



EB-2007-0606
EB-2007-0615

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

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders approving or fixing a multi-year incentive rate mechanism to determine rates for the regulated distribution, transmission and storage of natural gas, effective January 1, 2008;

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an Order or Orders approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2008;

AND IN THE MATTER OF a combined proceeding Board pursuant to section 21(1) of the *Ontario Energy Board Act, 1998*.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Sommerville
Member

Cynthia Chaplin
Member

DECISION AND ORDER ON COST AWARDS – Phase 2

Union Gas Limited (“Union”) filed an Application on May 11, 2007 under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Sched. B, as amended, for an order of the Ontario Energy Board (the “Board”) approving or fixing a multi-year incentive rate mechanism to determine rates for the regulated distribution, transmission and storage of natural gas, effective January 1, 2008.

Enbridge Gas Distribution Inc. (“Enbridge” or “EGD”) filed an Application on May 11, 2007 under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Sched. B, as amended, for an order of the Board approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2008.

The Board has assigned file number EB-2007-0606 to the Union Application and file number EB-2007-0615 to the Enbridge Application and has issued a Notice of Applications and Combined Proceeding dated May 25, 2007.

The Board in its EB-2007-0606/0615 Decision, dated March 11, 2008, afforded eligible intervenors the opportunity to file their claims for costs incurred to February 8, 2008. The Consumers Council of Canada (“CCC”), the Ontario Association of Physical Plant Administrators (“OAPPA”), the Industrial Gas Users Association (“IGUA”), Energy Probe Research Foundation (“Energy Probe”), the Green Energy Coalition (“GEC”), Pollution Probe, the Vulnerable Energy Consumers Coalition (“VECC”), the School Energy Coalition (“SEC”), the City of Timmins, the Association of Power Producers of Ontario (“APPRO”), the Building Owners and Managers Association of Greater Toronto (“BOMA”), the Wholesale Gas Service Purchases Group (“WGSPG”), the London Property Management Association (“LPMA”) and CCC/VECC/City of Kitchener, regarding their jointly retained expert, filed cost claims with the Board. Union and Enbridge did not file objections to these cost claims.

The Board reviewed the cost claims filed by CCC (including the joint CCC/VECC and City of Kitchener claim for expert evidence), OAPPA, IGUA, Energy Probe, GEC, Pollution Probe, VECC, SEC, City of Timmins, APPRO, BOMA, WGSPG and LPMA and determined that the following adjustments were appropriate. The Board notes the request by VECC that costs for Mr. Buonaguro be compensated at the Tier 2 rate because VECC formed an expectation, based on past Board cost orders, that he would be compensated at that level. The Board will award costs at the Tier 2 level for Mr. Buonaguro for the time up until December 13, 2007. That is the date of the Board’s Decision and Order on Cost Awards in EB-2007-0063 which based the cost award on the correct application of the tariff (namely, compensating Mr. Buonaguro at the Tier 1 level). It is the Board’s conclusion that as of that date, VECC could no longer have an expectation that Mr. Buonaguro would be compensated at the Tier 2 level. The Board notes that the same approach is applicable to Mr. DeVellis, representing SEC, but no claim was made for time prior to December 13, 2007 and therefore no “grandfathering” applies.

The Board has made the consequential adjustments to the cost claims to incorporate the “grandfathering” treatment for the period up until December 13, 2007 and to apply the Tier 1 level for time between December 13, 2007 and February 1, 2008.

The following adjustments have been made:

- VECC: reductions reflecting the application of the appropriate tariff, including reductions to the period subsequent to December 13, 2007 to reflect the appropriate tariff for Mr. Buonaguro.
- SEC: reductions to the period subsequent to December 13, 2007 reflecting application of the appropriate tariff for Mr. DeVellis, and elimination of hours incurred after phase 2.
- IGUA: \$177.00 reduction in disbursements

With respect to the adjustments to the SEC claim for hours incurred after phase 2, SEC is not precluded from including these hours in its phase 3 claim for this proceeding.

Based upon its review Board finds that the aforementioned intervenors are eligible for 100% of their adjusted costs.

With respect to the apportionment of costs between Enbridge and Union, the Board is of the view that an equal split between Union and Enbridge is practical and reasonable.

THE BOARD THEREFORE ORDERS THAT:

1. Pursuant to section 20 of the *Ontario Energy Board Act, 1998*, Union and Enbridge shall immediately pay the costs of the eligible intervenors as indicated in Appendix A attached to this Decision and Order.

DATED at Toronto, July 29, 2008.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

(EB-2007-0606/0615 Cost Awards- Phase 2)

	(a) Total	(b) Union	(c) Enbridge
Consumers Council of Canada *	\$190,113.47	\$95,056.74	\$95,056.74
Industrial Gas Users Association**	\$147,849.88	\$73,924.94	\$73,924.94
Energy Probe Research Foundation	\$ 58,349.53	\$29,174.77	\$29,174.77
Association of Power Producers of Ontario	\$ 61,961.49	\$30,980.75	\$30,980.75
School Energy Coalition**	\$ 118,382.67	\$59,191.34	\$59,191.34
Vulnerable Energy Consumers Coalition**	\$ 85,969.84	\$42, 984.92	\$42, 984.92
Building Owners and Managers Association	\$ 28,957.50	\$14,478.75	\$14,478.75
London Property Management Association	\$ 38,004.35	\$19,002.18	\$19,002.18
Wholesale Gas Services Purchasers Group	\$ 6,756.75	\$3,378.38	\$3,378.38
Pollution Probe	\$21,898.33	\$10,949.17	\$10,949.17
Green Energy Coalition	\$30,632.21	\$15,316.11	\$15,316.11
City of Timmins	\$29,365.88	\$14,682.94	\$14,682.94
Ontario Association of Physical Plant Administrators	\$8,787.50	\$4,393.75	\$4,393.75
Total***	\$827,029.39	\$413,514.73	\$413,514.73

* includes cost for consultant retained on behalf of CCC, VECC and the City of Kitchener

** net of Board adjustments

***Note: may not add up due to rounding