

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1889, c.O.15, Sch.B;

AND IN THE MATTER OF an Application by Enbridge Gas
Distribution Inc. for an Order or Orders approving or fixing
rates for the sale, distribution, transmission and storage of gas
commencing January 1, 2008.

AND IN THE MATTER OF an Application by Union Gas Ltd.
("Union Gas") for an Order or Orders approving or fixing rates
for the sale, distribution, transmission and storage of gas
commencing January 1, 2008.

AND IN THE MATTER OF a combined proceeding of the Board
pursuant to section 21(1) of the Ontario Energy Board Act, 1998.

**SUBMISSIONS OF THE CITY OF KITCHENER
ON THE MOTION BY CONSUMERS COUNCIL OF CANADA (CCC)
RESPECTING COSTS**

INTRODUCTION

1. Kitchener supports the motion of CCC.
2. Kitchener is an Intervenor in these proceedings and has joined with the CCC and Vulnerable Energy Consumers Coalition ("VECC") to retain Mr. Robert Loube as an expert advisor and possible witness on questions to be determined by the Board on the selection and makeup of an incentive regulation plan or plans to govern the rates of the regulated gas utilities. Accordingly, Kitchener has an immediate interest in the issues raised by the CCC motion.
3. In addition Kitchener has a broader interest in the outcome of the CCC motion in that the proper administration of cost awards affects the integrity of

the regulated regime administered by the Board. In this respect Kitchener is a public utility receiving regulated storage and transportation services from Union. The integrity of the Board's regulation of Union's storage and transportation services and the role Intervenor play in this regulation, as argued below, is a matter of fundamental importance to Kitchener. Accordingly, Kitchener has participated in all of Union's rate cases since the mid-1970's and in a number of related cases such as the NGEIR.

4. As a distributor Kitchener is not generally eligible for costs under the Board's current Practice Direction, although, under paragraph 3.06 of the Direction, it may seek an award in special circumstances where, as in this case, Kitchener has joined with other Intervenor in the retainer of an expert.

ARGUMENT

5. The merits of the motion by CCC as it applies to the ability of Intervenor to effectively participate in the instant proceedings have been described in the motion material and are, Kitchener submits, self-evident.

6. In addition, Kitchener submits that the circumstances described in the motion material reveal faults in the Board's administration of its cost jurisdiction which should be corrected by the relief requested. In this respect, Kitchener submits that the Board's ability to effectively regulate is dependent on the active participation of parties in proceedings before the Board which can provide a counter weight to the interests and perspectives of the regulated utilities. Intervenor participation assists the Board both in its factual inquiries and by providing the very different perspective of customers. Without effective Intervenor participation the Board risks becoming overly dependent on the information and perspective offered by the regulated utilities. Accordingly, the

Board's administration of its cost jurisdiction should encourage participation by its Intervenor constituency.

7. It is submitted that the facts outlined in the Motion Record reveal a need for greater expedition to the processing of cost claims so as not to discourage Intervenor participation.

8. For the above reasons Kitchener supports the relief claimed in paragraphs 1, 3, 4 and 5 of the CCC motion.

All of which is respectively submitted.

"Alick Ryder"

Alick Ryder
Counsel for the City of Kitchener
Gas Utility