

September 8, 2017

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

Dear Ms. Walli:

Re: EB-2015-0179 – Union Gas Limited – Community Expansion Proposal – Comments on Cost Claims

Union Gas Limited (“Union”) reviewed cost claims from the Association of Power Producers of Ontario (“APPrO”), Canadian Propane Association (“CPA”), Consumers Council of Canada (“CCC”), Federation of Rental-housing Providers of Ontario (“FRPO”), Industrial Gas Users Association (“IGUA”), London Property Management Association (“LPMA”), School Energy Coalition (“SEC”) and the Vulnerable Energy Consumer’s Coalition (“VECC”) for the above noted proceeding.

The claims submitted include costs specific to Union’s initial and updated EB-2015-0179 applications (Phase I and Phase II respectively). The Board’s Generic Community Expansion proceeding (EB-2016-0004) had its own separate cost claim process.

Union has reviewed the cost claims and, with the exception of the claim by the CPA, has no specific concerns. As discussed below, Union’s primary concern with the CPA claim relates to the magnitude of costs claimed relative to that of other intervenors.

More specifically, CPA claimed Phase I costs in the amount of \$25,315.38. This total exceeds the average of other claims by more than two times. For Phase II, CPA also submitted a claim in the amount of \$19,800.82 which again was significantly higher than the other claims. This is the case despite the Board restricting CPA’s intervention request in Phase II to matters “*only with respect to the issue of the term of the rate stability period.*”¹

In its cost claim, CPA describes itself as a full Phase I participant and goes on to identify how it participated. In reviewing this, Union does not agree with CPA’s assertion to have prepared evidence (including expert witness reports). Union agrees CPA filed a letter (dated December 16, 2015) which provided a description of the evidence it intended to file. However, such evidence was never produced in this proceeding.

¹ OEB letter re: Application for Intervenor Status by Canadian Propane Association dated May 2, 2017

CPA also raised the issue of scope as it relates to Phase II of the application. In fact, CPA cited that, “*Union might object to the within cost submissions by asserting that the CPA exceeded the scope permitted by the Board in its May 2, 2017 letter.*” As a result, CPA proposed a “*reduction of 12.35 hours from the attached cost claim, or a \$3,904.70 reduction.*”

Union objects to the principle of this approach. Cost claims are not a negotiation. Rather, Union had raised its concern about CPA straying beyond the scope of its intervention as prescribed by the Board not only in interrogatory responses², but throughout its Reply Argument (dated June 26, 2017). Rather than accepting a proposed reduction from CPA, Union submits the Board needs to consider the issue of scope and whatever impact it could have on CPA’s claim as part of its review.

Based on the foregoing, in Union’s view the fees being claimed by the CPA are excessive. Should you have any questions on the above or would like to discuss in more detail, please contact me at 519-436-5473.

Yours Truly,

[Original signed by]

Karen Hockin
Manager, Regulatory Initiatives

cc: Charles Keizer, Torys
Mark Kitchen, Union
All Intervenors (EB-2015-0179)

² See responses to Exhibit C.CPA.1, Exhibit C.CPA.4