



January 26, 2015

**By RESS and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli;

**Re: EB-2014-0002 - Horizon Utilities Corporation (“Horizon Utilities”) Response to Intervenor Cost Claims**

On April 16, 2014, Horizon Utilities filed a Custom Incentive Regulation (“Custom IR”) application (the “Application”) with the Ontario Energy Board (“OEB” or the “Board”), for electricity distribution rates effective January 1 of each year from 2015 to 2019. The following parties were granted intervenor status in this proceeding by the Board and all but the City of Hamilton were found to be eligible for cost awards:

- Association of Major Power Consumers of Ontario (“AMPCO”);
- Building Owners and Operators Association (“BOMA”);
- City of Hamilton (the “City”);
- Consumers Council of Canada (“CCC”);
- Energy Probe (“EP”);
- School Energy Coalition (“SEC”);
- Sustainable Infrastructure Alliance of Ontario (“SIA”); and
- Vulnerable Energy Consumers Coalition (“VECC”).

On December 11, 2014, the Board issued its Decision and Order in the above-captioned proceeding. The Board ordered Intervenor to file their cost claims to Horizon Utilities within 7 days of the Decision and Final Rate Order. The Board also ordered Horizon Utilities to file any objections to cost claims within 17 days from the date of the Decision and Final Rate Order. The Board issued the Final Rate Order on January 8, 2015, and subsequently revised it on January 9, 2015.

Horizon Utilities received cost claims from all parties approved by the Board for cost awards.

Horizon Utilities has reviewed the cost claims and provides comments below on the costs claimed by BOMA.

**BOMA Cost Claim**

Horizon Utilities offers the following observations in respect of the costs claimed by BOMA. BOMA’s total hours for the cost claim is 192.75 hours. The average hours claimed from the other parties is 68.17 hours. Horizon Utilities has assessed each area of the claim and has identified specific areas of concern regarding BOMA’s claimed hours.

BOMA’s total hours for Interrogatories is 82.95 (76.95 hours for Mr. Brett and 6.0 hours for Ms. Fraser). The average hours from the other parties (based on combining all individuals from that party that contributed) is 32.56 hours for this activity. Horizon Utilities suggests that BOMA’s claimed hours be reduced to the average of 32.56 hours per Table 1 below.

The costs claimed by BOMA for Oral Hearing preparation and attendance are based on 36.20 hours. The average combined hours from the other parties is 18.07 hours. Horizon Utilities submits that BOMA’s claimed hours should be reduced to the average of 18.07 per Table 1 below. Horizon Utilities also observes that BOMA’s focus during the Oral Hearing (which was already narrow in scope due to the comprehensive settlement of revenue requirement-related matters) was limited to Standby rates.

Horizon Utilities suggests that the costs claimed by BOMA are excessive, relative to those of the other parties that also participated throughout the proceeding, and should be reduced. Horizon Utilities submits that the average hours of the other intervenor groups proposed by Horizon Utilities should be used as guidance by the Board in assessing BOMA’s cost claim for three of the items in the cost claim. Table 1 below identifies the hours charged by BOMA and Horizon Utilities’ suggested revision to the hours and the corresponding cost claim reduction.

The reduction in hours claimed by BOMA would result in a change in the cost claim from \$63,607.50 to \$38,801.40 plus HST, a reduction of \$24,806.10.

**Table 1: Calculation of Suggested Reduction of BOMA Cost Claim**

<b>Stage of Application</b>	<b>BOMA Claim</b>	<b>Average Hours</b>	<b>Reduction of hours</b>
Interrogatories Prep/Attn	82.95	32.56	50.39
ADR Settlement Prep/Attn/Prop	39.80	33.15	6.65
Oral Hearing Prep/Attn	36.20	18.07	18.13
<b>Total Hours</b>	<b>158.95</b>	<b>83.78</b>	<b>75.17</b>
			<b>Rate \$ 330.00</b>
			<b>Suggested Reduction of Claim \$ 24,806.10</b>

## **Other Issues**

BOMA has also claimed significant disbursements in the cost claim related to printing and photocopying costs totaling \$5,744.64. At the commencement of the proceeding, Horizon Utilities had asked each Intervenor whether they wished to receive printed copies of the Application materials or documentation on a memory stick, recognizing that some parties are migrating to soft copy only. BOMA had requested two memory sticks instead of the printed materials. Horizon Utilities provided hard copies of the Application and related materials to those Intervenors requesting paper copies, at no cost to the Intervenors. Horizon Utilities had negotiated a reasonable rate for the series of large scale print jobs that it knew it would require at each stage of the process, well below the price per page claimed by BOMA for its law firm printing rates. Horizon Utilities believes that it is unreasonable for BOMA to have declined printed materials at the Applicant's cost, only to charge Horizon Utilities its firm standard rate for printing. Horizon Utilities observes that one Intervenor had photocopies and printing costs of \$329.85. These costs were related to the printing of that party's compendium of materials and were not an item that Horizon Utilities would otherwise have provided. No other Intervenor had disbursements of this level. Horizon Utilities submits that these costs should be deducted from BOMA's cost claim.

## **Revised BOMA Cost Award**

Horizon Utilities respectfully submits that any BOMA cost award should not exceed \$38,801.40, plus HST of \$5,044.18, totaling \$43,845.58. While Horizon Utilities will abide by any award ultimately granted by the Board, Horizon Utilities submits that any amount in excess of \$43,845.58 would not be appropriate, in light of the cost claims of the other Intervenors in this proceeding.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours truly,

**Original signed by Indy Butany-DeSouza**

Indy J. Butany-DeSouza, MBA  
Vice-President, Regulatory Affairs  
Horizon Utilities Corporation

Encl.

cc. Parties of record (EB-2014-0002)