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**BY EMAIL and RESS**

March 9, 2017  
Our File: EB20160137

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

**Attn: Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**Re: EB-2016-0137/138/139 – Southern Bruce Communities Natural Gas Expansion**

We are counsel to the School Energy Coalition (“SEC”). SEC writes with respect to the Ontario Energy Board’s (“Board”) decision in Procedural Order No. 2 to limit cost awards to only the second phase of the proceeding.

SEC requests the Board reconsider its position to not award costs for phase one of these proceedings, at least with respect to directly affected ratepayer groups, who will be eligible for cost awards in phase two.

As SEC has been advised by Board Staff regarding the interpretation of Procedural Order No. 2, due to its generic nature, the Board has determined that it will not award costs for phase one of the proceeding for intervenors to provide submissions on the preliminary issues set out in the draft issues list and on the content of the filing requirements. In phase two of the proceedings, it will allow cost awards for directly affected ratepayer groups.

The Board’s justification for not awarding costs for the more generic portion of the proceeding (phase one) is not clear to SEC, especially in light of the precedent setting nature of the complex and important questions it has set out in the draft issues list. The determination of those preliminary issues will have significant impact not just regarding this application, but as a precedent for all other community expansion proceedings, contested or otherwise. The Board has recognized the importance of phase one of this proceeding in the Union Gas community expansion application (EB-2015-0179) where SEC is also an intervenor who is directly affected. The Board, in that proceeding, put the application on hold pending the outcome of phase one

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since it “expects to evaluate Union’s application based on the process established through the first phase of the EPCOR Southern Bruce proceeding (EB-2016-0137/0138/0139).”<sup>1</sup>

The Board’s decision to not award costs in phase one will preclude meaningful participation by SEC and other ratepayer groups in matters that directly affect their interests. The determinations in phase one are just as important to ratepayers as the ones that the Board will make in phase two. Not only do the preliminary issues (including the draft filing requirements) determine what information will be required to be filed by EPCOR Southern Bruce Gas Inc. and Union Gas<sup>2</sup>, but also how the Board should use that information to compare them<sup>3</sup>. In addition, the Board’s preliminary issues ask questions regarding if certain costs will be recovered from ratepayers<sup>4</sup> and the length, structure, and implementation of the required rate stability plan<sup>5</sup>.

SEC requests the Board reconsider its position and allow for the awarding of costs in phase one of the proceeding, at least for those parties that it will determine will be eligible for an award of costs in phase two as directly affected ratepayer groups.

Yours very truly,  
**Jay Shepherd P.C.**

*Original signed by*

Mark Rubenstein

cc: Wayne McNally, SEC (by email)  
Interested parties (by email)

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<sup>1</sup> Letter from Kirsten Walli (Board Secretary) to Karen Hockin (Union Gas Ltd), March 3rd 2017 (EB-2015-0179)

<sup>2</sup> See Issue 4, and the Board’s request for comments on the draft Filing Requirements

<sup>3</sup> See for example see Issue 1, 4, 5 and 6

<sup>4</sup> See Issue 2

<sup>5</sup> See Issue 3