

June 8, 2012

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File 10606.00014

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms Walli:

**Re: EB-2012-0033 Enersource Hydro Mississauga ("Enersource")
Cost of Service Application**

We are counsel to the Consumers Council of Canada ("CCC") in this matter.

In that capacity we have received a copy of a letter dated June 7, 2012, from Ms Gia M. DeJulio in her capacity as Director, Regulatory Affairs, for Enersource.

Enersource proposes that the Board require that intervenors be combined to represent to what she refers to as "categories of customers". Her proposal is ostensibly based on a concern for intervenor costs as a burden on ratepayers. The ultimate basis for her proposal is her reading of the 2011 Auditor General's Report.

We have read Mr. Shepherd's response to the Enersource proposal. Mr. Shepherd makes four important points, as follows:

1. That the anticipated costs of the intervenors are tiny in comparison to the burden Enersource seeks to impose in its ratepayers. Mr. Shepherd could have added that the costs of the interventions are very small for individual ratepayers and very small in comparison to the savings which invariably result from effective ratepayer representation;
2. That constraining interventions has the effect of limiting the ability of ratepayers, who are ultimately responsible for everyone else's costs, including those of Enersource's external advisors, to effect the outcome of a proceeding they must pay for;
3. That the Board has the ability to constrain intervenor costs by penalizing ineffective or duplicative representation;

4. That the East-West Tie proceeding is a poor analog, because, as the Board itself asserted, that proceeding has limited cost implications for ratepayers. That is not the case for Enersource's application. In this application, as opposed to the East-West Tie proceeding, the interests of ratepayer groups will certainly diverge on important issues.

We agree with the points Mr. Shepherd makes. Our concern with the Enersource proposal is also based on another consideration. In our view, the Auditor General's analysis of regulatory costs was incomplete, and therefore flawed. The Report does not contain, or reflect, a detailed analysis of the categories of costs incurred by electricity LDCs in processing rate applications. Such an analysis might well reveal, among other things, that important cost reductions could be achieved by, for example, limiting the use, by LDCs, of external economic and legal consultants. There is no attempt, quantitative or otherwise, to analyse the monetary and non-monetary benefits of having ratepayer groups separately and independently represented in rate applications.

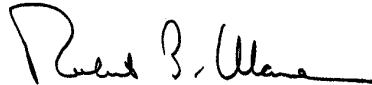
Given the evident flaws in the Auditor General's report on regulatory costs, it is, in our view, simply irresponsible for anyone to argue that that Report is authority for the proposition that interventions should be curtailed, whether generally, or in the manner proposed by Enersource.

We are aware of an unfortunate tendency to use the Auditor General's report to scapegoat intervenors, and the intervention process, for the cost burdens borne by LDCs. That, in our view, should stop.

There is no question that a comprehensive analysis of the nature and extent of the cost burdens borne by LDCs, in making rate applications, is warranted. As part of that process, the costs and benefits of interventions must necessarily be analysed. Until that it is done, however, efforts, like those of Enersource to curtail intervenor participation should be rejected.

Yours very truly,

WeirFoulds LLP



Robert B. Warren

RBW/dh

cc: Joan Huzar
cc: Julie Girvan
cc: Gia M. DeJulio
cc: George Vegh
cc: All Parties