

New Brunswick Energy & Utilities Board

IN THE MATTER OF a hearing to Review the New Brunswick System  
Operator's (NBSO) 2009-10 Revenue Requirement

held at the Energy and Utilities Board, Saint John, N.B. on  
January 6th 2009.

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New Brunswick Energy & Utilities Board

IN THE MATTER OF a hearing to Review the New Brunswick System Operator's (NBSO) 2009-10 Revenue Requirement

held at the Energy and Utilities Board, Saint John, N.B. on January 6th 2009.

BEFORE: Raymond Gorman, Q.C. - Chairman  
Cyril Johnston - Vice-Chairman  
Constance Morrison - Member  
Steve Toner - Member

NB Energy and Utilities Board - Counsel - Ms. Ellen Desmond  
- Staff - Doug Goss  
- John Lawton  
- David Young

Secretary of the Board - Ms. Lorraine Légère

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CHAIRMAN: Well, good morning. And I guess a Happy New Year to every one. This is a pre-hearing conference of the New Brunswick Energy and Utilities Board. And because we have no application before us at the present time, I am just going to give a little bit of background to sort of put this in context.

In a decision dated November 26th 2008, the Board approved a methodology for establishing Schedule 1 and Schedule 2 rates for the NBSO, which eliminated the use of fixed rates and allowed the NBSO to recover one-twelfth of the approved annual revenue requirement each month.

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The actual revenue requirement must be approved by the Board each year after a public review process.

The Board stated in the decision that the annual approval would be by way of a full hearing process that is both open and transparent.

The purpose of today's pre-hearing conference is to establish that process for the 2009-2010 Revenue Requirement. Once a process is established, the Board will conduct a review to approve the amount of the revenue requirement for each of the Schedule 1 and Schedule 2 services for the 2009-2010 year.

The Panel for today's pre-hearing conference of the Energy and Utilities Board is comprised of Connie Morrison, Steve Toner, Cyril Johnston and myself, Raymond Gorman.

At this time, I will take the appearances. I was going to say starting with the Applicant, but I guess at this point we don't really have an Applicant. So starting with the New Brunswick System Operator.

MR. ROHERTY: Thank you. Good morning, Mr. Chair and Board Members. Kevin Roherty for New Brunswick System Operator.

With me this morning are Lynne West, Norm Seely and Margaret Tracy.

CHAIRMAN: Thank you, Mr. Roherty. And the registered

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parties, Hydro Quebec? Yes. And who is appearing for Hydro-Quebec? Do you just want to just speak into one of the microphones so we can get this recorded? Thank you.

MS. COSSETTE: H el ene Cossette.

CHAIRMAN: Thank you, Ms. Cossette. Integrys Energy Services?

MR. MACDOUGALL: Good morning, Mr. Chair. David MacDougall for Integrys Energy Services. And I am joined today by Mr. Ed Howard.

CHAIRMAN: Thank you, Mr. MacDougall. NB Power Holding Corporation?

MR. FUREY: Good morning, Mr. Chairman. John Furey. And I have with me this morning, Blair Kennedy and Nicole Poirier.

CHAIRMAN: Thank you, Mr. Furey. Are you also appearing on behalf of New Brunswick Power DISCO Corporation today?

MR. FUREY: That's correct, Mr. Chairman.

CHAIRMAN: And are you also appearing on behalf of NB Power Genco Corporation?

MR. FUREY: Yes.

CHAIRMAN: Thank you. The Public Intervenor?

MR. THERIAULT: Good morning, Mr. Chairman. Daniel Theriault. I am joined this morning by Robert O'Rourke.

CHAIRMAN: Thank you, Mr. Theriault. New Brunswick Energy

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and Utilities Board?

MS. DESMOND: Ellen Desmond, Mr. Chair. And from Board Staff, Douglas Goss, John Lawton and David Young.

CHAIRMAN: Thank you, Ms. Desmond. Is there anybody present here today whose name I did not call?

So as I understand it, the matters to be dealt with today would include the sufficiency of the information that the System Operator is required to file. And minimum filing requirements essentially were set out in the November 26th decision.

Secondly, the process to be followed, i.e. the need for IRs, the filing of evidence by Intervenors, et cetera. And thirdly a time table leading up to the hearing of this matter.

Board Staff have prepared a possible process and time table to be followed with respect to this matter. And I understand that that document has been distributed to those present at today's hearing. The time table and the process I think were developed along the lines of those processes typically followed in EUB proceedings, but they are a poor subject to changes based on any representations that would be made at today's pre-hearing.

Has everybody received a copy of that Board Staff document? Well perhaps I will just start with you, Mr.

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Roherty, and go through with the various parties as to each of the times that I have mentioned, and if you believe that there is anything else that needs to be added to the matters to be determined this morning, please let me know?

So with respect to the -- I guess the matters that I have set forth, for really the sufficiency of the information that the SO is required to file, in other words, that would include those matters set out, I believe it is at page 10 of the Board decision, the process to be followed and the time table -- and I believe the process and the time table in terms of a reference document, if you use the Board's proposed schedule as your reference point, I think that perhaps I will just ask for your view on those matters.

MR. ROHERTY: Thank you, Mr. Chair. With respect to the items on page 10, the NBSO is fully prepared to provide the information directed by the Board. And we would intend to provide explanations for each of the variances and provide those schedules along with some text I guess to support the explanation for those variances. So we have no difficulty at all with the information that the Board has indicated would be appropriate for the hearing.

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CHAIRMAN: Yes.

MR. ROHERTY: As to the proposed schedule, similarly we believe that that schedule can work for purposes of this year's hearing.

In future years, there may be a little bit more time because we were a little bit constrained this year being the first year. But certainly this process as outlined is acceptable to the System Operator.

CHAIRMAN: And the dates that are in the proposed schedule to they work for the New Brunswick System Operator?

MR. ROHERTY: Yes, they do, Mr. Chair.

CHAIRMAN: Anything else then you want to add in terms of today's hearing at least at this stage?

MR. ROHERTY: At this stage, no, sir.

CHAIRMAN: Thank you. Ms. Cossette, do you have any comments on the process or the schedule or the sufficiency of the information --

MS. COSSETTE: No, I don't have any comments on that.

CHAIRMAN: Thank you. Mr. MacDougall?

MR. MACDOUGALL: Yes, Mr. Chair. The only comment we would have is there seems to be a fairly tight timeline from February 10 to February 12 in the schedule where the responses are provided by the NBSO and the parties have only a single day to notify of a Motions Day. So that

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would mean that one would have review all of the responses and reply within one day. And then the Motions Day would be the very next day. We would suggest maybe that the dates for Board Motions Day -- notify Board re MOTions Day and Motions Day, may be just shifted by a day so that it would be Thursday, February 11th and Friday, February 13th, not purposely wanting to land on a Friday the 13th.

I know the Board may have scheduling issues, but our only concern there is that that's very, very tight time frame and there may be other things that parties who need to review stuff aren't available within 24 hours --

CHAIRMAN: So essentially what you are suggesting would be the notification would remain Wednesday, February 11th. Simply that the Motions Day if necessary would not be on the 12th. . It would be on the 13th.

MR. MACDOUGALL: That, or you could just shift each by one day, so the notice could be on the Thursday, with the Motions Day by the Friday. Either would work for us.

CHAIRMAN: All right. I guess we will hear other comments.

With respect to the rest of the dates and process, do you have any comments?

MR. MACDOUGALL: No, we are fine with the rest of that, Mr. Chair.

CHAIRMAN: And with respect to the documentation to be filed



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in the initial application, you are fine with that as well?

MR. MACDOUGALL: For the initial application, we think that is fine, Mr. Chair. And then we will maybe see how that works out and what that information shows us if there is any requirements in the future to change things, I think we have learned from the first application.

CHAIRMAN: Thank you, Mr. MacDougall. Mr. Furey?

MR. FUREY: Thank you, Mr. Chairman. Other than the concern raised by Mr. MacDougall on behalf of Integry's, NB Power group of companies has no additional concerns.

CHAIRMAN: Thank you. Mr. Theriault?

MR. THERIAULT: I would agree. The concern raised by Mr. MacDougall by putting it -- complies with the Board schedule, and I would suggest perhaps that be done just to give a little more time frame. Other than that, I have no problem with the process or the schedule.

CHAIRMAN: Ms. Desmond?

MS. DESMOND: No other comments, Mr. Chair, from Board Staff.

CHAIRMAN: Just give me a moment there and I am going to have a look at the Board's schedule.

MR. THERIAULT: Mr. Chairman, I hate to bring this up, but I just checked my schedule. The Motions Day, I am -- if it

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2 were to be the 13th, as proposed by Mr. MacDougall, I am  
3 in the Court of Appeal on that day. So that might be  
4 pretty hard to change. Would it be possible to move it --  
5 I suggest that -- no, I guess it wouldn't be, sorry.

6 CHAIRMAN: Just give us one moment there, please. It would  
7 appear to me that we have virtually everything clarified  
8 unless somebody is going to raise some other issue with  
9 the exception of the date for Motions Day. If that's the  
10 case, I think the Board will adjourn and perhaps allow  
11 Staff and the various parties to try and work it out. You  
12 know, I mean we can -- I can I guess throw some  
13 suggestions from here, but it may be more productive if we  
14 take a short adjournment.

15 So we will adjourn to allow --

16 MR. ROHERTY: Mr. Chair, just a brief conversation with  
17 Board Staff, we talked about perhaps the IRs to the NBSO,  
18 if that was moved to Monday --

19 CHAIRMAN: Yes.

20 MR. ROHERTY: -- and then the Responses to Monday, could --

21 CHAIRMAN: And then stay with the Motions Day on the 12th?

22 MR. ROHERTY: If we --

23 CHAIRMAN: What you are saying is put the IRs and the  
24 Responses, push them both back by one day?

25 MR. ROHERTY: Right.

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2 CHAIRMAN: So we would have Monday, February 2nd --

3 MR. ROHERTY: Yes.

4 CHAIRMAN: -- for the IRs. So Responses by NBSO would be  
5 Monday, February 9th.

6 MR. ROHERTY: That's correct.

7 CHAIRMAN: And then --

8 MR. ROHERTY: There is two days for folks to look at the  
9 responses and determine if they think they need a Motions  
10 Day.

11 CHAIRMAN: Does that work for parties?

12 MR. MACDOUGALL: Mr. Chair, if that were to be the case,  
13 could the SO file on Monday, January 26th, just move that  
14 by a day as well?

15 MR. ROHERTY: We could do Tuesday, we could do Monday, Mr.  
16 Chair.

17 CHAIRMAN: So I think you are working the weekend one way or  
18 the other. So you would file on Monday, January 26th. Make  
19 sure I have the dates correctly. NBSO files evidence and  
20 application, Monday, January 26th. IRs to NBSO would be  
21 Monday, February 2nd. Responses by NBSO would be Monday,  
22 February 9th. Notify Board re Motions Day, would that  
23 remain as Wednesday or would that become Tuesday?

24 MR. ROHERTY: That's fine.

25 CHAIRMAN: That would remain Wednesday, February 11th.

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Motions Day, if necessary, Thursday, February 12th.  
Additional information, if necessary, Tuesday, February  
17th. Intervenor evidence, Tuesday, February 24th. IRs to  
Intervenors, Friday, February 27th. Responses by  
Intervenors, Thursday, March 12th. And the hearing would  
commence on Monday, March 16th.

MR. ROHERTY: That's fine with the SO, Mr. Chair.

CHAIRMAN: Does that work for everybody?

MR. THERIAULT: Yes.

MR. FUREY: Yes.

MR. MACDOUGALL: Yes.

CHAIRMAN: Anybody objects, now is the time. And perhaps  
sometime once the evidence has been filed and the IRs have  
been asked and answered, the parties could confirm and  
advise the Board as to the length of time that you would  
estimate would be it for the hearing? In other words,  
could this be done in one day or will it take more? We  
simply just like to know for planning purposes. All  
right. Well it sounds like the proposed schedule and the  
process is agreed upon, the initial filing material has  
been agreed upon.

So are there any other issues to deal with today? Those  
are the issues that the Board had, but do any of the other  
parties have anything at all?

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MR. ROHERTY: Is the Board's intention to hold the hearing hear or is that dependent I guess on where we -- how things proceed?

CHAIRMAN: Well, we seem a little tight here this morning. And so chances are we would probably go to some offsite premises. It's a little tight here. Sometimes at the pre-hearing, we have more than at the hearing, but sometimes it goes the other way.

MR. ROHERTY: Just one other point, Mr. Chair. Simultaneous translation, is a question I would just be interested in polling the parties as to what their views are on that. We, of course, reserve the right to have simultaneous translation for the hearing. I just would be curious to what the views of the parties are on that?

CHAIRMAN: Well, I think that in the past, certainly any of the hearings that we have conducted with respect to applications by the System Operator, I believe have had the simultaneous translation.

MR. ROHERTY: That's correct.

CHAIRMAN: And quite frankly I think it is appropriate. So rather than poll the parties, the Board will require that there be simultaneous translation.

MR. ROHERTY: Thank you, Mr. Chair.

CHAIRMAN: Any other issues? Well this pre-hearing

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conference then is adjourned. Thank you.  
(Adjourned)

Certified to be a true transcript  
of the proceedings of this hearing,  
as recorded by me, to the best  
of my ability.

Reporter