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March 8, 2011

BY EMAIL & BY COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2011-0052 – Consultation**  
**Preliminary Assessment of Incentive Regulation Plans of the Natural Gas Utilities**  
**Energy Probe – Notice of Interest in Participation**

Pursuant to the letter from the Board, dated February 25, 2011, describing the Board's consultation process and a stakeholder conference focused on conducting a preliminary assessment of the incentive regulation plans of the natural gas utilities, Energy Probe Research Foundation (Energy Probe) is hereby providing its Notice of Interest in Participation in the EB-2011-0052 consultation for the Board's consideration.

A request for cost eligibility with respect to participation by Energy Probe is enclosed. In response to the Board's request to indicate whether specific costs should be provided for separate expert submissions, Energy Probe submits that it is too early in the consultation process to determine if it will retain a separate expert. Energy Probe would look toward combining with other parties with similar interests in the matter of separate expert submissions.

Should you have any questions or require additional information, please contact me.

Yours truly,

*Original signed by*

David S. MacIntosh  
Case Manager

Cc. Larry Schwartz, Consulting Economist to Energy Probe (By email)

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**EB-2011-0052**

# **Ontario Energy Board**

## **Preliminary Assessment of Incentive Regulation Plans of the Natural Gas Utilities**

**Energy Probe Research Foundation**

**◆Request for Funding◆**

**March 8, 2011**

## **Board's Proposed Consultation Process – Request for Funding**

### **i) Statement of Interest**

Energy Probe Research Foundation (Energy Probe) is a non-profit environmental and consumer organization which promotes economic efficiency in the use of resources. Energy Probe will be representing its residential customer supporters in Ontario, which we have some number of thousands, and also representing a broader public interest concern with respect to the overall financial health and operational integrity of our utilities. Energy Probe will be participating in developing public policy which the Foundation believes to be in the public interest.

The Foundation, one of Canada's largest environmental policy organizations and Canada's largest energy policy organization, has over 30,000 supporters, half of them in Ontario, of which most have tangibly expressed interest in energy issues. Energy Probe also has a strong consumer focus and is frequently acknowledged in the media as a consumer watchdog. Energy Probe participates in conferences and regulatory forums on energy issues which it believes to be in the public interest. In this instance, Energy Probe submits that it has met the Board's cost eligibility criteria under section 3.03 (a) of the *Practice Direction on Cost Awards*.

Many Energy Probe supporters receive information updates. Energy Probe frequently has direct communication with the public through interviews with the media, communications on the Internet, public speaking, and direct mail communication with its supporters.

Energy Probe has a history of representing the interests of many Ontarians who are not financial supporters, and receives active feedback on its initiatives through public and media interaction.

Energy Probe has appeared before the Board for over 30 years, during which time it has been noted for its cooperative spirit, its often-unique perspective, and its contribution to the development of fair and reasonable rates for both individual consumers and commercial/ industrial purchasers of natural gas and electricity. Its approach has been to look beyond annual cost minimization to consider what would be best for the marketplace in the long term.

Energy Probe then, is a non-profit organization which relies on individual donations to help protect the public interest. Without the prospect of funding assistance, its participation in the consultation initiatives of the Ontario Energy Board, and its ability to produce policy position papers, would be quite limited as well.

Members of Energy Probe's team regularly attend meetings of its Board of Directors, making presentations, providing written summaries of activities, answering the questions of Board Members, and receiving their input.

In addition, Energy Probe reports its regulatory priorities to supporters by direct mail and receives both financial support and comments in response from those supporters.

Energy Probe has a long and unique record of advocating measures designed to lower utility risk, specifically for the purpose of reducing the cost of capital over the long term. Measures of this kind that Energy Probe has pursued include rate rebalancing to stabilize utility income expectations, even in the event of declining volumes, and also measures that reduce utility risk related to commodity costs.

## ii) Energy Probe's Participation

Energy Probe intends to fully participate in all of the phases of the discussions, including but not limited to attendance at stakeholder meetings and the submission of written comments as requested by the Board.

Energy Probe would like to remind the Board that in prior Board processes in which it has expressed its interest, it has participated well beyond minimum requirements.

## iii) Other Sources of Funding

Energy Probe will access funding from general donations from its supporters to make up any shortfall should it exceed the cost allowances of the Board. Energy Probe relies on volunteers to be able to support its regulatory and other work, including a volunteer Board of Directors.

iv) Energy Probe's Advisory Team

Energy Probe will be assisted by the following advisory team, to whom communications concerning this process should be directed:

Lawrence Schwartz, Ph.D  
Consulting Economist  
82 Ridge Hill Drive  
Toronto ON M6C 2J8  
Tel: (416) 785-4985  
Email: lschwartz5205@rogers.com

AND

David MacIntosh  
c/o Energy Probe  
225 Brunswick Ave.  
Toronto ON M5S 2M6  
Tel: 416 964-9223 Ext. 235  
Fax: 416 964-8239  
Email: DavidMacIntosh@nextcity.com

Respectfully submitted at Toronto, Ontario this 8<sup>th</sup> day of March 2011.

David S. MacIntosh  
Case Manager