

Memorandum

To: David Pock
From: Chris Neme
Date: 2/17/2016
Re: Response to OEB Questions on EFG Cost Claims in EB-2015-0029 and EB-2015-0049

The OEB had several questions or concerns regarding EFG's portion of the cost claim filings of GEC. I have addressed these as follows:

- **Use of outdated OEB cost claim forms.** I have completed the new versions of the forms. They are attached. Note that I assumed that all time spent developing/writing testimony should go into the "preparation for oral hearing" row or line item.
- **Historical exchange rates used to convert expenditures in US dollars to Canadian dollars.** From a phone conversation that I had with someone at the Board, it appears as if there was some confusion about the exchange rate that I used. Among other things, the person I talked to seemed to think that I may have even used different exchange rates for different expenses. However, I have double-checked and believe I used the same exchange rate of 1.3326 to convert from US dollars to Canadian dollars in every case for which a conversion was required. There may have been some confusion related to the fact that some of my expenses (e.g. my hotel expense) were incurred in Canadian dollars. In such cases there is obviously be no conversion required. Note that the expenses themselves sometimes include reference to an exchange rate of 0.7504; this is just for internal EFG use to convert Canadian dollars to US dollars (so we could keep track of all expenses in US dollars). That is the reciprocal of the 1.3326 (i.e. $1.00 / 0.7504 = 1.3326$). The 1.3326 rate that I used came from the website www.x-rates.com. That was the rate at the time at which I filled out my expense report in early October. One can use the historic feature on the website to see what rates were in the past. I cannot exactly replicate the 1.3326 rate as rates change throughout a day and I undoubtedly used a value that was not an end-of-the-day rate. However, the rate at the end of October 1st, which is the day I completed my expenses, was 1.3239 – or within seven-tenths of one percent of the 1.3326 value I used. If one looks at the exchange rates from August 31st through September 2nd – the days I was actually physically in Toronto for the oral hearing, they are all in the 1.32 to 1.33 range, again within 1% or so of the value I used. The current rate is more than 1.38. I suppose one could argue that would be the most appropriate rate to use since EFG already incurred the expenses and would need to get paid in today's

dollars to be fully compensated for them. However, we're not asking for that. Needless to say, I'm more than open to the OEB adjusting the exchange rate if they believe any particular rate from a particular day is more appropriate than the value I used.

- **Missing restaurant receipts.** After talking with OEB staff, it appears that the concern is that some of my meal receipts were credit card receipts rather than itemized restaurant bills that showed exactly what food items were purchased. I also had a couple of purchases for which I paid cash but didn't receive a receipt (in both cases for breakfast in the coffee shop on the ground floor of the OEB building). With respect to the cases in which I had only a credit card receipt, I do not have the more detailed receipt. I'd note that in most of the cases the cost incurred was for dinners in which multiple parties were expensing their cost. Thus, it was not possible to get an itemized bill specific to just my consumption. In that regard, my credit card receipt is a more accurate representation of what I actually spent (one could not tell that from an itemized receipt for a table for 4). I'll also observe that in all such cases the amount actually spent exceeded the OEB's maximum allowable expense per meal (though my cost claim properly requests only the maximum allowable in such cases). I would hope that would assuage any concerns. Needless to say, if the OEB remains concerned any of these meal costs, I will be content to live with any disallowances since my meal costs are modest in the grand scheme of things.
- **Two return flights.** My expense claim includes two different return flights. The reason is that my witness panel had to stay on much longer (i.e. for much more cross-examination) than we were told to expect. Thus, even though I had left lots of extra time when I booked my flight home, it turns out that it wasn't enough. OEB staff have noted that the second ticket was for a flight that was scheduled to depart only 10 minutes later than my original return flight. However, there are a couple of important differences they may not have appreciated from just looking at the flight times. First, the second flight was out of Toronto City airport which is much quicker (~20 minutes quicker) to get to than Pearson Airport from which my first flight was departing, especially in late afternoon traffic. Second, my second flight was to Montreal which requires only showing up about 20-30 minutes before departure; in contrast, my initial flight went directly from Toronto to the U.S. which requires that one clear U.S. customs *in the airport* before departing. Clearing U.S. Customs can take 30-60 minutes, depending on traffic and time of day. Thus, one typically needs to get to the airport about an hour and a half before departure. Put simply, at the time I left the OEB I knew with certainty that I would not be able to catch my original flight home; in contrast, I knew I could catch the flight to Montreal even though it was at a similar time. Because my original flight home was non-refundable (I book non-refundable flights because they are cheaper and most of the time end up saving ratepayers money as a result) and because I had booked it with plenty of time to spare given when we were told by the OEB that we would be off the witness stand, I felt it reasonable to ask for reimbursement for both plane tickets.