

VIA E-MAIL & COURIER TO THE BOARD

January 25, 2016

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

RE: EB-2014-0182 Burlington Oakville Project Cost Claims

Response of DR QUINN & ASSOCIATES LTD. to Union Gas Concerns

As directed by the Board, Union submitted its comments on Cost Claims in the Burlington Oakville Project proceeding EB-2014-0182 on January 14, 2016. In its comments, Union Gas submitted some concerns related to our company, DR QUINN & ASSOCIATES LTD. (“DRQ”), representation of two clients; the Ontario Greenhouse Vegetable Growers (“OGVG”) and the Federation of Rental-housing Providers of Ontario (“FRPO”). We believe that it would be helpful for the Board to understand the facts supporting our hours claimed in response to Union’s assertions. To be helpful to the Board, we will use the order of Union’s letter for our responses.

Involvement of DRQ

Union has provided dates of notice of proceedings and our respective requests for intervention on behalf of OGVG and FRPO. Those dates are factual. However, Union’s inference that the late interventions of OGVG and eventually FRPO had anything to do with the hours claimed is inappropriate.

With our company’s focus on DSM negotiating meetings with the respective utilities for two clients early in 2015 and our reliance on Union’s previous information on a need for \$40 million Burlington to Oakville project, we did not seek intervention for our clients. On March 9th, DRQ received a request from counsel for the Canadian Manufacturers & Exporters (“CME”) requesting our assistance with issue identification on the project. Over the last several years, amongst other collaborations, the ratepayer group has come to rely upon DRQ for our expertise in natural gas system design and gas supply issues. In reviewing the evidence describing a \$120 million pipeline and given the request from CME, DRQ sought and received direction from only one of its clients, OGVG, to submit a late intervention.

Comparison with other Ratepayer groups

Union has devised a comparison table to compare DRQ hours with other ratepayer groups. By breaking out Evidence Preparation and combining preparation and attendance for the Technical Conference and Oral Hearing, Union asserts a number of comparisons. An actual comparison of the full breakdown of those categories from ratepayer group cost claims reveals that only CME attended both the technical conference and hearing, beside DRQ on behalf of OGVG/FRPO. We will refute Union's itemized assertions in order.

- 1) DRQ submitted 47.5 hours for Oral Hearing Preparation as a categorization of time between the Technical Conference and the Oral Hearing. Union has extracted Evidence Preparation for CME as 46.3 hours. An examination of the detailed invoice submitted by DRQ on behalf of OGVG reveals that most of the time booked to Oral Hearing preparation was evidence preparation¹. While the evidence was submitted on behalf of both CME and OGVG, DRQ took the lead in finding the expert and providing Ontario market context and pipeline developments. Ironically, most of the remaining time categorized as Oral Hearing Preparation by DRQ was related to meetings and communications with Union and OGVG after the submission of ratepayer group evidence, reviewing additional Burlington Oakville project information provided by Union directly to OGVG, communicating with our expert on the new information provided by Union and advising OGVG on that material and attending meetings as a result of that information. Union's further comparison of combined OGVG/FRPO hours for the combined preparation and attendance is inappropriate recognizing Union's extraction of CME's Evidence Preparation and that no other party besides CME and SEC attended the oral hearing.
- 2) Union points to the 38 hours for preparation and attendance at the Technical conference on behalf of OGVG without recognition of the comparison relative hours for interrogatories for the two DRQ represented organizations and other ratepayer groups. As was common knowledge in the proceeding, it was DRQ on behalf of OGVG that initiated the motion for better and more complete interrogatory responses that eventually lead to the Technical Conference. Understanding this fact explains those hours being higher than other ratepayer groups.

Union further infers that somehow this 38 hours ought to have provided preparation for the Oral Hearing. However, the refusals to requests for undertakings at the Technical Conference instead prompted the pursuit of evidence which impacted OGVG hours for those categorized as Oral Hearing Preparation. Clearly, as Mr. Quinn was directly involved with the earlier steps of the proceeding there was efficiency resulting the transfer of knowledge obtained to that point and hence no duplication. In fact, as is clear from the invoices, the hours invested on behalf of OGVG stopped on August 10th and the hours invested on behalf of FRPO started August 13th.

¹ The OEB Form for "Detail of Fees and Disbursements Being Claimed" issued by the Board June 2, 2014 and used by DRQ does not have a category for Evidence Preparation.

Subsequently, the hours invested on behalf of FRPO, were focused on Union's reply evidence matters and Oral Hearing preparation and attendance as the technical lead in the facilities case.

- 3) Union's third area of assertion draws CME as a relevant comparison to the combined claims of OGVG and FRPO. Union's comparison cleverly moves from hours to dollars to emphasize a point without regard to rate differences. If Union had used hours, the totals of 168 and 190.5 would yield a difference of 22.5 hours. As noted above, DRQ was the lead in securing and supporting expert evidence. Moreover, FRPO, as technical lead, prepared for and delivered extensive cross-examination of Union's witnesses at the Oral Hearing. CME did not cross-examine the Union witnesses. This Oral Hearing work alone would more than account for the difference in hours.

In summary, we have provided the above facts that are responsive to Union's allegations. DRQ has consistently held a high regard for our role in representing our clients and serving the public interest and believe we have assisted the Board and the province as a result. We respect the Board's process and remain available to answer any further questions the Board would have on our submitted costs.

Respectfully submitted on behalf of OGVG and FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. S. Andison – FRPO
J. Taylor - OGVG
V. Innis – Union Gas Ltd.
Interested Parties – EB-2014-0182