

DÉPOSÉE EN AUDIENCE

LE 09-06-98

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

RÉGIE DE L'ÉNERGIE

Hydro-Québec

No.: R-3398-98

et.

Proposante

GREFFE

REGROUPEMENT NATIONAL DES
CONSEILS RÉGIONAUX DE
L'ENVIRONNEMENT DU QUÉBEC
« RNCREQ »

Dist. à: PT AM LL AF PD GP
NK RC CD LP VD MV
le: 98-06-10 par: AmP Doc

Intervenante

AFFIDAVIT

I, Peter Bradford, do depose and say :

1) One of the obligations taken on by a monopoly utility in exchange for its exclusive franchise is to provide all necessary information for effective regulation of its prices and terms of service. The regulatory laws with which I am familiar grant broad powers to regulators to require the disclosure of information. These powers are used to assure that the regulator and the intervenors have prompt access to all necessary information.

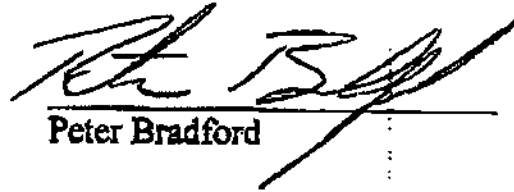
2) The quality of the information flow is the lifeblood of effective regulation. Sound decisionmaking requires that all parties have the basic information that they need at early stages, so that the last days of hearing and argument can be devoted to careful examination of serious differences and assessment of alternative courses of action. Although this case has reached the end of the cross-examination of the utility's panel, almost none of the documents requested by intervenors have been provided. Consequently, considerable uncertainty remains even as to what is being proposed. It is vital that the Regie ensure that all documents with possible relevance to these proceedings be produced, not only to add a measure of clarity to this proceeding but to ensure that future cases avoid such difficulties so late in the process.

3) In most regulatory systems that have had a chance to establish reporting requirements, considerable information takes the form of periodic reports to which

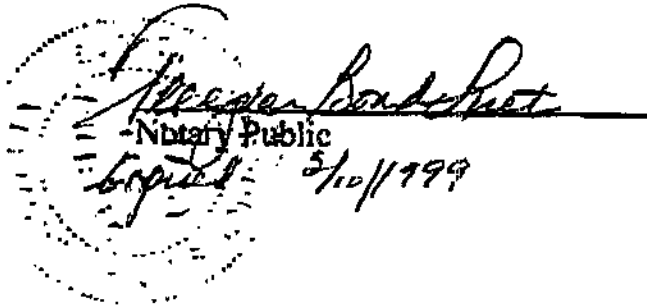
the general public has full access. In addition, pre-filing requirements specify the data and the analysis that must accompany the filing of a proposal. As a result, much of the information currently being sought in this proceeding would have been available from the outset. Such regulatory systems normally provide a process for the early resolution of disputes over information, to avoid a situation where the parties are still arguing about initial information requests in the last weeks of the hearing.

- 4) The entity that controls the information may well control the outcome. The Regie should make clear that it, not Hydro-Quebec, will decide what information is pertinent, and that the presumption is that requested information will be produced. Most objections on grounds of relevance should occur when the material is offered for inclusion in the record, not when it is first requested.
- 5) Hydro-Québec's allegation that compelling it to provide information will create a mountainous record cannot be taken seriously. In most major regulatory proceedings, thousands of pages of information routinely change hands during the discovery phase. These may be very useful to the parties in preparing their interventions, but very few of these documents are actually offered for inclusion in the record. Any objections concerning relevance or other matters can be made at that time, allowing the Regie through its rulings to protect the record. If the Regie were to allow Hydro-Québec to withhold documents based on the argument that their production would be too burdensome, without other parties even seeing them, it would cede control over the regulatory process to Hydro-Quebec.
- 6) The precedent that the Regie sets is crucial to the integrity of its processes. If the Regie allows Hydro-Québec alone to determine the information that it will provide (or if it places on parties the burden to demonstrate the relevance of documents that they have not yet read or to describe with particularity documents as to whose existence they have only general knowledge) then the parties will be far less useful to the Regie in developing and justifying alternatives to utility proposals.

AND I HAVE SIGNED:


Peter Bradford

SOLEMNLY AFFIRMED at Peru,
Vermont, U.S.A. this 9th day of
June, 1998.


Notary Public
5/10/1999

**CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL**

RÉGIE DE L'ÉNERGIE

No.: R-3516-03

**REGROUPEMENT NATIONAL DES
CONSEILS RÉGIONAUX DE
L'ENVIRONNEMENT DU QUÉBEC
« RNCREQ »**

Réquerante

AFFIDAVIT

I, Philip Raphals, do depose and say :


1. I am Associate Director of the Helios Centre, located at 326 St. Joseph Blvd. East, Montréal, Québec, H2T 2Y1.
2. In January 2003, I accepted a mandate from the RNCREQ to prepare an expert report to be submitted as part of its evidence in R-3473-01.
3. To carry out this mandate, I sought, with the approval of the RNCREQ, the assistance of Mr. Timothy Woolf of Synapse Energy Economics, Inc., based in Cambridge, Massachusetts, a leading expert in energy efficiency program design.
4. In my preliminary discussions with the RNCREQ team, it was agreed that the most convincing evidence would include concrete proposals for new energy efficiency programs that would result in substantially greater energy savings than those proposed by the Distributor.
5. However, after reviewing the Distributor's initial evidence and its responses to information requests, we realized that it would not be possible to propose specific programs, given the lack of detailed information concerning the cost and energy savings for specific measures. Instead, we were obliged to limit ourselves to a critique of Hydro-Québec's proposed plan.
6. Specifically, we addressed the accuracy of avoided costs used to define cost-effectiveness, the estimate of the technico-economic potential, the design of the proposed energy efficiency programs for the residential sector and the budgets and rate impacts of the proposed program as a whole.

7. We concluded that the proposed Plan had significant flaws that would undermine its success, and we recommended that HQD be required to file a revised plan that would address the concerns we raised.
8. We filed our expert report on February 5, 2003, and presented it in the hearing held on March 25.
9. On the evening of March 24, 2003, I received a copy of HQD-7, Engagement 1a (en liasse). I was not able to give it more than a cursory examination until after our presentation on the 25th.
10. Upon closer examination, it became clear that these documents contain precisely the type of information that would be needed to examine the costs and energy savings benefits of a wide variety of energy efficiency programs.
11. However, the document contained many ambiguities requiring clarification, as I explained to my client and his counsel on the evening of March 26. Furthermore, because of the way the information is presented, it would be very laborious attempt to work with it in its present form. It would be necessary either to retype the information into a spreadsheet, or to obtain an Excel version from the author, M. Parent.
12. In other North American jurisdictions, such information is normally made available to participants at the beginning of the process leading to the adoption of an energy efficiency plan. Recent examples include Arkansas, California, Colorado, Georgia, Idaho, Massachusetts, Montana, Nevada, New York, Oregon, Rhode Island, Utah, Vermont and Washington.
13. Had this document been made available to us at the beginning of this proceeding, we would have first sought the necessary clarifications, as well as a more useable version of the document. We would then have proceeded to:
 - a. Combine the related entries into relevant subtotals (e.g. "basement insulation", regrouping the 58 entries dispersed throughout the table for insulation in the various regions and sub-types of housing), calculating the weighted average cost per measure,
 - b. Examined in detail the measures with the greatest potential,
 - c. Built programs which would reach the greatest possible potential, taking into account the cost and cost-effectiveness of each, and
 - d. Evaluate the cost effectiveness and potential rate impacts of each program.
14. Following the hearing of March 27, M. Parent invited me to contact him directly to obtain clarifications.

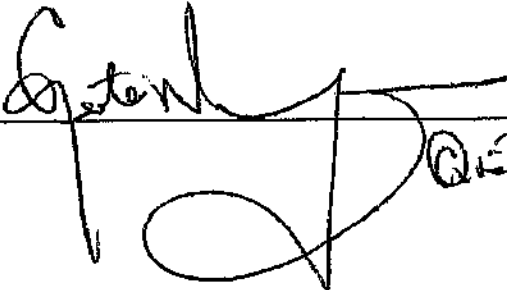
15. After consulting with Mr. Woolf, I advised the RNCREQ that this work would require an effort at least as great as that required to produce our written report filed on February 5.

16. Mr. Woolf provided me with some of the information mentioned in this affidavit. He has read it, and has indicated to me that he is in agreement with its substance.

Signed in Montreal on September 15, 2003


Philip Raphals

Solemnly affirmed before me in Montreal on September 15, 2003


Q.C. Bar #248090-5