



DECISION AND ORDER ON COST AWARDS

EB-2015-0363

Consultation to Develop a Regulatory Framework to Assess Natural Gas Distributors' Cap and Trade Compliance Plans

BEFORE: Cathy Spoel
Presiding Member

Christine Long
Vice Chair and Member

February 15, 2017

INTRODUCTION AND SUMMARY

Background

In a letter dated March 10, 2016 (“the cover letter”), the Ontario Energy Board initiated a consultation to develop a regulatory framework for the natural gas distributors’ activities under Ontario’s Cap and Trade program which included cost awards for eligible persons under section 30 of the *Ontario Energy Board Act, 1998* (the OEB Act) for participation in certain activities.

In its *Decision on Cost Award Eligibility* and *updated Decision on Cost Award Eligibility* dated April 22, 2016 and April 29, 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 Major Power Consumers in Ontario (AMPCO)
- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence (ED)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Green Energy Coalition (GEC)
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- Low-Income Energy Network (LIEN)
- Ontario Association of Physical Plant Administrators (OAPPA)
- Ontario Federation of Agriculture (OFA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Ontario Mining Association (OMA)
- Ontario Sustainable Energy Association (OSEA)
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

The cover letter notified stakeholders that cost awards will be recovered from Enbridge Gas Distribution Inc., Union Gas Limited and Natural Resource Gas Limited based on their respective distribution revenues.

On September 26, 2016, the OEB issued the Report of the Board: The Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities which concluded this consultation and on October 24, 2016, the OEB issued its Notice of Hearing for Cost Awards (the Notice of hearing) in relation to the consultation.

The Notice of Hearing stated that cost awards would be available in relation to:

ACTIVITY	TOTAL ELIGIBLE HOURS PER PARTICIPANT
Preparation for, attendance at, and reporting on a half-day stakeholder meeting (3 hour meeting, 3 hour preparation time)	Up to 6 hours*
Written comments on Staff Discussion Paper	Up to 24 hours

* In the OEB's March 10, 2016 letter, a full day stakeholder meeting with preparation time (i.e., up to 11 hours) was contemplated. However, a half day (3-hour) stakeholder meeting was held.

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 AMPCO, APPRO, BOMA, CME, CCC, ED, FRPO, GEC, IGUA, LPMA, LIEN, OAPPA, OGVG, OSEA, SEC and VECC. OFA, Energy Probe and OMA did not file a cost claim.

On November 21, 2016, Union Gas Limited (Union) filed its response to the cost claims and stated that it had no concerns. On November 21, 2016, Enbridge Gas Distribution (Enbridge) also filed its response to the cost claims filed and stated that it has no overall

objection but noted that BOMA's net cost for the courier disbursement was \$10.89 per receipt and SEC submitted 25 hours written comments, where the OEB had approved up to 24 hours.

OEB Findings

The OEB has reviewed the cost claims filed by AMPCO, APPrO, BOMA, CME, CCC, ED, FRPO, GEC, IGUA, LPMA, LIEN, OAPPA, OGVG, OSEA, SEC and VECC to ensure they were compliant with the OEB's *Practice Direction on Cost Awards*.

The OEB has determined that the cost claims submitted by AMPCO, APPrO, CME, CCC, ED, FRPO, IGUA, LPMA, LIEN, OAPPA, OGVG, OSEA and VECC are in accordance with the OEB's Notice dated September 26, 2016. The OEB finds that each of these Eligible Participants is entitled to 100% of its reasonably incurred costs of participating in this proceeding.

SEC claimed 25.0 hours for written comment on OEB staff discussion paper (J. Shepherd 3.70 hours and M. Rubenstein 21.30 hours). The maximum number of hours for each eligible participant is 24 hours. The OEB will not allow costs to SEC in excess of the 24-hour maximum and has therefore reduced SEC's fees claim from \$6,134.00 to \$5,964.00 amounting to a reduction of \$170.00 before tax. The total revised awarded claim for SEC is \$6,739.32.

BOMA claimed 10.60 hours in total. The OEB will allow 0.5 hours for reviewing the Staff Discussion Paper only as BOMA did not provide any written comments on the Staff Discussion Paper. Also, the claim of BOMA requires a further reduction because the courier charge did not match the receipt. The total revised awarded claim for BOMA is \$198.76.

The claim of GEC requires a reduction of \$31.20 to correct an error in the HST calculation for mileage. The total revised awarded claim for GEC is \$1,992.63.

The Board finds that the claims of AMPCO, APPrO, CME, CCC, ED, FRPO, IGUA, LPMA, LIEN, OAPPA, OGVG, OSEA and VECC and the adjusted claims of BOMA, GEC and SEC are reasonable. The OEB approves cost awards for the eligible participants as follows:

• Association of Major Power Consumers in Ontario	\$9,831.00
• Association of Power Producers of Ontario	\$4,316.50
• Building Owners and Managers Association	\$198.76
• Canadian Manufacturers & Exporters	\$9,061.84
• Consumers Council of Canada	\$5,407.05
• Environmental Defence	\$3,398.67
• Federation of Rental-housing Providers of Ontario	\$7,830.90
• Green Energy Coalition	\$1,992.63
• Industrial Gas Users Association	\$11,256.94
• London Property Management Association	\$4,773.12
• Low-Income Energy Network	\$4,067.54
• Ontario Association of Physical Plant Administrators	\$2,070.00
• Ontario Greenhouse Vegetable Growers	\$1,671.27
• Ontario Sustainable Energy Association	\$4,730.93
• School Energy Coalition	\$6,739.32
• Vulnerable Energy Consumers Coalition	\$9,731.65

Process for Paying the Cost Awards

The amount payable by each 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 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 OEB Act are due.

DATED at Toronto February 15, 2017

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Schedule A

OEB's Decision and Order on Cost Awards

EB-2015-0363

Gas Distributor, Transmitter & Storage Company	AMPCO	APPRO	BOMA	CME	CCC	ED	FRPO	GEC	IGUA	LPMA	LIEN	OAPPA	OGVG	OSEA	SEC	VECC	Total
Enbridge Gas Distribution	\$ 5,868.10	\$ 2,576.51	\$ 118.64	\$ 5,408.99	\$ 3,227.46	\$ 2,028.66	\$ 4,674.25	\$ 1,189.40	\$ 6,719.24	\$ 2,849.06	\$ 2,427.91	\$ 1,235.58	\$ 997.58	\$ 2,823.88	\$ 4,022.68	\$ 5,808.80	\$ 51,976.72
Union Gas	\$ 3,940.25	\$ 1,730.05	\$ 79.66	\$ 3,631.97	\$ 2,167.14	\$ 1,362.18	\$ 3,138.61	\$ 798.64	\$ 4,511.76	\$ 1,913.06	\$ 1,630.26	\$ 829.65	\$ 669.84	\$ 1,896.15	\$ 2,701.11	\$ 3,900.43	\$ 34,900.75
Natural Resource Gas	\$ 22.65	\$ 9.95	\$ 0.46	\$ 20.88	\$ 12.46	\$ 7.83	\$ 18.04	\$ 4.59	\$ 25.94	\$ 11.00	\$ 9.37	\$ 4.77	\$ 3.85	\$ 10.90	\$ 15.53	\$ 22.42	\$ 200.64
TOTAL	\$ 9,831.00	\$ 4,316.50	\$ 198.76	\$ 9,061.84	\$ 5,407.05	\$ 3,398.67	\$ 7,830.90	\$ 1,992.63	\$ 11,256.94	\$ 4,773.12	\$ 4,067.54	\$ 2,070.00	\$ 1,671.27	\$ 4,730.93	\$ 6,739.32	\$ 9,731.65	\$ 87,078.12