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January 20, 2016

BY EMAIL & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2015-0079
Hydro One Networks Inc. --- 2016 Distribution Draft Rate Order
Energy Probe – Costs Objection Response Submission

Pursuant to the Decision and Order, issued December 22, 2015, please find attached the Costs Objection Response Submission of Energy Probe Research Foundation (Energy Probe) in the EB-2015-0079 proceeding for the Board's consideration.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Oded Hubert, Hydro One Networks Inc. (By email)
Allan Cowan, Hydro One Networks Inc. (By email)
Don Rogers, Rogers Partners LLP (By email)
Brady Yauch, Consultant to Energy Probe (By email)
Roger Higgin, Consultant to Energy Probe (By email)
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**EB-2013-0461
EB-2015-0079**

Ontario Energy Board

Hydro One Distribution

Application for 2016 Rates

**Submissions on Hydro One Objections to the
Consultant Numbers and Costs Submission of**

Energy Probe Research Foundation

January 20, 2016

Hydro One Distribution

EB-2015-0079

Application for 2016 Rates

ENERGY PROBE RESEARCH FOUNDATION

SUBMISSIONS ON HYDRO ONE OBJECTIONS

TO

ENERGY PROBE Consultant Numbers and Costs Submission

How These Matters Became before the Board

On January 14, 2016, Hydro One Networks Inc. (Hydro One) filed a letter to the Board “Hydro One Networks Comments on Intervenor Cost Claims”, over the signature of Oded Hubert, recently appointed Vice President, Regulatory Affairs, replacing Ms. Susan Frank, who has been appointed to the Board.

Hydro One applied for electricity distribution rates effective January 1, 2016. Hydro One also applied to begin its transition to fully fixed residential rates, as directed in the OEB’s April 2, 2015 report: *A New Distribution Rate Design for Residential Electricity Customers (EB-2012-0410)*. The application was made under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B).

A Notice of Hearing (Notice) was issued on November 17, 2015. Each of the Horseshoe Lake Coalition (HLC), Canadian Manufacturers & Exporters (CME), the Society of Energy Professionals (SEP), the Power Workers’ Union (PWU), the Balsam Lake Coalition (BLC), the School Energy Coalition (SEC), the Energy Probe Research Foundation (Energy Probe), the Consumers Council of Canada (CCC), the Vulnerable Energy Consumers Coalition (VECC) and the Federation of Ontario Cottagers’ Associations (FOCA) applied for intervention status. CME, BLC, SEC, Energy Probe, CCC, VECC and FOCA also requested cost eligibility. Hydro One did not file any objections.

The OEB ordered a non-transcribed Technical Conference, held on December 4, 2015 for Hydro One to present its draft rate order to parties and answer any questions raised by parties, including by written undertaking responses.

Hydro One Objections

In its letter of January 14, 2016, Hydro listed two areas of objection:

- a) costs for three consultants, and
- b) large dollars and hours being claimed.

a) Costs For Three Consultants

In its interventions in respect of Hydro One applications to the Board over more than two decades, Energy Probe was unable to find any previous objections of this type. Since Hydro One listed it first, it may be its primary objection; we will respond to it first.

Not all the parties that applied for intervenor status took part in the proceeding. Some parties expressed the opinion that the proceeding appeared not to be in an area of prime concern.

Horseshoe Lake Coalition (HLC) applied for intervenor status on November 12, 2015 and listed only John McGee as the representative. HLC filed a two page submission on December 11, 2015 supporting the Board's earlier Decision to hold a separate standalone proceeding to deal with seasonal classes. HLC did not apply for Costs despite having received Costs Eligibility in Procedural Order No. 1.

The Canadian Manufacturers & Exporters ("CME") applied for intervenor status requesting on November 16, 2015 and listed 3 lawyers from Borden Ladner Gervais LLP as representing them in this matter: Vince DeRose, Emma Blanchard and Eden Alexander. CME was represented at the Technical Conference and on December 10, 2015 filed a letter to the Board stating that it did not oppose the approval of Hydro One's 2016 DRO. CME did not file for Costs despite having received Costs Eligibility in Procedural Order No. 1.

The Society of Energy Professionals (SEP) filed for intervenor status on November 16, 2015 and listed Dan Kellar, Vicki Power, Paul Cavalluzzo (Cavalluzzo Shilton McIntyre & Cornish LLP) and Bohdan Dumka, a consultant, as representing them. Mr. Kellar and Ms. Power are not eligible for costs as they are employed by the SEP. SEP was found eligible for Costs but appears not to have taken an active role in the Proceeding and did not apply for Costs.

The Power Workers' Union (PWU) applied for intervenor status on November 24, 2015 and listed Bayu Kidane, a consultant, Kim McKenzie, a consultant, and Richard Stephenson, Counsel, of Paliare Roland Rosenberg Rothstein LLP, as representing them. The PWU received Costs Eligibility but did not file for Costs. On December 10, 2015, the PWU did file a Submission supporting the HONI application but did not file for Costs.

The Balsom Lake Coalition (BLC) filed for intervenor status on November 25, 2015, listing Nicholas Copes and Bill Cheshire as representing its members and stating that it had retained Michael Buonaguro as their legal counsel. The BLC was active in the proceeding and did file for Costs in respect of Mr. Buonaguro. It appears to Energy Probe that Mr. Copes and Mr. Cheshire were not eligible for Costs.

The School Energy Coalition (SEC) filed for intervenor status on November 27, 2015 listing Mark Rubinstein and Jay Shepherd as counsel. SEC did file Costs but only covering Mr. Rubinstein and an economics student, Chris Avetikyan. Mr. Shepherd did not claim Costs for supervising the student.

The Consumers Council of Canada (CCC) filed for intervenor status on November 27, 2015 and was granted Costs Eligibility. The CCC was represented by Ms. Julie Girvan, who did not attend the Technical Conference but did submit argument.

The Federation of Ontario Cottagers' Associations (FOCA) filed for intervenor status on November 27, 2015 and was granted Costs Eligibility. FOCA does not appear to have attended the Technical Conference but did file a letter of Comment on December 10, 2015. The 2 people representing then were their President, Ken Grant, and their Executive Director, Terry Rees. FOCA did not file for Costs.

The Vulnerable Energy Consumers Coalition (VECC) filed for intervenor status on November 27, 2015, listing 2 consultants, Shelley Grice and Bill Harper, plus Michael Janigan as counsel. VECC did take part in all stages of the proceeding and did file for Costs for Ms. Grice and Mr. Harper. Mr. Janigan did not list himself for Costs despite filing the Notice of Intervention and submitting the Argument of VECC.

Turning to Energy Probe Research Foundation (Energy Probe), we filed for Intervenor status and Costs Eligibility on November 27, 2015 listing Dr. Roger Higgin, Brady Yauch and David MacIntosh as representing Energy Probe. Both intervenor status and Costs Eligibility were granted in Procedural Order No. 1.

Toward the bottom of Page 1 of Procedural Order No. 1, issued November 30, 2015, the Energy Board Registrar, Ms. Sebalj, notes "Hydro One did not file any objections" to requests for intervenor status or Costs Eligibility.

To summarize, a review of the applicants for intervenor status in this proceeding, the largest number of applicants indicated 3 individuals representing them. Some were legal counsel, some were consultants and some were neither one nor the other. The next highest number of individuals representing an intervenor was 2.

Energy Probe submits that having 3 consultants representing its interests in this proceeding was both proper and appropriate.

b) Large Dollars and Hours Being Claimed

The secondary objection of Hydro One is a more common objection in proceedings before the Board.

It should be noted that although there were a goodly number of parties that filed for intervenor status and were so granted, 10 in total, only 7 were granted cost eligibility. Hydro One did not file an objection to any application for intervenor status or cost eligibility.

Energy Probe submits that a review of the argument submissions filed in the proceeding will reveal that only Board Staff and Energy Probe were both very active at the non-transcribed Technical Conference and filed written submissions covering all the major issues in the proceeding by December 10, 2015.

Energy Probe submits that for intervenors wishing to make sure that answers to their technical conference questions are placed on the record, extra care must be taken in non-transcribed technical conferences to properly structure their questions so that requested undertakings clearly reflect the intent of the intervenor.

Much of the effort of Energy Probe leading up to the Technical Conference was directed toward fully achieving the answers to its technical conference questions on the record.

Energy Board submits that a review of its Argument will reveal a similar effort to fully portray its concerns to the Board. Led by Dr. Higgin, Energy Probe provided charts, as well as focused written material, to substantiate its concerns in a straight forward submission.

To summarize, it should not surprise Hydro One that one intervening party submitted a more comprehensive Argument with a resulting higher Costs Submission in a proceeding concerning matters with the potential to affect thousands of individual rate payers.

Energy Probe notes that in EB-2013-0416, also a distribution rates case for Hydro One, there were Costs awarded to 10 parties, none of which were less than the Costs Submission of Energy Probe in this proceeding. No objections were received from Hydro One.

In Summery

Energy Probe requests that the Ontario Energy Board finds Energy Probe was acting in a reasonable manner in utilizing 3 consultants while intervening in this proceeding.

Further, Energy Probe requests that it be found to be eligible to receive 100% of its reasonably incurred costs of participating in this proceeding.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

January 20, 2016