

September 6, 2006

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Sirs:

Re: Cost Award Eligibility - The Board's Review of the Ontario Power Authority's Integrated Power System Plan and Procurement Processes, RP-2006-0207

The Power Workers' Union (PWU) is requesting Ontario Energy Board ("Board") cost eligibility for its participation in the Board's Review of the Ontario Power Authority's Integrated Power System Plan and Procurement Processes, RP-2006-0207RP. Attached is the information requested in Appendix A to the Board's September 1, 2006 Notice on this consultation.

The PWU represents a large portion of the employees working in Ontario's electricity industry and has utmost interest in regulatory reviews that impact the provision of power system adequacy, reliability and safety to customers. Attached please find a list of PWU employers.

The PWU has registered for its participation in this consultation by way of a September 6, 2006 letter to the Board.

Yours very truly
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP


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RPS:jr

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List of PWU Employers

Atomic Energy of Canada Limited (Chalk River Laboratories)
Barrie Hydro
BPC District Energy Investments Limited Partnership
Brant County Power Incorporated
Brighton Beach Power Limited
Brookfield Power – Mississagi Operations Brookfield Power
Brookfield Power – Lake Superior Operations
Bruce Power Inc.
Corporation of the City of Dryden - Dryden Municipal Telephone
Corporation of the County of Brant
Electrical Safety Authority
EPCOR Calstock Power Plant
EPCOR Kapuskasing Power Plant
EPCOR Nipigon Power Plant
EPCOR Tunis Power Plant
Erie Thames Services Corporation
Goldman Hotels Inc. - Hockley Highlands Inn & Conference Centre
Great Lakes Power Limited
Grimsby Power Incorporated
Halton Hills Hydro Inc.
Hydro One Inc.
Independent Electricity System Operator
Inergi LP
Innisfil Hydro Distribution Systems Limited
Kenora Hydro Electric Corporation Ltd.
Kincardine Cable TV Ltd.
Kinectrics Inc.
Kitchener-Wilmot Hydro Inc.
London Hydro Incorporated
Middlesex Power Distribution Corporation
Milton Hydro Distribution Inc.
Mississagi Power Trust

New Horizon System Solutions
Newmarket Hydro Ltd.
Norfolk Power Distribution Inc.
Ontario Power Generation Inc.
Orangeville Hydro Limited
PUC Services Inc.
Sioux Lookout Hydro Inc.
Sodexo Canada Ltd.
TransAlta Energy Corporation - O.H.S.C. Ottawa
Vertex Customer Management (Canada) Limited
Whitby Hydro Energy Services Corporation

**Power Workers' Union Application for Cost Award Eligibility for
Participation in the Board's Review of the Ontario Power Authority's
Integrated Power System Plan and Procurement Processes,
RP-2006-0207**

By way of a letter dated September 6, 2006 the Power Worker's Union ("PWU") registered its participation in the Board's Review of the Ontario Power Authority's Integrated Power System Plan and Procurement Processes, RP2006-0207.

In its September 1, 2006 notice on this consultation the Board indicated that cost awards would be available for eligible persons in relation to their participation. The PWU is seeking cost award eligibility from the Board for its participation in this consultation and herein provides the information that addresses the Board's eligibility criteria as set out in Appendix A to the Board's September 1, 2006 notice.

Interest Represented and Instructions from Representation

The PWU represents a large majority of employees working in Ontario's electricity generation, transmission, distribution, market operations, research, and safety authority. We represent approximately 15,000 members in 40 different collective agreements with employers mostly in the electricity industry.

The PWU has a long history of active participation in both the policy development and regulatory oversight of the electricity industry in Ontario. This has included:

- Active participation in the OEB's regulatory reviews of Ontario Hydro;
- Active participation in all aspects of the development of Bill 35;
- Regular appearances before all legislative committees dealing with electricity matters in the province of Ontario;
- Appointment of a representative of the PWU to membership on the Electricity Transition Committee;
- Active participation in virtually every task force and consultative group organized by the OEB in relation to both its policy development and regulatory oversight of the electricity industry in Ontario, including the Transmission System Code, the Distribution System Code, both versions of the Electricity Distribution Rate Handbook, the Smart Metering initiative, the Distribution Cost Allocation consultation, the Electricity Distribution Service Quality Regulation Working Group, the Technical Advisory Team on Filing Requirements for Transmission Infrastructure Investment;
- Active participation in virtually every major formal hearing process undertaken by the OEB with respect to electricity rates in Ontario; and

- Active participation in OPA consultations with respect to: (i) the Standard Offer Program; (ii) Supply Mix Advice; (iii) Generation Procurement; and (iv) Role of LDCs in Conservation and Demand Management.

The PWU will be participating fully in the OPA's IPSP Stakeholder Engagement process and is on the OPA's list IPSP funded participants.

PWU members work in all facets of the electricity industry in Ontario. They have direct, hands-on experience with the workings of the Ontario electrical power industry, and interact with the public on behalf of the industry on a day-to-day basis. This is a unique perspective, not otherwise represented in this consultation.

In addition, PWU members will be directly impacted by whatever future direction the sector takes, as determined by the IPSP. Depending upon the choices that are embedded into the IPSP, some sectors and regions will expand, and others contract. Whatever choices are made, the implementation of those choices will have a direct and substantial impact on the working future and livelihood of PWU members. It is submitted that this is an important aspect of the public interest not otherwise represented in this proceeding.

The PWU is led by the Executive Officers consisting of a President and 3 Vice Presidents who are elected for four-year terms. The Executive officers are elected by the Chief Stewards who in turn are elected by elected Stewards who form an extensive network throughout the province. The Executive Board Members are responsible for setting the strategy for the PWU's future, for dealing with major issues that are important to the PWU members, their employers or the wider community. Instructions from PWU members therefore come through a democratic process and the interest represented includes those of the PWU members, energy industry participants as well as the public.

The PWU's Objective for the IPSP

The PWU's objective in participating in the Board's consultation on the OPA's IPSP and Procurement Processes is to provide input that contributes to the robustness of the review process implemented by the Board. The regulatory process by which the OPA IPSP's compliance with the IPSP Directives and Regulation and economic prudence and cost effectiveness is to be determined is key in ensuring the robustness of the review. A robust review process will result in a sustainable power system plan with minimal planning risk: a plan that ensures Ontario has adequate, reliable, safe and reasonably priced electricity supply. Such a plan is essential for the continued economic prosperity and social welfare of the people of Ontario and is consistent with the PWU's energy policy statement:

Reliable, secure, safe and reasonable priced electricity supply and service, supported by a financially viable industry, and a skilled labour force, is essential for the continued prosperity and social welfare of the people of Ontario. In minimizing environmental impact, due consideration

must be given to economic impacts, and the efficiency and sustainability of all energy sources and existing assets. A stable environment and predictable and fair regulatory framework will promote investment in technical innovation that results in efficiency gains.

The Eligibility Criteria

The PWU recognizes that it does not clearly fall within one of the enumerated categories of eligible parties pursuant to paragraph 3.03 of the OEB's Practice Direction on Cost Awards. On the other hand, the PWU does not fall into any of the enumerated categories of parties who are expressly not eligible for a cost award (or a funding award) pursuant to paragraph 3.05 of the OEB's Practice Direction on Cost Awards, or pursuant to the OPA's own IPSP Participant Funding document.

The PWU also notes that paragraph 3.04 of the OEB's Practice Direction on Cost Awards provides that "In making a determination whether a party is eligible or ineligible, the Board may also consider any other factor the Board considers to be relevant to the public interest". As a result, it is submitted that the Board retains a residual discretion to determine that an applicant is eligible for participant funding in any given case, depending upon the particular nature of the matter at issue and the characteristics of the particular applicant.

The OPA has eligibility criteria provided for in its IPSP Participation Funding document that mirrors that of the OEB and has accepted the PWU as an IPSP Stakeholder Engagement funded participants.

The PWU also notes that it was awarded funding by the OEB in relation to its participation in the OEB's Smart Meter Initiative (RP-2004-0196).

The PWU submits that the combination of its long and consistent record as an active, responsible contributor in a wide variety of electricity market proceedings, together with the clear and direct impact of the IPSP upon its members justify an award of participant funding to it for the Board's review of the OPA's IPSP and Procurement Processes. As a result, the PWU respectfully requests that the Board determine that the PWU is eligible for cost awards for its participation in this consultation.

Coordinating and Joining with Others

In our view, the PWU is unique in its representation and has generally not been able to identify stakeholders with whom it can join efforts for a combined intervention and shared costs without compromising our objective for participating. While this consultation does not contemplate any processes beyond the provision of a written submission on Board staff's Discussion Paper at this point in time, should the consultation process expand, the PWU would pursue any opportunities of cooperating with other parties as it has done in the past in e.g. calling expert evidence, as the occasion might arise.

Other Sources of Funding

The PWU wishes to participate fully and actively in the Board's consultation on the OPA's IPSP and Procurement Processes. Should the Board's funding fall short of the PWU's actual cost of participation, the PWU will make up the shortfall from its general funds received through membership dues. With the number of regulatory and policy-making processes related to the electricity sector currently underway or recently completed, and given the cost of participation in these processes, the PWU's funds for involvement in regulatory matters is strained and participant funding cost award eligibility will provide relief.

Expert Consultant and Counsel to PWU

The PWU has retained Fred Hassan as expert consultant and Richard Stephenson as counsel in its participation in this consultation. Their credentials are provided here.

Fred Hassan, Senior Consultant, Elenchus Research Associates:

Mr. Hassan has extensive experience in North American natural gas and power markets gained over a 25-year career. He has provided consulting services to gas suppliers, power generators, LDCs, storage companies, regulators and financial services companies. He has testified before the National Energy Board and the Ontario Energy Board on numerous occasions.

Richard Stephenson, Counsel, Paliare Roland:

Richard Stephenson is one of the founding partners of Paliare Roland Rosenberg Rothstein LLP. He was called to the Bar of Ontario in 1988.

He has more than 12 years experience in the field of electricity regulation in Ontario. He has served as counsel for both electricity LDC's and intervenors before the OEB in dozens of different proceedings, involving both rate setting and Code development. He has also acted as counsel for the OEB in proceedings before the Divisional Court and the Ontario Court of Appeal.