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**BY E-MAIL AND WEB POSTING**

## **NOTICE OF PROPOSED AMENDMENT TO A RULE**

### **THE GAS DISTRIBUTION ACCESS RULE**

**BOARD FILE NO: EB-2008-0313**

**To: All Natural Gas Distributors  
All Other Interested Parties**

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The Ontario Energy Board (the “Board”) is giving notice under section 45 of the *Ontario Energy Board Act, 1998* (the “Act”) of proposed amendments to the Gas Distribution Access Rule (the “GDAR”).

#### **I. Background**

The *Public Utilities Act* (Ontario) states that a gas distributor may require that a consumer give “reasonable security” as a condition of supplying or of continuing to supply natural gas.

Currently, gas distributors retain discretion in terms of when they require a security deposit. Where a gas distributor requires a security deposit, at the present time it similarly also retains discretion to determine the amount and form of the security deposit as well as the timing and frequency of review and return of the security deposit. The lack of consistency in terms of security deposit policies as between gas distributors, and the inconsistent application of those policies to individual consumers by individual gas distributors, has been the subject of concern raised with the Board by consumers and consumer groups.

Security deposit requirements are an important condition of access to gas distribution services. The Board believes that it is appropriate at this time to standardize those requirements among gas distributors to ensure that consumers are treated fairly and are subject to consistent requirements across the Province, regardless of whose franchise area they may be located in.

Electricity distributors have, for some time, been subject to standardized security deposit policies. The Board is not aware of any compelling reason that would support the continuation of individualized security deposit policies among gas distributors. The Board notes in this regard that gas distributors are subject to similar rate treatment in relation to the risk of customer default and exposure to bad debt. Security deposits are included in rate base for the purposes of calculating a gas distributor's working capital and therefore of calculating the gas distributor's overall revenue requirement. With the move to incentive regulation, greater consistency in terms of security deposit policies will also serve to minimize over-collection by a gas distributor in a manner that might artificially enlarge its pool of low cost working capital.

## **II. Proposed Amendments to the GDAR**

### **A. Introduction**

The Board is proposing to amend the GDAR to provide a standardized regulatory framework for the collection and administration of security deposits by gas distributors. The Board is also taking this opportunity to include in the GDAR a provision similar to that which appears in the Board's electricity codes and which refers to the ability of the Board to make determinations with or without a hearing. This provision, proposed to be added as a new section 1.6.1 of the GDAR, reflects section 44(2) of the Act.

Security deposits have been identified as an issue in the Board's consultation process regarding issues associated with low income energy consumers (EB-2008-0150). The Board intends to defer consideration of the particular needs of low income energy consumers in relation to security deposits until such time as the low income consumer consultation process has been completed. If warranted, further amendments to the GDAR regarding security deposits may be proposed at that time.

A summary of the proposed amendments to the GDAR is set out below. The text of the proposed amendments is set out in Attachment A to this Notice.

## B. Summary of Proposed Amendments

The Board is proposing to include in GDAR requirements relating to the following: the circumstances under which a consumer must be exempted from any requirement to provide a security deposit; how security deposits are to be calculated; when security deposits must be reviewed and, where applicable, returned to a customer; the forms of security deposit that must be accepted; and how interest owed on security deposits is to be determined. Many of these requirements are proposed to differ by customer class.

The proposed amendments to the GDAR are based on and largely reflect the provisions that currently apply to electricity distributors as set out in the Distribution System Code (“DSC”). Security deposits serve the same underlying purpose in both the gas and electricity sectors, and many consumers are customers of both gas and electricity distributors. It is therefore desirable to maximize symmetry between the two sectors to the extent appropriate. The DSC provisions were developed through extensive consultation and experience in dealing with security deposit issues in the electricity sector,<sup>1</sup> and have worked well for electricity distributors and electricity consumers alike. There is no reason, in principle, why the DSC provisions would be inappropriate for the natural gas sector. As a result, the Board considers that it is appropriate to adopt the DSC security deposit provisions in the GDAR, with certain modifications.

### 1. *Documentation and Communication of Security Deposit Policy (Sections 2.4.2 to 2.4.6)*

The Board is proposing that each gas distributor be required to document its policies in a “Security Deposit Policy”, file a copy of its Security Deposit Policy with the Board and make its Security Deposit Policy available to the public and to any customer or prospective customer that requests a copy. Where a gas distributor proposes changes to its Security Deposit Policy, the distributor must give customers advance notice of those proposed changes and provide a reasonable opportunity for comment.

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<sup>1</sup> Materials relating to the development of the current security deposit provisions of the DSC are available on the Board’s website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). See the record of consultation processes RP-2002-0416, RP-2004-0166 and EB-2006-0030.

2. *Collection and Payment of Security Deposits (Sections 2.4.8 to 2.4.10, 2.4.13 and 2.4.16)*

While the Board believes that greater consistency amongst gas distributors is desirable, the Board also believes that some flexibility should be maintained. Therefore, the Board is not proposing that gas distributors be required to collect security deposits. However, the Board is proposing that a gas distributor waive the requirement for a security deposit in respect of a customer that has or can demonstrate a good payment history, that provides a satisfactory credit check or that has an AAA- or better credit rating. Customers with a good payment history generally do not represent a material non-payment risk for the gas distributor, and in the Board's view it is unreasonable to require that they provide a security deposit as a condition of obtaining service from a gas distributor.

The Board is also proposing that customers be permitted to provide any required security deposit in equal installments over four months.

3. *Maximum Amount of Security Deposits (Sections 2.4.11 to 2.4.13, 2.4.27 and 2.4.28)*

The Board believes that flexibility should also be maintained in relation to the calculation of security deposits, and is therefore proposing that the amount of a security deposit be left to the discretion of each gas distributor, subject to a maximum that cannot be exceeded. The maximum amount is to be determined based on the customer's average monthly gas consumption. The Board is also proposing that larger non-residential customers with a credit rating of at least BBB- be entitled to a reduction in the amount of the security deposit that could otherwise be required based solely on the customer's consumption.

The Board is also proposing that a customer that is a residential condominium be treated as a residential customer for purposes of determining the form and maximum amount of the security deposit that can be required.

4. *Form of Security Deposits and Interest (Sections 2.4.15 and 2.4.17)*

For all customers, the Board is proposing that gas distributors be required to accept payment of security deposits in the form of cash or a cheque. In the case of non-

residential customers, distributors would also be required to accept a letter of credit. Gas distributors would retain the discretion to accept other forms of security deposit if they wish.

The Board is also proposing that interest accrue monthly at a prescribed rate on security deposits that are in the form of cash or a cheque, and that interest accrued be paid out at least once every 12 months or earlier in some circumstances.

#### 5. *Review and Return of Security Deposits (Sections 2.4.18 to 2.4.26)*

The Board is proposing that each gas distributor be required to review each security deposit at least once annually, and to return or adjust the amount of a customer's security deposit where warranted based on more current circumstances. For example, a security deposit would need to be returned when a customer has achieved the required number of years of good payment history, or would need to be adjusted where a customer's credit rating has improved. The Board is also proposing that a gas distributor be required to conduct a security deposit review at the request of a customer, which request cannot be made more than once annually.

A security deposit would be required to be returned with interest (where applicable) within six weeks of closure of a customer's account, subject to the gas distributor's right to use the security deposit to offset amounts owing by the customer to the distributor.

Where a security deposit was paid by a third party on a customer's behalf, the Board is proposing that, where certain conditions are met, the security deposit be returned to the third party, with interest where applicable.

### **III. Anticipated Costs and Benefits**

The proposed amendments to the GDAR address an important element of access to gas distribution services and do so in a manner that will, in the Board's view, promote the fair, transparent and consistent treatment of gas customers across the Province. Harmonization of security deposit policies amongst gas distributors and consistency of those policies with those applicable in the electricity sector will provide customers with greater predictability and enable them to better manage their energy costs. The Board therefore believes that the proposed amendments will better protect the interests of consumers with respect to prices and the reliability and quality of gas service. The

Board also believes that the proposed amendments to the GDAR strike an appropriate balance between the interests of consumers and the legitimate needs of distributors in terms of risk mitigation. The proposed amendments will therefore also facilitate the maintenance of a financially viable gas distribution sector.

The Board anticipates that gas distributors will incur costs to bring their security policies into line with the proposed amendments. The Board understands that gas distributors currently apply security deposit policies that are in at least some respects similar to those that the Board is now proposing to adopt. As a result, the cost of coming into compliance with the proposed amendments may not in all cases be material or substantial. The Board also anticipates that gas distributors will incur ongoing incremental costs in relation to the administration of security deposits, notably in relation to the annual review of security deposits.

#### **IV. Coming Into Force**

The Board anticipates that gas distributors may require some time in order to bring their security deposit policies into line with the proposed new GDAR provisions. The Board is therefore proposing that the proposed amendments to the GDAR set out in Attachment A come into force on the first day of the month that is 6 full months from the date on which the amendments are published on the Board's website after having been made by the Board. This is consistent with the time given to electricity distributors to accommodate the new security deposit provisions of the DSC when they were made, and is reflected in the proposed addition of a new section 1.4.6 of the GDAR.

#### **V. Cost Awards**

Cost awards will be available under section 30 of the Act to eligible persons in relation to the provision of comments on the proposed amendments to the GDAR set out in Attachment A, to a maximum of 20 hours. Costs awarded will be recovered from all rate-regulated gas distributors, based on their respective distribution revenues.

Attachment B contains important information regarding cost awards for this notice and comment process, including in relation to eligibility requests and objections. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

## VI. Invitation to Comment

All interested parties are invited to provide written comments on the Board's proposed amendments to the GDAR set out in Attachment A by **November 19, 2008**.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto Ontario M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca). A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca), and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the "e-filing services" webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca).

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2008-0313** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the proposed amendments to the GDAR, all other Board documents referred to in this Notice (including the GDAR) and all written comments received in response to this Notice will be available for inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

- 8 -

If you have any questions regarding the proposed GDAR amendments, please contact Barbara Robertson, Project Advisor, Compliance Office, at 416-440-7718, or toll-free at 1-888-632-6273.

**DATED** at Toronto, October 8, 2008.

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments:	Attachment A	Proposed Amendments to the Gas Distribution Access Rule
	Attachment B	Cost Awards



## Attachment A

### Proposed Amendments to the Gas Distribution Access Rule

**Note:** The text of the proposed amendments is set out in italics below, for ease of identification only.

- 1. Section 1.4 of the Gas Distribution Access Rule is amended by adding the following new section 1.4.6 immediately after section 1.4.5:**

*1.4.6 Section 2.4 of this Rule comes into force on [•], 2009. [insert date that is the first day of the month that is six full months from the date on which the final amendments to the GDAR adding section 2.4 are posted on the Board's website]*

- 2. Section 1 of the Gas Distribution Access Rule is amended by adding the following new section 1.6 immediately after section 1.5.1:**

#### **1.6 Determinations under this Rule**

*1.6.1 Any matter under this Rule requiring a determination by the Board may be determined without a hearing or through an oral, written or electronic hearing, at the Board's discretion.*

- 3. Section 2 of the Gas Distribution Access Rule is amended by adding the following new section 2.4 immediately after section 2.3.2:**

#### **2.4 Security Deposits**

*2.4.1 In this section 2.4:*

*(a) "general service consumer" means a consumer that is not a residential consumer and that annually consumes no more than 100,000 m<sup>3</sup> of gas; and*

*(b) "Security Deposit Policy" means the document developed by a gas distributor in accordance with section 2.4.2 that describes the gas distributor's policies in relation to the collection and administration of security deposits.*

*2.4.2 A gas distributor shall develop and maintain a Security Deposit Policy that describes the gas distributor's policies in relation to the collection and administration of security deposits. Subject to this Rule and to all other applicable regulatory requirements of the Board, the gas distributor shall comply with its Security Deposit Policy*

- 2.4.3 *A gas distributor's Security Deposit Policy shall be consistent with this Rule and with all other applicable regulatory requirements of the Board, including any rate order issued under section 36 of the Act and shall at a minimum include the following:*
- (a) a list of all forms of security that may be accepted;*
  - (b) a detailed description of how the amount of security is calculated;*
  - (c) limits on the amount of security required;*
  - (d) the planned frequency, process and timing for updating security;*
  - (e) criteria that must be met by a consumer in order for the requirement for a security deposit to be waived or for a security deposit to be returned; and*
  - (f) the consequences for the consumer if a security deposit is not paid.*
- 2.4.4 *A gas distributor shall file a copy of its Security Deposit Policy with the Board, make a current copy of its Security Deposit Policy publicly available and provide a current copy of its Security Deposit to any person upon request.*
- 2.4.5 *A gas distributor that proposes to change its Security Deposit Policy shall give advance notice of the proposed change. At a minimum, advance notice of the proposed change shall be given by means of a note on or included with the bill issued to each consumer. The note shall indicate the proposed timeline for implementation of the proposed change, where and how the consumer may obtain a copy of the proposed change and how and by when the consumer may provide written comments on the proposed change. The proposed timeline for implementation of the proposed change shall be sufficiently long to allow consumers a reasonable opportunity to provide written comments on the proposed change.*
- 2.4.6 *Where a gas distributor changes its Security Deposit Policy, the gas distributor shall file the revised version of the Security Deposit Policy with the Board, together with a covering letter that clearly identifies all changes relative to the last version filed with the Board and that summarizes any written comments received on those changes.*
- 2.4.7 *In managing consumer non-payment risk, a gas distributor shall not discriminate among consumers with similar risk profiles or risk related factors except where expressly permitted under this Rule.*

- 2.4.8 *A gas distributor may require a security deposit from a consumer who is not billed by a gas vendor under gas vendor-consolidated billing unless the consumer has a good payment history of 1 year in the case of a residential consumer, 5 years in the case of a general service consumer and 7 years in the case of any other consumer. The time period that makes up the good payment history must be the most recent period of time and some of the time period must have occurred in the previous 24 months. A gas distributor shall provide a consumer with the specific reasons for requiring a security deposit from the consumer.*
- 2.4.9 *For the purposes of section 2.4.8, a consumer is deemed to have a good payment history unless, during the relevant period of time referred to in section 2.4.8 any of the following has occurred other than by reason of an error by the gas distributor:*
- (a) the consumer has received more than one disconnection notice from the gas distributor indicating that the gas distributor intends to disconnect the consumer for non-payment;*
  - (b) more than one cheque given to the gas distributor by the consumer has been returned by reason of insufficient funds;*
  - (c) more than one pre-authorized payment from the consumer to the gas distributor has failed to be made by reason of insufficient funds;  
or*
  - (d) at least one visit to the consumer's premises has been made by or on behalf of the gas distributor for the purpose of demanding payment of an overdue amount or to shut off or limit the supply of gas to the consumer's premises for non-payment.*
- 2.4.10 *Despite section 2.4.8, a gas distributor shall not require a security deposit from a consumer where:*
- (a) the consumer provides a letter from another gas distributor or an electricity distributor in Canada confirming a good payment history with that distributor for the most recent relevant time period set out in section 2.4.8 where some of the time period that makes up the good payment history has occurred in the previous 24 months; or*
  - (b) the consumer is a residential consumer or a general service consumer and provides a satisfactory credit check conducted at the consumer's own expense.*
- 2.4.11 *Subject to sections 2.4.12 and 2.4.13, the maximum amount of a security deposit that a gas distributor may require a consumer to pay shall be*

calculated as follows: *billing cycle factor x consumer's estimated bill. For this purpose:*

- (a) *the billing cycle factor shall be 2.5 if the consumer is billed monthly and shall be 1.75 if the consumer is billed bi-monthly; and*
- (b) *a consumer's estimated bill shall be determined based on:*
  - i. *the gas distributor's rates and charges in effect at the relevant time; and*
  - ii. *the consumer's average monthly consumption of gas during the most recent 12 consecutive months within the past two years. Where the relevant gas consumption information is not available for a consumer for 12 consecutive months within the past two years or where the distributor does not have systems capable of making this calculation, the consumer's average monthly consumption shall be based on a reasonable estimate made by the gas distributor.*

2.4.12 *Where in a relevant 12-month period a consumer has received more than one disconnection notice from a gas distributor indicating that the gas distributor intends to disconnect the consumer for non-payment, the consumer's estimated bill may be determined based on the consumer's highest actual or estimated monthly consumption in the most recent 12 consecutive months within the past two years.*

2.4.13 *Where a consumer other than a residential consumer or a general service consumer has a credit rating from a recognized credit rating agency, the maximum amount of a security deposit that a gas distributor may require the consumer to pay shall be reduced in accordance with the following table:*

<b>Credit Rating</b> <i>(Using Standard and Poor's Rating Terminology)</i>	<b>Allowable Reduction In Security Deposit</b>
AAA- and above or equivalent	100%
AA-, AA, AA+ or equivalent	95%
A-, From A, A+ to below AA or equivalent	85%
BBB-, From BBB, BBB+ to below A or equivalent	75%
Below BBB- or equivalent	0%

- 2.4.14 *Subject to section 2.4.7, a gas distributor may reduce the amount of a security deposit that it requires a consumer to pay for any reason, including where the consumer pays under an interim payment arrangement or where the consumer makes pre-authorized payments.*
- 2.4.15 *A gas distributor shall accept payment of a security deposit by any consumer in the form of cash or cheque, and shall also accept from a non-residential consumer security in the form of an automatically renewing, irrevocable letter of credit from a bank as defined in the Bank Act (Canada). In either case, the form shall be at the discretion of the consumer. A gas distributor may also accept other forms of security.*
- 2.4.16 *A gas distributor shall permit a consumer to provide a security deposit in equal instalments paid over at least four months, or over such shorter period as the consumer may choose.*
- 2.4.17 *Interest shall accrue monthly on security deposits paid by way of cash or cheque, commencing on the date of receipt of the total amount of the security deposit required by the gas distributor. The interest rate shall be the Prime Business Rate published on the Bank of Canada website less 2 percent, updated quarterly. Any accrued interest shall be paid out to the consumer at least once every twelve months and shall be paid out earlier upon the return or application of the security deposit[, in whole or in part,] or the closure of the consumer's account. Payment of accrued interest may be effected by crediting the consumer's account or by other means.*
- 2.4.18 *A gas distributor shall, at least once in each calendar year, review each consumer's security deposit to determine whether:*
- (a) the security deposit is to be returned to the consumer by reason of the fact that the consumer has become entitled to the benefit of the exemption set out in section 2.4.8 or 2.4.10; or*
  - (b) the amount of the security deposit is to be adjusted based on a recalculation of the maximum amount of the security deposit in accordance with section 2.4.11.*

*This section applies to all security deposits, whether paid by a consumer before or after the date on which this section came into force, provided that a gas distributor shall not be required to review a security deposit paid by a consumer prior to October 1, 2008 during the calendar year 2009.*

- 2.4.19 *Subject to section 2.4.20, upon being requested to do so by a consumer a gas distributor shall review the consumer's security deposit to determine whether:*

- (a) *the security deposit is to be returned to the consumer by reason of the fact that the consumer has become entitled to the benefit of the exemption set out in section 2.4.8 or 2.4.10; or*
- (b) *the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit in accordance with section 2.4.11.*

*This section applies to all security deposits, whether paid by a consumer before or after the date on which this section came into force.*

2.4.20 *A gas distributor shall not be required to review a security deposit at the request of a consumer under section 2.4.19 where less than 12 months has elapsed since:*

- (a) *the date on which the total amount of the security deposit was paid; or*
- (b) *the date on which the consumer last made a request for review under that section.*

2.4.21 *Subject to section 2.4.22, where a review conducted under section 2.4.18 or 2.4.19 reveals that some or all of a security deposit must be returned to a consumer, a gas distributor shall promptly return the relevant amount to the consumer, with interest where applicable, by crediting the consumer's account or otherwise.*

2.4.22 *Where a review conducted under section 2.4.18 or 2.4.19 reveals that a consumer other than a residential consumer or a general service consumer has become entitled to the benefit of the exemption set out in section 2.4.8 or 2.4.10, a gas distributor may nonetheless retain up to 50% of the security deposit.*

2.4.23 *Where a review conducted under section 2.4.18 or 2.4.19 reveals that additional security may be sought from a consumer based on the re-calculation of the maximum amount of the security deposit, a gas distributor may require that the additional security be paid at the same time as the consumer's next regular bill comes due.*

2.4.24 *A gas distributor shall return any security deposit received from a consumer, with interest where applicable, within six weeks of closure of the consumer's account, subject to the right of the gas distributor to use all or a part of the security deposit and interest to set off other amounts owing by the consumer to the gas distributor.*

2.4.25 *A gas distributor shall apply a security deposit, with interest where applicable, to the final bill prior to a change in service where a consumer changes supply from system gas to a gas vendor that uses gas vendor-consolidated billing or where a consumer changes billing options from gas distributor-consolidated billing to split billing or gas vendor-consolidated billing. However, where a consumer changes billing options from gas distributor-consolidated billing to split billing, the gas distributor may retain that portion of the security deposit amount that reflects the gas distributor's reasonable assessment of the non-payment risk associated with the new billing option. In all cases, the gas distributor shall promptly return any remaining portion of the security deposit and interest where applicable to the consumer. A gas distributor shall not pay any portion of a consumer's security deposit to a gas vendor.*

2.4.26 *Despite sections 2.4.18, 2.4.19, 2.4.21, 2.4.24 and 2.4.25, where all or part of a security deposit has been paid by a third party on behalf of a consumer, a gas distributor shall return the amount of the security deposit paid by the third party, including interest where applicable, to the third party. This obligation shall apply where and to the extent that:*

- (a) the third party paid all or part (as applicable) of the security deposit directly to the gas distributor;*
- (b) the third party has requested, at the time the security deposit was paid or within a reasonable time thereafter, that the gas distributor return all or part (as applicable) of the security deposit to it rather than to the consumer; and*
- (c) there is not then any amount overdue for payment by the consumer that the gas distributor is permitted by this Rule to off set using the security deposit.*

2.4.27 *A consumer that is a corporation within the meaning of the Condominium Act, 1998 who has an account with a gas distributor that:*

- (a) relates to a property defined in the Condominium Act, 1998 and comprised predominantly of units that are used for residential purposes; and*
- (b) relates to more than one unit in the property,*

*shall be deemed to be a residential consumer for the purposes of sections 2.4.8 and 2.4.15 provided that the consumer has filed with the gas distributor a declaration in a form approved by the Board attesting to the consumer's status as a corporation within the meaning of the Condominium Act, 1998.*

2.4.28 *Sections 2.4.18 and 2.4.19 shall be applied on the basis that a consumer referred to in section 2.4.27 is a residential consumer even if the consumer paid the security deposit prior to the date on which section 2.4.27 came into force.*



## **Attachment B**

### **Cost Awards**

#### **Cost Award Eligibility**

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect by **October 22, 2008**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

Rate-regulated gas distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If a rate-regulated gas distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **November 5, 2008**. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

#### **Eligible Activities**

Cost awards will be available in relation to the provision of written comments on the proposed amendments to the GDAR set out in Attachment A, to a maximum of 20 hours.

#### **Cost Awards**

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) on the "Rules, Codes, Guidelines and Forms" webpage which can be found in the "Industry Relations" drop-down menu.