

LDC COST ALLOCATION REVIEW

REQUEST FOR FUNDING AND APPLICATION FOR

REPRESENTATION ON THE TECHNICAL ADVISORY TEAM

OF THE

SCHOOL ENERGY COALITION

1. The School Energy Coalition seeks to participate in the Ontario Energy Board's review of the cost allocation in the electricity distribution sector, as described in the Board's letter of June 24, 2005. As directed in the letter, the School Energy Coalition hereby applies for stakeholder funding and to be a participant on the Technical Advisory Team the Board intends to establish.

General Interest of the Intervenor

2. The School Energy Coalition is a coalition established to represent the interests of all Ontario publicly-funded schools in matters relating to energy regulation, policy, and management. It is made up all seven of the major school-related organizations, representing all of the school boards, and all levels of school management, and through them representing the approximately 5000 schools and about 2 million students in Ontario. The primary goal of these organizations is to promote and enhance public education for the benefit of all students and citizens of Ontario.
3. The intervenor's members have a significant interest in the activities of regulated electricity utilities in the province, and on the impacts cost allocation and rate design have on the rates schools pay, due to the severe financial implications those activities have on school boards, their students and the people of the province of Ontario. Furthermore, as schools operate within each and every distribution franchise in the province, differences in rates across distributors for the same customer class leads to large differences in the rates paid for similar schools in different distributors franchises – sometimes even within one school board.
4. Utility costs are one of the most significant cost pressures facing school boards. The cost of utilities to the intervenor's members, of which electricity and natural gas are the major components, is currently in excess of \$360 million, and has increased rapidly over the last five years. To produce balanced budgets in the face of ever increasing utility costs, school boards have repeatedly been forced to cut essential programs and services to the detriment of the students and the public of the province of Ontario.

The School Energy Coalition's Participation

5. The School Energy Coalition intends to participate actively in all aspects of the review process, as described in the Board's June 24th letter.
6. The School Energy Coalition also requests representation on the Technical Advisory Team providing input to Board staff. The School Energy Coalition nominates Darryl Seal, its energy markets consultant, as a member of the team. Mr. Seal has been involved in Ontario's energy sector since 1989, in both the natural gas and electricity sectors. As chief economist at Enbridge, Mr. Seal was involved in all aspects of regulation for the utility. Since 2003, Mr. Seal has represented the School Energy Coalition's interests in gas and electric utility rate and policy proceedings, including reviewing cost allocation and rate design issues in numerous rate cases. Mr. Seal's CV is attached.

Counsel/Representative

7. The School Energy Coalition requests that a copy of all documents filed with the Board by each party to this proceeding be served on the Applicant, and on the Applicant's counsel and consultant/case manager as follows:

- (a) School Energy Coalition:

ONTARIO EDUCATION SERVICES CORPORATION
c/o Ontario Public School Boards' Association
439 University Avenue, 18th Floor
Toronto, Ontario M5G 1Y8

Attn: Brian Cain, Co-ordinator
Phone: 416 340-2540
Fax: 416 340-7571
Email: bcain@opsba.org

- (b) School Energy Coalition's counsel:

SHIBLEY RIGHTON LLP
Barristers and Solicitors
250 University Avenue, Suite 700
Toronto, Ontario, M5H 3E5

Attn: Jay Shepherd
Phone: 416 214-5224
Fax: 416 214-5424
Email: jay.shepherd@shibleyrighton.com

- c) School Energy Coalition's consultant/case manager

INSTITUTIONAL ENERGY ANALYSIS, INC.
250 University Avenue, Suite 700
Toronto, Ontario, M5H 3E5

Attn: Darryl Seal, Principal Consultant
Phone: 416 214-5218
Fax: 416 214-5418
Email: darryl.seal@ieai.ca

Costs

8. The School Energy Coalition intends to apply for recovery of its costs reasonably incurred in the course of its intervention in this proceeding and meets the criteria for cost awards of the Board's Practice Direction on Cost Awards. It has received funding in past for numerous rates filings and other Board proceedings.
9. The School Energy Coalition already incurs costs in its participation in energy sector interventions for a) staff time and resources; b) volunteer time of members of its Technical Advisory Committee; and c) covering the difference in hourly rates between OEB costs levels and market rates. These amounts are substantial, expected to total \$200,000 in 2005, and no further budget for these activities is possible. As a result, as is the case in rate case interventions, intervention on behalf of the schools is entirely dependant on obtaining funding.
10. Therefore, the School Energy Coalition requests recovery of its full reasonably incurred costs, as outlined in the Board's June 24th letter, in the course of its participation in this process.
11. Respectfully submitted on behalf of the School Energy Coalition this 11th day of July, 2005.

SHIBLEY RIGHTON LLP

Per: _____


Jay Shepherd

DARRYL J. SEAL

305 Milverton Blvd, Toronto, ON, M4J 1V8 416-389-7325 Email: dnlseal@yahoo.com

PROFESSIONAL EXPERIENCE

INSTITUTIONAL ENERGY ANALYSIS INC

2003-Present

Consulting to Ontario Public School Boards Association

Principal Consultant

- Providing advice and analysis on regulatory and energy issues to provincial school board association.
- Intervening in rate applications on behalf of schools.

DJS CONSULTING

2003

Consultant

- Advised client on performance based ratemaking plan for provincially regulated gas utility.
- Provided analysis of weather normalization methodology.

ALGORITHMICS INC.

2001-2002

Global financial risk management software company serving more than 140 of the world's largest financial institutions.

Product Manager

Responsible for planning, marketing and client contact for software which generates large scenario sets on financial risk factors for portfolio risk evaluation.

- Enhanced usability of application by implementing data-viewing functionality into product ensuring reduced client support.
- Worked with clients to ensure functionality required for their needs was successfully developed and implemented according to internal and client schedules.
- Improved software release cycle through better coordination with related products and other product managers.

ONTARIO INDEPENDENT MARKET OPERATOR

1999-2001

Ontario's electricity market operator responsible for managing the provinces transmission system and operating the wholesale market for power.

Consulting Economist

Provided consulting advice in the areas of demand forecasting and compliance.

- Established and implemented current forecasting process for new electricity market administrator company by drafting procedures, acquiring forecasting software and recommending staffing for the permanent position. Prepared forecast for initial report.
- Managed \$100K software acquisition project for system reliability/adequacy studies. Drafted Request for Proposal, managed vendor review and selection process team of IMO staff and facilitated software procurement and training.
- Drafted formal procedures and processes to clarify and define internal processes.
- Reviewed Market Rules for forecasting and compliance and recommended changes where necessary that improved participant understanding and company obligations.

ENBRIDGE CONSUMERS GAS**1989-1999**

Canada's largest natural gas distribution company serving over 1 million customers in Ontario.

Manager, Economic Studies Department (1996-1999)

Directed and oversaw all projects of a staff of 7 professional economists, as well as department staffing, marketing, budgeting and planning.

- Prepared formal evidence on economic conditions and gas demand and successfully defended in rate case hearings.
- Key member of team which produced the first Performance Based Regulatory model in Ontario, resulting in reduced regulatory costs. Developed formal evidence, interrogatory responses and successfully testified in front of regulatory tribunal.
- Presented department forecasts and analyses to Company management, external audiences, and regulatory bodies, providing key information for budgeting, planning and marketing purposes.
- Sponsored department intranet site to market department's services internally and to deliver analyses efficiently.
- Rationalized department products and implemented internal "consulting" process to ensure clients received focused, relevant information.
- Coordinated team (senior managers, VP's) developing corporate Balanced Scorecard for use as company corporate measurement tool. Chaired meetings, developed timelines and milestones for deliverables, and prepared presentations.
- Designated as key communication and information contact between VP and business unit staff during corporate restructuring. Provided managers with updates on process and managed orderly and timely delivery of confidential information to HR.
- Chaired internal cross-functional teams developing forecasts of demand and prices for planning purposes and delivered completed reports to company management.
- Coordinated business planning for department and corporate business unit ensuring plans were measurable and aligned with corporate objectives.
- Managed and coordinated preparation of regulatory evidence with external consultants. Drafted evidence and participated in Alternate Dispute Resolution meetings.

Supervisor, Economics (1994-1996)

Prepared and presented analyses and forecasts and provided expertise in economics and gas demand to other departments and Company management.

- Supervised and mentored junior staff. Conducted annual performance reviews.
- Managed departmental databases and data feeds to maximize efficiency and minimized costs.

Senior Economic Analyst (1992-1994)**Economic Analyst (1989-1992)**

- Designed and built statistical models for product demand and macro-economic analysis and forecasts.
- Co-authored and presented paper to international energy conference.

ONTARIO MINISTRY OF TREASURY AND ECONOMICS**1988****Junior Economist - Sectoral Policy Branch**

- Performed economic analysis and statistical research on economic issues.

UNIVERSITY OF WATERLOO**1988-1989****Teaching Assistant - Department of Economics**

EDUCATION/PROFESSIONAL DEVELOPMENT

- Master of Arts, Economics, University of Waterloo, 1989
- Bachelor of Arts (Honours), Economics, Queen's University, Kingston, 1987
- Canadian Securities Course Certificate, Canadian Securities Institute, 1992
- Seminars on: Business Effectiveness, Consulting, Coaching & Empowerment, Interviewing

TECHNICAL/SOFTWARE KNOWLEDGE

Windows – Excel, Word, PowerPoint, Framemaker, MS Project
Econometrics/Statistical - SAS, EViews, TSP
Programming - SAS, HTML, Unix

PROFESSIONAL ASSOCIATIONS / MEMBERSHIPS

- Chair, Canadian Gas Association Economics and Statistics Committee, 1997-1998
- National industry committee responsible for energy market statistics and economic research
- Chair, Board of Directors, Consumers' Gas Employees Credit Union, 1996-1999
- Directed and executed process to successfully amalgamate credit union with another credit union to improve product and service offerings
- Member, Toronto Association for Business Economics, 1989-Present