



**EB-2011-0327**

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

**AND IN THE MATTER OF** an application by Union Gas  
Limited seeking approval of its 2012-2014 Demand Side  
Management plan.

**PROCEDURAL ORDER NO. 1 and  
COST ELIGIBILITY DECISION**

Union Gas Limited ("Union Gas") filed an application with the Ontario Energy Board (the "Board") on September 23, 2011, seeking approval for its 2012-2014 Demand Side Management ("DSM") plan.

The Board has assigned file number EB-2011-0327 to this application.

The application has been filed pursuant to the Board's DSM Guidelines that were issued on June 30, 2011. Union Gas is seeking approval of a 2012 DSM budget of \$30.954M, including the specific programs and the associated evaluation plans and accounting. The DSM budgets for 2013 and 2014 will be essentially the same as the 2012 budget increased only by minor annual adjustments.

Union is also seeking an interim order if a Board decision cannot be released by November 15, 2011 for the 2012 DSM budgets, Resource Acquisition Programs, and Low-Income Program, excluding Large Industrial Rate T1/Rate 100 Programs.

On October 13, 2011 the Board issued its Notice of Application. The Notice of Application notified interested parties that cost awards would be available to eligible parties in relation to their participation in this proceeding, and required parties to include the grounds for their cost awards eligibility in their intervention requests.

## Decision on Cost Eligibility

The Board received intervention requests from Enbridge Gas Distribution Inc. (“EGD”) and the City of Kitchener (“Kitchener”). Neither party requested eligibility for an award of costs. The Board approves the intervention requests from EGD and Kitchener.

The Board also received requests for intervenor status and cost eligibility from the following parties:

- Association of Power Producers of Ontario
- Building Owners and Managers Association Toronto
- Canadian Manufacturers & Exporters
- Consumers Council of Canada
- Energy Probe Research Foundation
- Federation of Rental-housing Providers of Ontario
- Green Energy Coalition
- Industrial Gas Users Association
- Low-Income Energy Network
- London Property Management Association
- Pollution Probe
- School Energy Coalition
- Vulnerable Energy Consumers Coalition

The Board has determined that the parties listed above are approved as intervenors and are eligible for an award of costs in this proceeding.

### *Cost Claims*

The Board will make use of certain criteria noted below in assessing claims that may be made for cost awards for intervenors determined as eligible for cost awards under the Board’s *Practice Direction on Cost Awards* (the “Practice Direction”) in this proceeding. These criteria are designed to ensure that costs are only awarded where the party provides assistance to the Board in examining relevant issues and that only reasonable costs are awarded.

Appendix A of the Practice Direction, the Cost Award Tariff (the “Appendix”), outlines hourly rates for legal and analyst/consultant fees. The Appendix notes that analyst/consultants are experts in aspects of business or science such as finance, economics, accounting, engineering or the natural sciences and that time spent providing expert evidence, expert professional advice to the Board, or acting as an expert witness will be compensated at the appropriate rate as set out in the tariff. The Appendix also notes that a copy of the expert’s curriculum vitae must be attached to the cost claim.

The Appendix further notes that if a consultant provides case management services, these hours are to be listed separately and will be compensated at the case management rate. In this context, intervenors should ensure that, if time is to be claimed for case management services, the time spent on case management should be clearly separated from time spent on other activities and a full justification provided as to why the case management time was necessary and how it was differentiated from the time spent on other activities.

The Board also expects that where cost claims for oral hearing days are concerned, intervenors will generally only claim costs for one representative present in the hearing room, either counsel or an analyst/consultant, but not both. The Board would generally allow costs for more than one representative only to facilitate effective cross-examination of certain specialized evidence.

In considering all cost claims, parties should also be mindful of Section 5.01 of the Practice Direction, which outlines the criteria the Board may consider in determining the amount of a cost award to a party.

The Appendix also provides guidance as to acceptable claims for disbursements, noting that reasonable disbursements, such as postage, photocopying, transcript costs, travel and accommodation directly related to the party’s participation in the process will be allowed. The Board is of the view that given the widespread availability and use of electronic documents, it is no longer reasonable for intervenors to make claims for the recovery of costs of copying or printing case documents, other than materials that are filed for use during the hearing.

*Request for Interim Approval*

On October 21, 2011 the Board sent a letter to Union Gas seeking clarification on its request for interim approval. On October 28, 2011, Union Gas responded to the Board's letter. Within Union Gas' response it indicated that it is requesting interim order to maintain the current 2011 programs into 2012, specifically related to Low-Income and Resource Acquisition, excluding Large Industrial Rate T1/Rate 100 Programs.

The Board has determined that it will consider Union's request for interim approval in advance of the proceeding and will do so in writing.

**THE BOARD ORDERS THAT:**

1. Intervenor and Board Staff may make written submissions on Union Gas' request for an interim approval of parts of its 2012 DSM Plan and shall file the written submissions with the Board and deliver them to the intervenors and the Applicant no later than **Wednesday, November 9, 2011**.
2. Union Gas may file a reply submission and must file it with the Board and deliver it to all parties no later than **Friday, November 11, 2011**.
3. The Board has included a draft issues list at Appendix A of this Procedural Order. Intervenor, Board staff and Union Gas may file written submissions on the draft issues. Submissions must be filed with the Board and delivered to all parties no later than **Friday, November 11, 2011**.
4. Intervenor, Board staff or Union Gas may file reply submissions on the draft issues list. Reply submissions must be filed with the Board and delivered to all parties no later than **Tuesday, November 15, 2011**. The Board will determine the final issues list and only those issues will be considered during the review.

All filings to the Board must quote the file number, EB-2011-0327, be made through the Board's web portal at [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca), and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guidelines found at

[www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available you may e-mail your document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Attention: Board Secretary  
Filings: <https://www.errr.ontarioenergyboard.ca/>

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto, November 4, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**  
**of**  
**Procedural Order No. 1 and**  
**Cost Eligibility Decision**  
**Union Gas Limited**  
**2012-2014 DSM Plan Application**  
**EB-2011-0327**

**DRAFT ISSUES LIST**

**UNION GAS LIMITED (“UNION GAS”)  
2012-2014 DEMAND SIDE MANAGEMENT PLAN  
DRAFT ISSUES LIST  
EB-2011-0327**

**1.0 Budgets – Resource Acquisition Programs, Low-Income, Market Transformation, Research, Evaluation, and Administration**

- 1.1 Are the 2012-2014 budgets for the Residential Resource Acquisition Program (2012 - \$4.103M, 2013 - \$4.282M, 2014 - \$4.054M) reasonable and appropriate?
- 1.2 Are the 2012-2014 budgets for the Commercial/Industrial Resource Acquisition Program (2012 - \$9.181M, 2013 - \$9.181M, 2014 - \$9.106M) reasonable and appropriate?
- 1.3 Are the 2012-2014 budgets for the Large Industrial Rate T1 and Rate 100 Program (2012 – \$3.147M, 2013 - \$3.147M, 2014 - \$3.147M) reasonable and appropriate?
- 1.4 Are the 2012-2014 budgets for the Low-Income program (2012 - \$6.839M, 2013 - \$6.839M, 2014 - \$6.839M) reasonable and appropriate?
- 1.5 Are the 2012-2014 budgets for the Market Transformation High Efficiency Water Heating Program (2012 - \$1.552M, 2013 - \$1.238M, 2014 - \$1.506M) reasonable and appropriate?
- 1.6 Are the 2012-2014 budgets for the Market Transformation High Efficiency Residential New Build Program (2012 - \$0.726M, 2013 - \$0.860M, 2014 - \$0.820M) reasonable and appropriate?
- 1.7 Are the 2012-2014 budgets for the Market Transformation Integrated Energy Management Systems Program (2012 - \$0.690M, 2013 - \$0.690M, 2014 - \$0.765M) reasonable and appropriate?
- 1.8 Are the 2012-2014 budgets for research (2012 - \$1.066M, 2013 - \$1.066M, 2014 - \$1.066M) reasonable and appropriate?
- 1.9 Are the 2012-2014 budgets for evaluation (2012 - \$0.969M, 2013 - \$0.969M, 2014 - \$0.969M) reasonable and appropriate?

1.10 Are the 2012-2014 budgets for administration (2012 - \$1.819M, 2013 - \$1.819M, 2014 - \$1,819M) reasonable and appropriate?

## **2.0 Program Targets – Resource Acquisition Programs, Low-Income, Market Transformation**

2.1 Are the proposed Residential Resource Acquisition Program scorecard targets for 2012-2014 reasonable and appropriate?

2.2 Are the proposed Commercial/Industrial Resource Acquisition Program scorecard targets for 2012-2014 reasonable and appropriate?

2.3 Are the proposed Rate T1/Rate 100 Resource Acquisition Program scorecard targets for 2012-2014 reasonable and appropriate?

2.4 Are the proposed Low-Income Program scorecard targets for 2012-2014 reasonable and appropriate?

2.5 Are the proposed High Efficiency Water Heating Market Transformation Program scorecard targets for 2012-2014 reasonable and appropriate?

2.6 Are the proposed High Efficiency Residential New Build Market Transformation Program scorecard targets for 2012-2014 reasonable and appropriate?

2.7 Are the proposed Integrated Energy Management Systems Market Transformation Program scorecard targets for 2012-2014 reasonable and appropriate?

## **3.0 DSM Incentive**

3.1 Is the proposed DSM Incentive of \$10.45M for 2012-2014 reasonable and appropriate?

#### **4.0 Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)**

4.1 Is the proposed LRAMVA reasonable and appropriate?

#### **5.0 Demand Side Management Variance Account (DSMVA)**

5.1 Is the proposed DSMVA reasonable and appropriate?

#### **6.0 DSM Program Screening**

6.1 Is the proposed DSM Program Screening process reasonable and appropriate?

#### **7.0 Avoided Costs**

7.1 Is the proposed approach for calculating avoided costs in Union Gas' 2012-2014 DSM Plan reasonable and appropriate?

#### **8.0 Stakeholder Engagement Process**

8.1 Is the proposed stakeholder engagement process for Union Gas' 2012-2014 DSM Plan reasonable and appropriate?

#### **9.0 Evaluation and Audit Process**

9.1 Is the proposed Evaluation and Audit Process for Union Gas' 2012-2014 DSM Plan reasonable and appropriate?

#### **10.0 Research**

10.1 Is the Research and Development plan proposed by Union Gas reasonable and appropriate?