welcoming our voice to energy regulatory matters that affect our members over the last 5 years. During that time, we believe that we have contributed to an understanding of the issues, provided insightful submissions while serving the Board and the public interest. Our involvement has also benefited our members through reduced natural gas distribution rates and the involvement in the evolution of Demand Side Management programs.

Based upon our experience, we are surprised that the value of intervenors and their standing at the Board is coming under review. Notwithstanding this concern, we want to be responsive to the process and substantiate our belief in the current process and the value to our members.

Background

FRPO is Ontario's leading advocate for quality rental housing, representing over 800 private owners and managers who supply over 300,000 rental suites across the province. FRPO works to promote a balanced and healthy housing market with a vital rental-housing industry, choice for consumers, adequate government assistance for low-income households, and private sector solutions to rental-housing needs. Our members strongly believe that the rental-housing sector is best served by a competitive marketplace that offers choice and affordability in the provision of energy services.

Collaboration and Efficiency in the Public Interest

When the Letter outlining this process was issued in August, our initial thought was there was no significant issue to address with the exception of more discretion by the Board in the application of its current practice and procedures in areas where they would deem intervenors are not assisting. Through consultation with others, we gained an appreciation for the importance the Board is placing on efficiency. However, we believed that we were already being efficient through collaboration.

Given our focus on the GTA Infrastructure proceedings, we had not invested time in preparing formal submissions; expecting to do so on the Wednesday break. However, prior to preparation of those submissions in response to the Board's letter, we had opportunity to review the draft submissions of the School Energy Coalition ("SEC") and the Canadian Manufacturers & Exporters ("CME"). In our respectful opinion, these submissions provide excellent perspectives and compelling responses to the Board's letter that we cannot improve upon. Therefore, consistent with our collaborative approach, we adopt the submissions of SEC and CME and will not expend additional ratepayer funds merely to echo their well-articulated views.

Effectiveness of Current Process

The only additional submission that we believe would be helpful to the Board is a perspective on the effectiveness of the current process. As the Board is aware, while FRPO has been involved in consultations on the policy side of electricity, we have focused our resources on the natural gas sector. During the 2012-13 year, both Enbridge Gas Distribution ("EGD") and Union Gas Limited ("UGL") submitted evidence to support natural gas rate increases for their rebasing year of 2013. In both cases, settlement conferences lead to agreements between the utilities and the intervenors which narrowed the issues for oral hearing. The ensuing oral hearing and resulting Board decisions determined the final revenue requirement figure for the respective utilities. The table below provides the results:

UTILITY	EGD	UG
PROCEEDING	EB-2011-0354	EB-2011-0210
Applied for Increase in Revenue Requirement	\$91,300,000	\$71,310,000
Decided Increase in Revenue Requirement	(\$6,000,000)	\$12,039,000
Difference between Application and Decision ¹	\$97,300,000	\$59,271,000
Intervenor Cost Award	\$775,119	\$1,293,911
Intervenor Costs as a Percentage of Difference	0.8%	2.2%

We recognize that there were additional costs of the Board and the utility in these proceedings. However, since the focus of this review is on Intervenor Participation, we are highlighting the ratepayers investment in Intervenor who are representing their interests in comparison to the reduction in annual revenue requirement. It should also be noted that the resulting revenue requirement forms the base for rates for the next five years thus magnifying the savings to ratepayers over the longer term. These savings are important to ratepayers and the Ontario economy.

Conclusion

In our respectful submission, the current process is efficient in providing ratepayer value. We believe that improved efficiency could be achieved through some of the ideas promoted by SEC and CME. We stand prepared to serve the Board at its discretion.

¹ Does not include incremental ratepayer cost reductions stemming from Board Decisions on gas costs