

November 14, 2011

Ontario Energy Board
P.O. Box 2319
Suite 2700
2300 Yonge Street
Toronto, Ontario M4P 1E4**Attention: Kirsten Walli**

Your reference

Direct line
416.216.4865Our reference
01009188-0004Email
Alan.Mark@nortonrose.com

Dear Sir/Madam:

**Renewed Regulatory Framework for Electricity
Board Staff Discussion Papers, Consultants' Reports and Stakeholder Consultation
Process
Board File Nos.: EB-2010-0377, EB-2010-0378, EB-2010-0379, EB-2011-0043 and
EB-2011-0004**

We are counsel to the Electricity Distributors Association (the "EDA"). The EDA hereby seeks eligibility to claim costs for the preparation of an expert report in the coordinated consultation referred to in the letter from the Ontario Energy Board (the "Board") of November 8, 2011 (the "Letter").

As a preliminary matter, the EDA notes that the list of participants included in Attachment B to the Letter is incomplete as it does not reference the participation of the EDA or the several distributors participating in this process. While the EDA has not been ruled eligible for costs to date, it has been an active participant and should be identified as such. We ask that the Board issue a corrected schedule B forthwith.

The EDA seeks to recover the costs associated with retaining Dr. Adonis Yatchew to provide an expert report on defining, measuring and evaluating performance of the transmission and distribution system. Dr. Yatchew's qualifications are well known to the Board and are set out in his Curriculum Vitae which are appended hereto. The EDA will also seek recovery for the costs associated with having Dr. Yatchew attend at the stakeholder consultation.

The EDA is eligible for a cost award pursuant to section 3 of the Board's Practice Direction on Costs Awards. In particular, the EDA represents an important public interest relevant to this proceeding, namely, the promotion of a reliable and efficient distribution system to serve Ontario ratepayers. The EDA is an organization with many years of experience in advocating for a reliable and efficient distribution system before regulators, legislators and other bodies who are decision makers in respect of the electricity sector in Ontario. The EDA is well recognized as a credible participant in such proceedings and whose involvement in similar proceedings has been of assistance to the Board.

The EDA is not ineligible for costs as it is neither an applicant in these proceedings, nor a distributor or a group of distributors. It is a distinct organization which presents a unique and independent perspective on matters affecting electricity distribution. It does not represent the interests of a particular distributor or group of distributors. Rather, it presents perspectives and information which ensures the best overall distribution system in the public interest of all Ontarians. It is an entity distinct from individual distributors or group of distributors who frequently intervene separately before the Board. The EDA will assist the Board in determining the public

Kirsten Walli
November 14, 2011



interest by ensuring that the Board understands the implications of potential decisions on the distribution system as a whole and on the public interest as it pertains to the distribution system.

Alternatively, in the event that the Board considers the EDA to be ineligible for a cost award pursuant to section 3.05 of the Practice Direction on Cost Awards, the EDA asks the Board to exercise its discretion and find that the EDA is eligible for a cost award pursuant to Section 3.07 of the Practice Direction on Costs Awards. The broad scope and implications of the issues being considered by the Board in this consultation process requires that the Board facilitate interventions by an organization such as the EDA which has the expertise and perspective to assist the Board in determining the public interest and making optimal decisions with respect to the distribution system and its ongoing regulation.

The EDA notes that the Board has ruled that certain organizations whose members themselves would be ineligible for costs have been ruled eligible for costs in these proceedings. In particular, the EDA notes that the Board has determined APPrO and the ECAO to be eligible. In neither case did the Board determine that the intervenor as not representing the very interest that would normally make it ineligible, ie., in neither case was the intervenor purporting to represent some interest other than the interest of its members. Rather, the Board determined that in the context of these proceedings having those interests represented was in the public interest. The EDA submits that it is, and should be considered by the Board, to be, in the exact same position. It is in the public interest for the Board to facilitate the participation of the EDA in this consultation process.

Please advise if you require any further information.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Alan H. Mark', written over a horizontal line.

Alan H. Mark

AHM/il

Enclosure

DOCSTOR: 229627411

CURRICULUM VITAE

ADONIS YATCHEW

Professor of Economics, University of Toronto
Editor-in-Chief, The Energy Journal
Senior Consultant, Charles River Associates

Ph.D. Economics 1980
Harvard University

M.A. Economics 1975
University of Toronto

B.A. Mathematics and
Economics 1974
University of Toronto

Department of Economics, University of Toronto, 150 St.
George Street, Toronto, Canada M5S 3G7 (416) 978-7128
yatchew@chass.utoronto.ca

Adonis Yatchew's research focuses on econometrics, energy and regulatory economics. He has held visiting appointments at Trinity College, Cambridge and the University of Chicago. He has written a graduate level text on semiparametric regression techniques published by Cambridge University Press. Dr. Yatchew has also written extensively on regulatory schemes in the area of electricity, and has served in various editorial capacities at The Energy Journal since 1995. Dr. Yatchew has conducted major studies in electrical utilities and oil pipelines as well as in the airline, natural gas, minerals and banking industries. He has advised public and private sector companies on electricity, regulatory and other matters for over 25 years and has provided testimony in numerous regulatory and litigation procedures.

ACADEMIC EXPERIENCE

| | |
|------------------|--|
| 2008 | Visiting academic, Department of Mathematics and Statistics, University of Melbourne |
| 2008 | Visiting academic, School of Economics and Finance, Queensland University of Technology |
| 2008 | Visitor, National Center for Econometric Research, Queensland University of Technology |
| 2005 | Visiting Fellow, ARC Center of Excellence for Mathematics and Statistics of Complex Systems, Mathematical Sciences Institute, Australian National University |
| 2004-present | Professor of Economics, University of Toronto |
| 2001 | Visiting Fellow, School of Mathematical Sciences, Australian National University |
| 1986 to 2004 | Associate Professor, Economics, University of Toronto |
| 1989, 1990, 1991 | Visiting Research Associate, Harvard University |
| 1986 | Visiting Fellow Commoner, Trinity College, Cambridge U.K. |
| 1980 to 1986 | Assistant Professor, Economics, University of Toronto |

1984 Visiting Research Associate, National Bureau of Economic Research,
Cambridge, Massachusetts
1982 to 1984 Visiting Assistant Professor, University of Chicago
1976 Lecturer, University of Toronto, Scarborough College

EDITORIAL AND PROFESSIONAL ACTIVITIES

Current

Editor-in-Chief, The Energy Journal (2006-present)
Member, Board of Editors, Economics of Energy and Environmental Policy
Member, Editorial Board, Foundations and Trends in Econometrics

Past

Editor, The Energy Journal, (2006)
Joint Editor, The Energy Journal (1995-2005)
Associate Chair for Graduate Studies, University of Toronto, 2006 - 2009
Joint Editor 1997, Distributed Generation, special issue of the Energy Journal
Advisory Editor, Economics Letters (1985-1997)
Member, Advisory Board, *Eurasia Foundation*, 1995-2007

RECENT ACADEMIC PRESENTATIONS

December 2010: Invited paper on renewable energy, Fourth Asian Energy Conference, Hong Kong.

October 2010: Invited paper on quantile regression, Workshop on Quantile Regression Methods, Humboldt University in Berlin.

October 2008: Keynote speaker, Australian Conference of Economists, Gold Coast, Queensland. Title of presentation: "Economics, Econometrics and Regulation".

August 2007: Keynote speaker, Cemapre Conference on Advances in Semiparametric Methods and Applications, Lisbon, Portugal. Title of presentation: "Data on Derivatives, Nonparametric Regression and the Curse of Dimensionality".

Seminars and presentations at Boston Univ., Columbia Univ., Georgetown Univ., Harvard Univ., Univ. of Maryland, M.I.T., Stanford Univ.

BOOK

Yatchew, A., 2003, Semiparametric Regression for the Applied Econometrician, 213 pages, Themes in Modern Econometrics, Cambridge University Press.

REFEREED PUBLICATIONS

Yatchew, A. and A. Baziliauskas 2011: "Ontario Feed-In Tariff Programs", Energy Policy, 39, 3885-3893.

Hall, Peter and A. Yatchew 2010: "Nonparametric Least Squares in Derivative Families", Journal of Econometrics, 157, 362-374.

Yatchew, A. 2008: "Perspectives on Nonparametric and Semiparametric Modeling", The Energy Journal, Special Issue to Acknowledge the Contribution of G. Campbell Watkins to Energy Economics, 17-30.

Hall, Peter and A. Yatchew 2007: "Nonparametric Estimation When Data on Derivatives are Available", Annals of Statistics, 35:1, 300-323.

McCaig, B. and A. Yatchew 2007: "International Welfare Comparisons and Nonparametric Testing of Multivariate Stochastic Dominance", Journal of Applied Econometrics, 22:5, 951-969.

Ricciuto, L., V. Tarasuk and A. Yatchew 2006: "Socio-demographic Influences on Food Purchasing Among Canadian Households", European Journal of Clinical Nutrition, 60:6, 778-790.

Yatchew, A. and W. Haerdle 2006: "Nonparametric State Price Density Estimation Using Constrained Least Squares and the Bootstrap", Journal of Econometrics, 133:2, 579-599.

Hall, Peter and A. Yatchew, 2005: "Unified Approach to Testing Functional Hypotheses in Semiparametric Contexts", Journal of Econometrics, 127, 225-252.

Yatchew, A., Y. Sun and C. Deri, 2003: "Efficient Estimation of Semi-parametric Equivalence Scales With Evidence From South Africa", Journal of Business and Economic Statistics, 21, 247-257.

Yatchew, A. and J.A. No, 2001: "Household Gasoline Demand in Canada", Econometrica, 1697-1710.

Yatchew, A., 2000, "Scale Economies in Electricity Distribution: A Semiparametric Analysis", Journal of Applied Econometrics, 15, 187-210.

Yatchew, A., 1999, "An Elementary Nonparametric Differencing Test of Equality of Regression Functions", Economics Letters, 271-8.

Yatchew, A. 1998, "Nonparametric Regression Techniques in Economics", Journal of Economic Literature, 36, 669-721.

Yatchew, A. and L. Bos 1997, "Nonparametric Regression and Testing in Economic Models", Journal of Quantitative Economics, 13, 81-131, www.chass.utoronto.ca/~yatchew.

Yatchew, A. 1997, "An Elementary Estimator of the Partial Linear Model", Economics Letters, Vol. 57, pp.135-43. Vol. 59, 1998 403-5.

Waverman, L. and A. Yatchew (1994), "The Regulation of Electricity in Canada", in International Comparisons of Electricity Regulation, R. Gilbert and E. Kahn, editors, Cambridge University Press, 366-405.

Yatchew, A., 1992, "Nonparametric Regression Tests Based on Least Squares", Econometric Theory, Vol. 8, 435-451.

Yatchew, A., 1988, "Some Tests of Nonparametric Regression Models", in Dynamic Econometric Modelling, Proceedings of the Third International Symposium on Economic Theory, W. Barnett, E. Berndt, H. White (eds.), Cambridge University Press, 121-135.

Yatchew, A., 1986, "Comment" on Frontier Production Functions, Econometric Reviews, Vol. 4(2), 345-352.

Yatchew, A. "Multivariate Distributions Involving Ratios of Normal Variables", 1986, Communications in Statistics, Vol. A15, Number 6, Theory and Methods, 1905-26.

Yatchew, A., 1985, "A Note on Nonparametric Tests of Consumer Behaviour", Economics Letters, Vol. 18, 45-48.

Yatchew, A., and Griliches, Z., 1985, "Specification Error in Probit Models", Review of Economics and Statistics, 134-139.

Epstein, L., and A. Yatchew, 1985, "Nonparametric Hypothesis Testing Procedures and Application to Demand Analysis", Journal of Econometrics, Vol. 30, 149-169.

Epstein, L., and A. Yatchew, 1985, "The Empirical Determination of Technology and Expectations: A Simplified Procedure:", Journal of Econometrics, Vol. 27, 235-258.

Bird, R., M. Bucovetsky and A. Yatchew, 1985, "Tax Incentives for Film Production: The Canadian Experience", Public Finance Quarterly, Vol. 13, 396-421.

Yatchew, A. 1984, "Generalizing the Composite Commodity Theorem", Economics Letters, 16, 15-21.

Yatchew, A. 1984, "Applied Welfare Analysis With Discrete Choice Models", Economics Letters, 18, 13-16.

Yatchew, A., 1981, "Further Evidence on 'Estimation of a Disequilibrium Aggregate Labor Market'", Review of Economics and Statistics, 142-144.

Griliches, Z. and A. Yatchew, 1981, "Sample Selection Bias and Endogeneity in the Estimation of the Wage Equation: An Alternative Specification, Annales de l'Insee, 43, 35-46.

Pesando, J., and Yatchew, A., 1977, "Real vs. Nominal Interest Rates and the Demand for Consumer Durables in Canada", Journal of Money, Credit, and Banking, 428-436.

OTHER PAPERS / STUDIES

Yatchew, A. 1995, "The Distribution of Electricity on Ontario: Restructuring Issues, Costs and Regulation", Ontario Hydro at the Millenium, University of Toronto Press, 327-342,353-354.

Yatchew, A. 1995, "Comments on The Regulation of Trade in Electricity: A Canadian Perspective", Ontario Hydro at the Millenium, University of Toronto Press, 165-7.

Yatchew, A. 2001: "Incentive Regulation of Distributing Utilities Using Yardstick Competition", Electricity Journal, Jan/Feb, 56-60.

Littlechild, S. and A. Yatchew, 2002: "Hydro One Transmission and Distribution: Should They Remain Combined or be Separated", www.chass.utoronto.ca/~yatchew .

Yatchew, A., 1999, "Differencing Methods in Nonparametric Regression: Simple Techniques for the Applied Econometrician", 86 manuscript pages.

RECENT RESEARCH GRANTS

2011-2014 SSHRC grant "Nonparametric regression when data on derivatives are available".

2007-2011 SSHRC grant "Nonparametric and semiparametric estimation when data on derivatives are available".

2004-2007 SSHRC grant "Semiparametric demand modeling and testing".

2003-2004: Grant to develop interactive web-based teaching software for undergraduate statistics at the University of Toronto.

OTHER PROFESSIONAL EXPERIENCE:

(2011) Prepared testimony on behalf of Toronto Hydro on the pricing of attachment space for wireless facilities on joint-use-poles.

(2010) Prepared testimony on behalf of Noranda Aluminum, Inc. Filed before the Public Service Commission of the State of Missouri.

(2009) Prepared study for Ontario Power Generation on sufficient competition tests for boundary entities in the Ontario electricity market.

(2009) Prepared testimony on worldwide paraxylene markets in the context of a contractual dispute before the International Court of Arbitration of the International Chamber of Commerce.

(2008) Prepared analysis of incentive regulation of capital and operating costs and productivity growth for electricity distributors. Filed before the Ontario Energy Board.

(2007) Prepared analysis of distributor benchmarking of capital and operating costs on behalf of the Electricity Distributors Association. Filed before the Ontario Energy Board.

(2007) Filed evidence on market power before the Market Surveillance Panel in Ontario.

(2005-2007) Prepared analyses of pricing of investor communications services.

(2007) Prepared testimony on behalf of the Electricity Distributors Association on utility benchmarking of capital and operating costs. Filed before the Ontario Energy Board.

(2004-2007) Prepared various analyses in a class action and settlement proceeding involving billing of natural gas.

(2004, 2005, 2006) Prepared odds of winning prizes in promotions by a leading U.S.-based international fast-food chain.

(2006) Prepared testimony on incentive regulation. Filed before the Ontario Energy Board.

(2006) Prepared testimony on cost-sharing of capital and operating costs of joint-use power poles. Filed before the New Brunswick Board of Commissioners of Public Utilities

(2005) Prepared testimony on cost-sharing of power poles by cable companies on behalf of Thunder Bay Hydro.

(2004) Prepared testimony on cost-sharing of capital costs of power poles by cable companies. Filed before the Ontario Energy Board.

(2003) Prepared testimony on behalf of large Ontario electricity distributors on distributor service area amendments. Filed before the Ontario Energy Board.

(2003) Prepared testimony on behalf of J.D. Irving Ltd. on rates of return, performance based regulation and benchmarking. Filed before the New Brunswick Board of Commissioners of Public Utilities.

(1992) Prepared study on pipeline cost allocation.

(1998-2006) Member, Board of Directors, *EnerConnect*.

(1993-1998) Prepared major studies for the Municipal Electric Association on restructuring of the electric utility industry in Ontario.

(1997) Prepared analysis of securities lending for Canada Trust.

(1982-1995) Consultant to the Municipal Electric Association at the Ontario Hydro Rate Hearings before the Ontario Energy Board.

(1991, 1992, 1993, 1994) Prepared short term market assessment and forecasts for Bell Mobility cellular telephone sales.

(1991-1992) Research Director for the Municipal Electric Association in their intervention before the Environmental Assessment Board in connection with Ontario Hydro's 25 year Demand/Supply Plan.

(1992) Prepared testimony on forecasts of electricity demand for Ontario. Filed before the Ontario Environmental Assessment Board.

(1990) Prepared statistical analysis in connection with a legal proceeding on anti-competitive behavior relating to the supply of paper forms.

(1989) Prepared technical analysis of the effects of booking system biases in a major U.S. airline litigation.

(1989) Prepared analysis in connection with the Imperial Oil/Texaco merger deliberations before the Federal Competition Tribunal (Canada).

(1988, 1989, 1991) Prepared various studies on subjects such as subway reliability measures, evaluation criteria for resource allocation, statistical procedures in relation to count data for the Toronto Transit Commission.

(1987) Coauthored study on pipeline cost allocation.

(1985) Performed econometric analysis of zinc, copper, potash markets as part of a larger study for Cominco.

(1985) Coauthored a major background study for the Federal Government/Province of Alberta energy price negotiations.

(1985) Designed data sampling scheme for the Parking Authority of Toronto for monitoring flows into parking lots and as a broad audit check.

(1981) Participated in study of tax incentives to the Canadian film industry.