

March 24, 2017

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

Dear Ms. Walli:

**RE: EB-2016-0186 - Union Gas Limited – Panhandle Reinforcement Project –
Comments on Cost Claims**

Union Gas Limited (“Union”) received cost claims from the Association of Power Producers of Ontario (“APPrO”), Building Owners and Managers Association (“BOMA”), Consumers Council of Canada (“CCC”), Canadian Manufacturers & Exporters (“CME”), Federation of Rental-housing Providers of Ontario (“FRPO”), Industrial Gas Users Association (“IGUA”), London Property Management Association (“LPMA”), Ontario Greenhouse Vegetable Growers (“OGVG”), School Energy Coalition (“SEC”), and Vulnerable Energy Consumer’s Coalition (“VECC”) for the above noted proceeding.

Union has reviewed the cost claims and with the exception of FRPO, has no specific concerns. The cost claim submitted by Mr. Dwayne Quinn on behalf of FRPO exceeds the average of other claims by over four times and also includes \$19,390 for services by Ms. A.S. Cheung. Union has concerns that the process as defined by the Board in detail in Procedural Order No.1 (dated August 11, 2016) and subsequently in Procedural Order No.2 (dated September 26, 2016) was not followed by FRPO and asks that the Board consider this when reviewing this cost claim.

Despite specific requirements identified in the Procedural Orders, FRPO never advised the Board whether it would be filing expert evidence or the scope of any evidence, nor did it identify the costs associated with their expert to allow the Board to provide guidance on cost eligibility. Ultimately, no evidence was filed to assist the Board with review of alternatives, but significant costs have been claimed.

To be specific, in Procedural Order No.1, the Board indicated that any intervenors planning to file expert evidence in the proceeding:

“...shall file a letter with the OEB describing the nature of the evidence, whether the intervenor will be participating jointly with other intervenors in the

*commissioning of the expert evidence, and the estimated cost. **The estimated cost should include an explanation of any assumptions regarding any expert participation in the proceeding, and should include an estimate for any incremental time that will be spent by the intervenor's counsel or other consultant.** The OEB is also making provision for OEB staff to file a letter relating to any expert evidence OEB staff plans to file. **After reviewing this material, the OEB will provide guidance on cost eligibility for expert reports and/or participation in the proceeding.**"(emphasis added)*

A deadline of September 23, 2016 was set for submission of this information to the Board, followed by the filing of evidence by October 14, 2016. FRPO did not submit this information.

Procedural Order No.2 was issued to extend the date for filing expert evidence and to require CAEPLA-PLC and FRPO to provide the Board with an estimate of the cost to file expert evidence, including any additional costs for counsel and consultants as instructed in Procedural Order No.1. The deadline for filing evidence was extended to October 21, 2016. FRPO did not submit this information.

Union wrote the Board October 24, 2016 expressing concern that FRPO was not adhering to the Procedural Order dates and had not confirmed whether it intended to file expert evidence. In addition, FRPO had not provided an estimate of the cost of their expert to allow the Board to review and provide guidance on cost eligibility for expert reports.

In the Board's Decision and Order issued February 23, 2017, the Board noted that no evidence on alternatives was provided by any other party to assist the Board in reviewing this case:

"The procedural steps provided for by the OEB included the opportunity for intervenors to file evidence. None took advantage of that opportunity.

Several of the intervenors have filed arguments that purport to offer alternative scenarios to those presented by Union. Many of these scenarios were not part of the record, and Union did not have the opportunity to test these through cross-examination. While Union, as the applicant, has the onus of persuading the OEB that the Project should be approved, analysis of alternatives must be based on the evidentiary record. If intervenors want the OEB to accept an alternative other than ones put forward by Union, the intervenors must ensure that there is sufficient evidence on the record in this proceeding to support their case."

No evidence was filed, no alternatives documented on the record and no cost estimate was provided in advance for the expert FRPO retained to determine if evidence would provide value.

Based on the foregoing, the fees being claimed by Mr. Quinn on behalf of FRPO appear to be excessive and fail to follow the Board's process. The Board should consider this when reviewing this cost claim.

Yours Truly,

[original signed by]

Karen Hockin
Manager, Regulatory Initiatives

cc: Charles Keizer, Torys
Mark Kitchen, Union Gas
All Intervenors (EB-2016-0186)