

Theresa McClenaghan

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Sent: Wednesday, February 15, 2006 5:09 PM
Subject: RE: Next steps - IndEco, Malcolm Jackson and LIEN

Hi Mary,

Thank you for the detailed account of the decisions of the LIEN Steering Committee on interventions before the OEB over the next 6 months. Below is a list of all of the work that LIEN is currently involved with at the OEB and the next steps that IndEco will take.

In light of what LIEN would like to be done at the OEB over the next six months, IndEco is providing you with our best advice on the situation and how to proceed in order for LIEN to be able to proceed in the most efficient and effective manner.

As discussed earlier, it is our view that in order for LIEN to fulfill its mandate on low-income energy issues and to advocate effectively on behalf of low-income consumers, LIEN should be actively involved before the OEB. To be a credible intervenor before the Board, LIEN should participate in all proceedings directly relevant to LIEN's mission on an ongoing basis. It is unfortunate that LIEN has determined that it is unwilling to commit resources over the next 6 months to do this. We do understand that LIEN's involvement at the OEB is new, that LIEN faces resource constraints and that LIEN is trying to sort out its policies on rates and CDM.

As a result, IndEco suggests that the most efficient way to deal with matters before the Board, which LIEN has decided to participate in, regarding rates is to deal directly with Malcolm Jackson, LIEN's rate expert, who would represent LIEN. Since there are no CDM proceedings that LIEN intends to participate in over the next six months, there is no need for IndEco to represent LIEN during this time period (except as described below.) This approach will save on LIEN time and effort and should reduce cost award claims before the Board. I have discussed these matters with Malcolm and he looks forward to pursuing them with you.

Therefore, IndEco will do the following regarding each proceeding that LIEN is currently involved with:

1) EB-2005-0507 - Union Gas DSM Plan for 2006. IndEco represents LIEN in this proceeding. To date IndEco has reviewed the Union Gas evidence, filed with the OEB LIEN issues and interrogatories, questioned Union Gas staff at the Technical Conference (Feb10, 2006) and has been developing a joint position with Pollution Probe and Green Energy Coalition on a low-income program for Union Gas to table at the Settlement Conference on February 17, 2006. Judy Simon will attend the settlement conference and make a determination on the need to file argument with the Board and the need to present the oral argument on February 27th, 2006. If these steps are necessary, Judy will continue to work with Sheila Halladay, LIEN's counsel for this proceeding, on their delivery.

Action: 1) IndEco will represent LIEN for the duration of the proceeding.

2) IndEco will prepare the necessary filings for the cost award as required by the OEB.

3) IndEco will provide you with a file that includes a complete set of the filings on behalf of LIEN, and a summary of next expected stages on the file. We will advise you when a decision is issued, provide you with some comments on it, and provide a link to where it may be found. The decision will contain positions of the parties including LIEN's, and from reading the decision you will be able to tell what the Board did on any particular issue it decides upon.

(2) EB-2005-0317, RP-2003-0228, OEB Electricity Distribution Cost Allocation Review. Malcolm Jackson has

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been participating in this proceeding on LIEN's behalf for several months. The initial intervention in this proceeding was started by Julia McNally through her attendance at the first consultation meeting on July 20th. Since then Malcolm has participated in Technical Workshops in November and December. Most recently, on January 18th, Malcolm participated in discussion of certain specific rate design matters at the OEB. OEB Staff proposals to Board re cost allocation principles and methodologies are expected soon. Malcolm has begun work on the mandatory filing requirements

Action: 1) IndEco will turn over all future management of this proceeding to Malcolm Jackson. IndEco will no longer be representing LIEN in this proceeding. 2) Malcolm will advise IndEco when the file is completed so that we can provide him with the case management (Shona) and expert (Judy) time for preparation of the necessary affidavits and paper work for the OEB, which he will shepherd through the process.

(3) EB-2005-0551, OEB Generic Gas Storage and Related Matters. This is a follow up to the successful NGIER intervention led by Malcolm Jackson at the OEB. The Board has expressed its appreciation to Malcolm for his efforts in NGIER. The next steps in the proceeding are as follows:

Evidence of parties is to be filed by 2006-03-15; interrogatories to Union and Enbridge by 03-22, responses by 04-05; interrogatories re all other evidence by 03-29, responses by 04-12; reply evidence by 04-19; Settlement Conference 04-19 0900h re all issues other than refraining from price regulation of storage; settlement memo describing each issue settled, the evidentiary basis and reasons for settlement, by 05-03 1630h; presentation of settlement (orally) to the Board at 05-08 0930h, attended by all concerned (including their relevant experts/witnesses) and to be examined by counsel on the Board Support Team and by Board members (to the anticipated exclusion of others); then Board determination of settlement proposal; and oral hearing thereafter.

Action: 1) IndEco will turn over all future management of this proceeding to Malcolm Jackson. IndEco will no longer be representing LIEN in this proceeding. 2) Malcolm will advise IndEco when the file is completed so that we can provide him with the case management (Shona) and expert (Judy) time for preparation of the necessary affidavits and paper work for the OEB, which he will shepherd through the process.

(4) EB-2005-0520, Union Gas Rates for 2007.

Evidence has been arriving since late 2005. Notice of hearing issued 2006-02-03. LIEN Steering Committee has approved a shorter version of a letter of intervention to be used in this proceeding. Some expected this case to determine the basis of Union rates for next five years or more, especially re relative cost responsibilities and structure of rates. Delivery rates for 2007 (excluding gas prices) would increase \$38 to \$43 dollars (depending on geographic region served). LIEN intends to use this case as a test case for introducing its rate assistance policies and suggested programs. Roger Colton may be called as an expert witness. His final report may be filed.

Action: 1) IndEco will turn over all future management of this proceeding to Malcolm Jackson. IndEco will no longer be involved in this proceeding representing LIEN. 2) Malcolm will revise the letter of intervention to remove references to IndEco and replace them with himself and his company, and send it out subject to LIEN's approval. 3) Malcolm will advise IndEco when the file is completed so that we can provide him with the case management (Shona) and expert (Judy) time for preparation of the necessary affidavits and paper work for the OEB, which he will shepherd through the process.

IndEco would be pleased to discuss how it could assist ACTO in dealing with Roger Colton's report.

5) Brantford Power 2007 rates.

This proceeding is outside the 6 month proposed trial period for IndEco to represent LIEN. It is expected that Brantford Power will be required to file its 2007 rates case in August 2006, and its hearing will take place (oral or written, very likely oral if LIEN is bringing forward a rate assistance rate program), either in late fall or early winter 2007 (mostly likely the latter).

It is an excellent idea to get John Loucks on side in this initiative and we wish you well. I recommend that you ask Malcolm Jackson to be involved in this proceeding with LIEN.

On behalf of Shona, David and myself, thank you very much for the opportunity to represent LIEN on CDM and rate matters. We would be pleased to discuss any interest that LIEN may have in conservation matters before the OEB, after LIEN has consulted more broadly and determined what is strategic.

Judy

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You are invited to visit our website: <http://indec.com>
IndEco energy services: <http://indec.com/energy>
News updates on Kyoto Protocol: <http://indec.com/kyoto>

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2006-02-13 06:12 PM

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Subject RE: Union Gas 2007 Cost of Service Rates Application intervention letter

Hi Shona and Judy. We changed "over 40" to "over 50" at the beginning of the letter, but otherwise no edits. Attached please find the version we would like you to file with the Board. The letter looks much better shortened like this.

LIEN subcommittee members have met last week and this to review LIEN's strategy at the OEB. As you know, with respect to rates, we intend to seek intervention status to address rate assistance issues in this Union Gas 2007 rates application and in the Brantford 2007 application. (Mary Todorow will speak to John Loucks to give him the heads up that we are developing a proposal we will want him to support). Marion Fraser would like to meet with Mary Todorow and myself about the Ministry directive to the OEB for a generic hearing into low-income rate assistance which will hopefully be used as the basis for legislation.

Despite your advice to the contrary, we have decided not to seek to intervene in other OEB rates hearings, at least during our trial 6 month period. LIEN doesn't have further resources to monitor and responsibly instruct given our priority to focus on political strategies.

For similar reasons, we have also decided not to participate or intervene in new CDM hearings until we have had an opportunity to consult more broadly on what might be the most strategic.

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You will remember that we requested monthly reporting from IndEco. Perhaps even Shona could do this for us. We would like a one page report or less (the title to include the subject matter and EB#) on each of the OEB files with which LIEN is currently involved. In particular, we would like a summary of the history of the case, a summary of the positions we have taken and why those positions relate to our mandate, and a summary of next expected stages on the file, including when a decision might be expected. When a decision is issued, we would like a copy with your comments. Hopefully, this won't be too much work because once you have set up the reporting initially, you will only need to update it in subsequent months. Perhaps you might send this to Mary Todorow, Kathy, Theresa, Keith, Edward, Michelle and myself. They are copied here so perhaps you could keep these addresses as a group -- the LIEN subcommittee. Much appreciated.

I will review the MOU later this week and consult with you about amending the language to address our new relationship where you cannot expect to be opening many files over the next 6 months. We will also need to speak about Roger's rate assistance research and how IndEco might be retained to supplement it. I will bug him again later this week.

Thanks a lot, and please feel free to ask for clarification on anything. Truly, Mary Truemner