



**EB-2008-0408**

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

**AND IN THE MATTER OF** cost award eligibility for  
interested parties in a consultation process to examine  
issues relating to the transition to International Financial  
Reporting Standards – Implementing International  
Financial Reporting Standards in an Incentive Rate  
Mechanism Environment.

**BEFORE:** Paula Conboy  
Presiding Member

Karen Taylor  
Member

## **DECISION AND ORDER ON COST AWARDS**

### **Background**

The Ontario Energy Board (the “Board”) described its multi-phase consultation on the transition to International Financial Reporting Standards (“IFRS”) in a letter of December 23, 2008. One of the outputs of the first phase of the consultation was the *Report of the Board - Transition to IFRS* dated July 28, 2009, EB-2008-0408. In that Report the Board stated that it would convene a working group at an appropriate time to address the particulars of implementing IFRS in an Incentive Regulation Mechanism (“IRM”) environment.

On November 17, 2010, the Board initiated the working group process and solicited expressions of interest for participation in the IFRS-IRM Working Group. On December

15, 2010, the Board identified the following organizations representing consumer groups as participants in the Working Group:

- Canadian Manufacturers & Exporters (“CME”);
- School Energy Coalition (“SEC”); and
- Vulnerable Energy Consumers Coalition (“VECC”).

The Board had identified these organizations as eligible for cost awards in its Decision on Cost Eligibility dated January 28, 2009. Altogether, these parties will be referred to as the “eligible participants”.

In its letter on November 17, 2010 regarding the Working Group process, the Board indicated that it will apply the same procedure regarding cost awards as outlined in the Board’s letter of December 23, 2008 and in Appendix A to that letter. The Board indicated that any costs awarded would be recovered from all rate-regulated electricity and gas distributors, and the Board would use the process set out in section 12 of the Board’s *Practice Direction on Cost Awards* and act as a clearing house for all payments of cost awards.

On June 7, 2011, the Board issued a Notice of Hearing for Cost Awards initiating a hearing on its own motion in order to determine the cost awards that will be made in accordance with section 30 of the *Ontario Energy Board Act, 1998* (the “Act”) for the Working Group meetings and consultation activities. The Notice of Hearing set dates for filing of cost claims. The filing date was June 10, 2011. The Notice also listed the eligible activities and corresponding maximum number of hours for that activity:

Activity	Total Eligible Hours
Preparation and attendance, and reporting time for the issues meeting of January 5, 2011	Up to 18 hours per participant
Preparation and attendance, and reporting time for the working group session of February 9, 2011	Up to 18 hours per participant
Preparation and attendance, and reporting time for the working group session of February 24, 2011	Up to 18 hours per participant
Preparing and filing written submissions on the staff Discussion Paper	Up to 12 hours per participant

The Board received cost claims from CME, SEC and VECC within the deadline specified for that purpose in the Notice.

No objections to the filed cost claims were received.

### **Board Findings on the Cost Claims of the Eligible Participants**

The Board reviewed the cost claims filed by CME, SEC and VECC and finds that the cost claims filed by CME, SEC and VECC are in accordance with the overall limits set out in the relevant materials associated with the consultation. The Board therefore finds that each of the eligible participants is entitled to 100% of its claimed costs for participating in this consultation. The amount payable by each individual licensed electricity and gas distributor in relation to costs awarded to each eligible participant is listed in Appendix A to this Decision and Order.

### **Process for Paying Cost Awards**

The Board has determined that costs should be apportioned between gas distributors and licensed electricity distributors based on the Board's Cost Assessment Model and in accordance with the Board's letter of December 23, 2008. This results in an allocation of 50% of costs to gas distributors, and 50% of costs to licensed electricity distributors. These costs are then allocated to each distributor based on their respective distribution revenues.

In accordance with the process set out in section 12 of the Practice Direction, the Board will act as a clearing house for all payments of cost awards relating to this consultation process. Invoices will be issued to distributors at the same time as are invoices for cost assessments made under section 26 of the Act.

The practice of the Board is to issue to each distributor one invoice that covers all cost awards payable by the distributor for the relevant period. As a result, the invoice may cover cost awards payable in relation to a number of consultations, including this one.

**THE BOARD THEREFORE ORDERS THAT:**

1. The amounts to be paid by each individual distributor in relation to the costs awarded to each eligible participant are as set out in Appendix A to this Decision and Order.
2. The individual distributors listed in Appendix A to this Decision and Order shall pay the cost amounts awarded to each of the eligible participants as set out in Appendix A.
3. The individual distributors listed in Appendix A to this Decision and Order shall pay the Board's costs of, and incidental, to this consultation.
4. Payment of cost awards and of the Board's costs referred to in paragraphs 2 and 3 shall be made to the Ontario Energy Board in accordance with the invoice issued to the individual distributor, and shall be due at the same time as cost assessments under section 26 of the Act are due.

**DATED** at Toronto, June 21, 2011.

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

## Appendix A

To the Board's Decision and Order on Cost Awards

Dated June 21, 2011

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**Consultation related to the transition to International Financial Reporting Standards – Implementing  
International Financial Reporting Standards in an Incentive Rate Mechanism Environment**

<b>Gas Distributors</b>	<b>CME</b>	<b>SEC</b>	<b>VECC</b>	<b>Total</b>
Enbridge Gas Distribution Inc.	1,374.26	3,215.09	1,772.15	6,361.50
Union Gas Ltd.	1,181.45	2,764.01	1,523.51	5,468.97
Natural Resource Gas	4.45	10.40	5.73	20.58
<b>Total</b>	<b>\$2,560.16</b>	<b>\$5,989.50</b>	<b>\$3,301.40</b>	<b>\$11,851.05</b>

<b>Electricity Distributors</b>	<b>CME</b>	<b>SEC</b>	<b>VECC</b>	<b>Total</b>
Algoma Power Inc.	15.53	36.34	20.03	71.91
Atikokan Hydro Inc.	1.16	2.70	1.49	5.35
Attawapiskat Power Corp.	0.84	1.95	1.08	3.87
Bluewater Power Distribution Corp.	16.69	39.05	21.53	77.27
Brant County Power Inc.	5.35	12.53	6.90	24.78
Brantford Power Inc.	13.91	32.54	17.93	64.38
Burlington Hydro Inc.	24.64	57.65	31.78	114.08
Cambridge And North Dumfries Hydro Inc.	18.67	43.67	24.07	86.41
Canadian Niagara Power Inc.	14.36	33.59	18.52	66.47
Centre Wellington Hydro Ltd.	2.48	5.81	3.20	11.50

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<b>Electricity Distributors</b>	<b>CME</b>	<b>SEC</b>	<b>VECC</b>	<b>Total</b>
Chapleau Public Utilities Corp.	0.60	1.40	0.77	2.76
Chatham-Kent Hydro Inc.	11.99	28.04	15.46	55.48
Clinton Power Corp.	0.58	1.36	0.75	2.68
Collus Power Corp.	4.83	11.30	6.23	22.36
Cooperative Hydro Embrun Inc.	0.54	1.25	0.69	2.48
E.L.K. Energy Inc.	4.09	9.58	5.28	18.95
Enersource Hydro Mississauga Inc.	104.18	243.73	134.34	482.25
Enwin Utilities Ltd.	42.82	100.17	55.22	198.21
Erie Thames Powerlines Corp.	5.33	12.47	6.87	24.68
Espanola Regional Hydro Distribution Corp.	1.20	2.80	1.55	5.55
Essex Powerlines Corp.	8.90	20.82	11.47	41.19
Festival Hydro Inc.	8.44	19.75	10.89	39.08
Fort Albany Power Corp.	0.59	1.37	0.75	2.71
Fort Frances Power Corp.	1.37	3.21	1.77	6.36
Greater Sudbury Hydro Inc.	20.05	46.90	25.85	92.80
Grimsby Power Inc.	3.12	7.31	4.03	14.46
Guelph Hydro Electric Systems Inc.	21.42	50.12	27.63	99.17
Haldimand County Hydro Inc.	12.29	28.76	15.85	56.90
Halton Hills Hydro Inc.	8.54	19.97	11.01	39.51
Horizon Utilities Corp.	78.61	183.91	101.37	363.90
Hydro Hawkesbury Inc.	1.08	2.53	1.40	5.01
Hearst Power Distribution Company Ltd.	0.81	1.89	1.04	3.74
Hydro 2000 Inc.	0.31	0.72	0.39	1.41
Hydro One Brampton Networks Inc.	54.89	128.41	70.78	254.07
Hydro One Networks Inc.	936.33	2,190.56	1,207.43	4,334.32
Hydro One Remote Communities Inc.	10.44	24.43	13.46	48.33
Hydro Ottawa Ltd.	129.56	303.10	167.07	599.72

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<b>Electricity Distributors</b>	<b>CME</b>	<b>SEC</b>	<b>VECC</b>	<b>Total</b>
Innisfil Hydro Distribution Systems Ltd.	6.81	15.94	8.79	31.54
Kashechewan Power Corp.	0.80	1.88	1.04	3.72
Kenora Hydro Electric Corporation Ltd.	1.93	4.52	2.49	8.95
Kingston Hydro Corp.	9.18	21.48	11.84	42.49
Kitchener-Wilmot Hydro Inc.	29.44	68.88	37.97	136.29
Lakefront Utilities Inc.	3.88	9.07	5.00	17.94
Lakeland Power Distribution Ltd.	4.05	9.47	5.22	18.74
London Hydro Inc.	50.56	118.28	65.19	234.03
Middlesex Power Distribution Corp.	2.78	6.51	3.59	12.88
Midland Power Utility Corp.	2.94	6.88	3.79	13.62
Milton Hydro Distribution Inc.	10.77	25.19	13.89	49.84
Newmarket - Tay Power Distribution Ltd.	13.78	32.23	17.77	63.78
Niagara Peninsula Energy Inc.	24.37	57.02	31.43	112.83
Niagara-On-The-Lake Hydro Inc.	4.14	9.70	5.34	19.19
Norfolk Power Distribution Inc.	10.06	23.53	12.97	46.55
North Bay Hydro Distribution Ltd.	9.29	21.74	11.98	43.01
Northern Ontario Wires Inc.	2.30	5.37	2.96	10.63
Oakville Hydro Electricity Distribution Inc.	25.90	60.60	33.40	119.91
Orangeville Hydro Ltd.	4.14	9.68	5.34	19.15
Orillia Power Distribution Corp.	6.08	14.22	7.84	28.13
Oshawa Puc Networks Inc.	17.58	41.12	22.66	81.36
Ottawa River Power Corp.	3.26	7.62	4.20	15.07
Parry Sound Power Corp.	1.56	3.66	2.02	7.24
Peterborough Distribution Inc.	12.66	29.62	16.33	58.60
Powerstream Inc.	135.93	318.01	175.29	629.23
Puc Distribution Inc.	13.92	32.58	17.96	64.46
Renfrew Hydro Inc.	1.47	3.44	1.89	6.80

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Rideau St. Lawrence Distribution Inc.	1.93	4.51	2.49	8.92
St. Thomas Energy Inc.	5.66	13.24	7.30	26.20
Sioux Lookout Hydro Inc.	1.67	3.91	2.15	7.73
Thunder Bay Hydro Electricity Distribution Inc.	16.04	37.53	20.69	74.26
Tillsonburg Hydro Inc.	2.49	5.82	3.21	11.53
Toronto Hydro-Electric System Ltd.	427.12	999.25	550.79	1,977.16
Veridian Connections Inc.	41.27	96.56	53.22	191.06
Wasaga Distribution Inc.	3.47	8.12	4.47	16.06
Waterloo North Hydro Inc.	22.83	53.42	29.44	105.69
Welland Hydro-Electric System Corp.	7.33	17.15	9.45	33.94
Wellington North Power Inc.	1.70	3.98	2.20	7.88
West Coast Huron Energy Inc.	1.73	4.05	2.23	8.01
West Perth Power Inc.	0.79	1.84	1.01	3.64
Westario Power Inc.	7.55	17.67	9.74	34.96
Whitby Hydro Electric Corp.	16.47	38.53	21.24	76.24
Woodstock Hydro Services Inc.	5.98	13.98	7.71	27.67
<b>Total</b>	<b>\$2,560.16</b>	<b>\$5,989.50</b>	<b>\$3,301.40</b>	<b>\$11,851.05</b>