



**EB-2008-0106**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** a proceeding initiated by the  
Ontario Energy Board to determine methodologies for  
commodity pricing, load balancing and cost allocation for  
natural gas distributors.

**BEFORE:** Paul Sommerville  
Presiding Member

Cathy Spoel  
Member

### **DECISION AND ORDER ON COST AWARDS**

On May 29, 2008, the Board commenced a proceeding on its own motion pursuant to sections 19 and 36 of the *Ontario Energy Board Act, 1998, S.O. 1998, c. 15* (Schedule b) to determine the methodology to be used by natural gas distributors for (i) gas commodity pricing, (ii) load balancing, and (iii) cost allocation between the supply and delivery functions in relation to regulated gas supply.

The Board held a Technical Conference on November 27 and 28, 2008. The oral hearing was held on April 6, 13 and 16, 2009.

The Board issued its Decision and Order on September 18, 2009, in which it set out the process for parties eligible for costs to file their cost claims on or before October 2, 2009 and to respond to any objections raised by Union Gas Limited ("Union"), Enbridge Gas Distribution ("Enbridge") and Natural Gas Limited ("NRG") by October 23, 2009.

The Board received cost claims from the Building Owners and Managers Association of the Greater Toronto Area ("BOMA"); the Canadian Manufacturers and Exporters

("CME"); the Consumers Council of Canada ("CCC"); the Industrial Gas Users Association ("IGUA"); the Federation of Rental-housing Providers of Ontario ("FRPO"); the London Property Management Association ("LPMA"); the Low Income Energy Network ("LIEN"); the School Energy Coalition ("SEC") and the Vulnerable Energy Consumers Coalition ("VECC").

On October 16, 2009, Enbridge filed a letter stating that it finds BOMA's, CME's, CCC's, IGUA's, FRPO's, LPMA's, LIEN's, SEC's and VECC's submissions to be within tolerances of the guidelines.

### **Board Findings**

The Board reviewed the cost claims filed by BOMA, CME, CCC, FRPO, IGUA, LPMA, LIEN, SEC and VECC, found that three disbursement claims are not in accordance with the Board's *Practice Direction on Cost Awards*, and adjusted those claims as follows:

- CME: \$43.60 reduction in disbursements;
- LIEN: \$39.10 reduction in disbursements and computational mistake made on Form 2; and
- SEC: \$30.48 reduction in disbursements.

The Board notes that VECC, FRPO and LIEN each filed claims that were significantly higher than the average of total cost claims filed in this proceeding. With respect to the claims filed by VECC, the Board notes that VECC was an active participant in the proceeding and filed interrogatories, conducted cross examination and filed submissions on all issues in the proceeding. The Board was assisted by VECC's participation and finds that VECC's claims are reasonable.

With respect to the claims filed by LIEN, the Board notes that of the total cost claim of 116.85 hours filed by LIEN, 58.7 hours are for attendance/hearing costs and 24.6 hours for case management. Both of these claims stand at the very high end of claims advanced by other intervenors. The Board notes that LIEN did not file any interrogatories and at the oral hearing, and in its brief written argument, focused only on issues related to QRAM; no questions or submissions were asked or made on the issues of cost allocation and load balancing. Given the nature and scope of the proceeding, and the modest contribution of LIEN in this proceeding, the Board finds that

LIEN's claim is excessive. Therefore, the Board will award LIEN an amount equal to the average total cost claims, net of disbursements, of the other claimants, and will grant LIEN its corrected disbursements.

With respect to the claims filed by FRPO, FRPO has filed a total claim of 101.50 hours. The Board notes that FRPO focused on a very discrete issue which related to an aspect of Enbridge's load balancing and cost allocation policies. Given the scope of the proceeding, and the limited contribution of FRPO in this proceeding, the Board finds that FRPO's claim is excessive. The Board will therefore award FRPO an amount equal to the average total cost claims, net of disbursements, of the other claimants, and will grant FRPO its disbursements.

The Board finds BOMA, CME, CCC, IGUA, LPMA, SEC and VECC are eligible for 100% of their reasonably incurred costs of participating in this proceeding. The Board finds that each party's claims are reasonable and will be reimbursed by Union, Enbridge and NRG.

With respect to the apportionment of costs between Union, Enbridge and NRG, the Board is of the view that the cost awarded would be allocated proportionately between the three utilities based on net revenues.

**THE BOARD THEREFORE ORDERS THAT:**

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union, Enbridge and NRG shall immediately pay the costs of the eligible intervenors as indicated in Appendix A attached to this Decision and Order.
2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union, Enbridge and NRG shall pay the Board's costs of and incidental to, this proceeding immediately upon receipt of the Board's invoice.

**DATED** at Toronto, January 4, 2010

**ONTARIO ENERGY BOARD**

Original Signed By

Kirsten Walli  
Board Secretary

# APPENDIX A

## EB-2008-0106 Cost Awards

<b>Gas Distributor</b>	<b>BOMA</b>	<b>CME</b>	<b>CCC</b>	<b>FRPO</b>	<b>IGUA</b>	<b>LPMA</b>	<b>LIEN</b>	<b>SEC</b>	<b>VECC</b>	<b>Total Intervenor Costs</b>
ENBRIDGE GAS DISTRIBUTION INC.	4585.67	15581.73	9629.91	10740.66	10611.89	6034.00	10445.76	10505.58	19542.20	97677.40
UNION GAS LTD.	3650.48	12404.00	7666.00	8550.22	8447.71	4803.43	8315.46	8363.08	15556.78	77757.16
NATURAL RESOURCE GAS	13.85	47.07	29.09	32.44	32.06	18.23	31.55	31.73	59.03	295.05
<b>Total, Gas Distributors</b>	<b>\$ 8,250.00</b>	<b>\$ 28,032.80</b>	<b>\$ 17,325.00</b>	<b>\$ 19,323.32</b>	<b>\$ 19,091.66</b>	<b>\$ 10,855.65</b>	<b>\$ 18,792.78</b>	<b>\$ 18,900.40</b>	<b>\$ 35,158.00</b>	<b>\$ 175,729.61</b>