



**Ontario Energy Board  
Commission de l'énergie de l'Ontario**

---

**DECISION AND ORDER ON COST  
AWARDS**

**EB-2015-0237**

**2015 Natural Gas Market Review**

**BEFORE:** Cathy Spoel  
Presiding Member

Christine Long  
Vice Chair and Member

---

**July 27, 2016**

---

## INTRODUCTION AND SUMMARY

In a letter dated November 25, 2015, ([Cover Letter](#)) the Ontario Energy Board (OEB) initiated its 3<sup>rd</sup> Natural Gas Market Review consultation. The purpose of the initiative is to examine developments in the North American natural gas market over the last year to better understand any potential implications for Ontario's natural gas sector. The consultation process will identify and explain key influences on the Ontario natural gas sector over the next 3 to 5 years.

In its [Decision on Cost Eligibility](#) and [Supplementary Decision on Cost Eligibility](#) dated January 18, 2016 and February 8, 2016 respectively, the OEB determined that the following participants (together, the "Eligible Participants") were eligible to apply for an award of costs in this consultation process:

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

The Cover Letter states that cost awards would be available to eligible parties under section 30 on the *Ontario Energy Board Act, 1998* (the Act) in relation to participation in cost eligible activities as set out in Appendix A of the cover letter. The cover letter also indicates that any costs awarded will be recovered from all rate regulated natural gas distributors based on their respective distribution revenues.

On April 6, 2016, the OEB issued the *Staff Report to the Board on the 2015 Natural Gas Market Review* which concluded this consultation and on May 11, 2016, the OEB issued its [Notice of Hearing for Cost Awards](#) in relation to the consultation.

As indicated in Appendix A of the Cover Letter, the maximum number of cost eligible hours per participant in the Stakeholder Conference are:

- |  |          |
|--|----------|
| • prepare for, attend and report on Stakeholder Conference | 11 hours |
| • written comments on Stakeholder Conference issues        | 25 hours |

---

The maximum number of cost eligible hours for an expert retained to prepare a separate expert submission for the Stakeholder Conference depends on whether Eligible Participants are collaborating for this purpose, as follows:

- separate expert submission:

For one Eligible Participant	40 hours
For each additional Eligible Participant	20 hours

As noted above, in the Cover Letter the OEB indicated that costs awarded would be apportioned among rate-regulated natural gas distributors based on their respective distribution revenues. That apportionment was consistent with the methodology that was in place at the time for allocating costs for cost assessment purposes under section 26 of the OEB Act. On February 9, 2016, the OEB issued a [letter](#) giving notice of changes to its Cost Assessment Model. Specifically, under the revised Cost Assessment Model cost assessments for distributors are now based on customer numbers rather than revenues. The OEB considers it appropriate to apportion cost awards for this initiative in a manner consistent with the revised Cost Assessment Model, and has therefore determined that costs awarded will be apportioned within the distributor class based on customer numbers rather than revenues. This revised apportionment is reflected in Schedule A.

The OEB received cost claims from APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, SEC and VECC. On June 2, 2016, Union filed its response to the cost claims and stated that it had no concerns with the cost claims. On June 6, 2016, Enbridge filed its response to the cost claims filed and stated that it has no overall objection to the cost claims and had noted a few items regarding disbursements in BOMA's, CME's and IGUA's cost claims. On June 6, 2016, IGUA responded to Enbridge's comments regarding a second charge for HST on the parking disbursement.

## OEB Findings

VECC's cost claim included costs for what VECC describes in their cost claim cover letter as "the preparation and presentation of a presentation on the issue of opposition to fracking gas".<sup>1</sup> VECC included these costs under the cost eligible activity entitled "Preparation a Separate Expert Submission for the Stakeholder Conference".

The OEB finds that VECC's conference presentation is not a separate expert submission. VECC's cost claim has therefore been adjusted as follows:

---

<sup>1</sup> VECC; Cost Claim Cover Letter; May 27, 2016

- Hours claimed for Stakeholder Conference (preparation, attendance & reporting) have been increased from 2.9 to 11
- Hours claimed for the Preparation of a Separate Expert Submission for the Stakeholder Conference have been reduced to zero
- Hours claimed for Written Comments on Stakeholder Conference Issues are unadjusted

VECC's total adjusted cost claim is \$4,587 plus HST.

The cost claims filed by the other Eligible Participants are in accordance with the OEB's Notice dated May 11, 2016. The OEB finds that each of these Eligible Participants is entitled to 100% of its reasonably incurred costs of participating in this proceeding. The claim of CME requires a minor reduction of \$5.31 to comply with the *government's Travel Meal and Hospitality Expenses Directive*. The claim of FRPO requires a minor reduction of \$10.60 to correct an error in the HST calculation for mileage. The claim of IGUA also requires a minor reduction of \$2.60 to correct an error in the HST calculation for parking charge. The Board finds that the claims of APPrO, BOMA, CCC, Energy Probe, LPMA and SEC and the adjusted claims of CME, FRPO, IGUA and VECC are reasonable. The OEB approves cost awards for the eligible participants as follows:

• Association of Power Producers of Ontario	\$4,223.27
• Building Owners and Managers Association Toronto	\$4,115.45
• Canadian Manufacturers & Exporters	\$6,818.87
• Consumers Council of Canada	\$4,101.90
• Energy Probe Research Foundation	\$4,611.45
• Federation of Rental-housing Providers of Ontario	\$9,633.53
• Industrial Gas Users Association	\$7,456.26
• London Property Management Association	\$7,569.87
• School Energy Coalition	\$3,131.23
• Vulnerable Energy Consumers Coalition	\$4,767.74

### Process for Paying the Cost Awards

The amount payable by each licensed natural gas distributor in relation to costs awarded to each Eligible Participant is listed in Schedule A to this Decision and Order. However, the amounts will not be paid directly by the distributor to the participant.

The OEB will use the process set out in section 12 of the *Practice Direction* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards relating to this consultation process. Invoices will

---

be issued to distributors at the same time as the invoices for cost assessments are made under section 26 of the Act. The practice of the OEB is to issue to each licensed distributor one invoice that covers all cost awards payable by the distributor for the relevant period. As a result, the invoice may cover cost awards payable in relation to a number of consultations, including this one.

**THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:**

1. Each distributor listed in Schedule A to this Decision and Order shall pay the amounts set out in Schedule A in relation to the costs awarded to each Eligible Participant.
2. Each distributor listed in Schedule A to this Decision and Order shall pay the OEB's costs of, and incidental to, this consultation.
3. The payments referred to in paragraphs 1 and 2 shall be made to the OEB in accordance with the invoice issued to each distributor, and shall be due at the same time as cost assessments under section 26 of the Act are due.

**DATED** at Toronto July 27, 2016

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

## Schedule A

### OEB's Decision and Order on Cost Awards

**EB-2015-0237**

Gas Distributor, Transmitter, Storage Company	APPrO	BOMA	CME	CCC	EP	FRPO	IGUA	LPMA	SEC	VECC	Total
Enbridge Gas Distribution	\$ 2,520.86	\$ 2,456.50	\$ 4,070.17	\$ 2,448.41	\$ 2,752.56	\$ 5,750.23	\$ 4,450.62	\$ 4,518.44	\$ 1,869.02	\$ 2,845.85	\$ 33,682.68
Union Gas	\$ 1,692.68	\$ 1,649.46	\$ 2,732.99	\$ 1,644.03	\$ 1,848.26	\$ 3,861.10	\$ 2,988.46	\$ 3,033.99	\$ 1,254.99	\$ 1,910.90	\$ 22,616.87
Natural Resource Gas	\$ 9.73	\$ 9.48	\$ 15.71	\$ 9.45	\$ 10.63	\$ 22.20	\$ 17.18	\$ 17.44	\$ 7.21	\$ 10.99	\$ 130.02
<b>TOTAL</b>	<b>\$ 4,223.27</b>	<b>\$ 4,115.45</b>	<b>\$ 6,818.87</b>	<b>\$ 4,101.90</b>	<b>\$ 4,611.45</b>	<b>\$ 9,633.53</b>	<b>\$ 7,456.26</b>	<b>\$ 7,569.87</b>	<b>\$ 3,131.23</b>	<b>\$ 4,767.74</b>	<b>\$ 56,429.57</b>