

ELENCHUS RESEARCH ASSOCIATES

Robert A. Cappadocia

Robert (Bob) Cappadocia has over 25 years energy industry/regulatory experience and 17 years senior management experience in a regulatory agency setting. Throughout his career, Bob has been involved in the theory and practice of regulation and has actively participated in regulatory hearings and reform initiatives in the natural gas and electricity sectors of the economy. Before joining ERA, Bob held a number of senior management positions at the Ontario Energy Board (OEB). As Director of Regulatory Affairs, Bob managed all of the OEB regulatory staff team's functions in support of the Board's delivery of its expanded mandate arising from the introduction of the Energy Competition Act, 1998 (ECA, 1998). This work involved significant issues management, extensive industry stakeholder relations and the provision of policy advice to the government in support of the development of legislation, and led to the successful delivery of the Board's developmental activities and regulatory constructs.

As OEB Director of Corporate Services, Bob made significant contributions to the establishment of the OEB's new governance model in 2004 and led the organizational restructuring and resourcing of the Ontario Energy Board in 1997 and 1998 in readiness for its expanded mandate.

Bob has in-depth knowledge of regulatory principles, practices and processes associated with all aspects of public utility regulation (revenue requirements, cost allocation and rate design), and the natural gas and electricity markets gained through his extensive work experience at the Ontario Energy Board, National Energy Board, and Enbridge Consumers Gas. He also has extensive experience in management, project/case management, human resources, and energy policy development.

Since joining ERA, Bob has continued to stay engaged in the Ontario regulatory sector. His clients include regulators and regulated companies. In this regard, Bob has undertaken several assignments involving a wide variety of energy related subject matter and initiatives, including: corporate governance, benchmarking analysis, leading practice/best practice research, regulatory/case management support and development of regulatory and energy policy development. Most recently Bob managed two extensive intervenor consultation processes for an Ontario gas utility.

EXPERIENCE

Elenchus Research Associates

Senior Consultant, September 2004 – Present

Ontario Energy Board

Director of Corporate Services, 1999 - 2004

- Chief Administrative Officer and Chief Financial Officer
- Responsible for directing the activities of a diverse staff complement of 36 (direct and indirect reports)
- Responsible for the delivery of all corporate services including: legal, technology, Board Secretary/registrar, planning, accommodation, financial, procurement, human resources, general administration, and centralized administrative support
- Responsible for the development and administration of the Board's annual operating budget and non-tax revenue program

Ontario Energy Board

Director of Licensing, 2001

- Temporary additional assignment
- Statutory position with delegated authority to make decisions on the issuance and revocation of licences in accordance with statutory and Board code requirements
- Investigated licensing compliance and complaints and disputes relating to licensing matters
- Provided advice to the Board on licence and code requirements, and facilities applications
- Developed licensing procedures consistent with legislative requirements

Ontario Energy Board

Director of Regulatory Affairs, 1997 - 1999

- Responsible for ensuring the provision of professional and technical services regarding the adjudication of all aspects of the natural gas and electricity sectors in Ontario
- Directed all regulatory staff functions relevant to regulating the energy industry in Ontario including applications processing, monitoring, policy development, legislative change, industry restructuring, audit, compliance, and research and planning services and activities
- Led and managed the provision of technical staff services and advice relevant to the delivery of the Board's transitional regulatory instruments and regulatory framework developmental activities as required under the Energy Competition Act, 1998 (formerly Bill 35), including the introduction of an incentive ratemaking scheme for electricity distribution companies (first generation PBR)

- Board representative on the Ontario Government's Bill 35 Implementation Committee comprised of senior government officials and major industry representatives
- Member of the Minister of Energy's Consumer Education Sub-Committee dealing with electricity industry restructuring matters

Ontario Energy Board

Energy Returns Officer/Director of Finance & Administration, 1990 - 1997

Energy Returns Officer

- Statutory position with broad investigative powers responsible for conducting special investigations and audits
- Responsible for the enforcement of, and compliance with, Board regulatory instruments and relevant legislation
- Technical advisor to the Board on accounting and taxation matters
- Responsible for monitoring the financial performance of regulated gas companies on an ongoing basis
- Special advisor to the Board on general regulatory matters

Director of Finance and Administration

- Directed and controlled the operating budget, non-tax revenue program and all financial-related activities of the Board
- As Chief Administrative Officer, responsible for the delivery of all general administrative services of the Board including: accommodation, human resources, procurement, information technology and administrative support services

Ontario Energy Board

Energy Returns Office/Director of Finance, 1987 - 1990

- Responsibilities similar to those outlined above

Ontario Energy Board

Energy Returns Officer/Chief Financial Officer, 1986 - 1987

- Responsibilities similar to those outlined above

Ontario Energy Board

Energy Returns Officer, 1985 - 1986

- Responsibilities similar to those outlined above

National Energy Board

Chief (Acting), Gas Advisory Branch, 1985

- In the roles of Branch and technical coordinator, case/project managed the Board's processing of applications filed by proponent applicants pertaining to natural gas export and natural gas pipeline facilities and tolls matters
- Provided technical expertise to the Board throughout the public hearing process and participated in the formulation of Board decisions

- Liaised regularly with other jurisdictions in Canada and the U.S. on pipeline and natural gas-related regulatory developments
- Supervised a staff of two

National Energy Board

Regulatory Officer, Gas Advisory Branch, 1982 - 1984

- Responsibilities and roles similar to those noted above except for the performance of supervisory duties

Ontario Energy Board

Project Manager, Financial, 1978 - 1982

- As technical coordinator/case manager for numerous applications (gas rates, facilities, franchises, storage and utility takeovers; Ontario Hydro bulk power rate proposals), project managed case teams with responsibilities for issues management, scheduling/procedural matters, stakeholdering, development of and testing of evidence before the Board in public hearings, decision-writing support
- Provided technical support to Board Members and Board Counsel throughout the public hearing process

The Consumers' Gas Company Ltd.

Financial Analyst, Regulatory Affairs, 1976 - 1978

- Preparation of evidence filed by the company in support of rate applications before provincial regulatory bodies in Ontario and Quebec

The Consumers' Gas Company Ltd.

Lead Auditor, Internal Audit Department, 1975 - 1976

Canada Permanent Trust Company

Audit Supervisor, Internal Audit Department, 1973 - 1974

Canada Permanent Trust Company

Internal Auditor, 1973

Canada Permanent Trust Company

Branch Accountant, 1973

Canadian National Railways

Project Cost Analyst, Engineering Department, 1972

ACCOMPLISHMENTS

Business Services

- Directly and indirectly supported developmental activities associated with the establishment of the Ontario Energy Board under its new governance model as a self-financing, stand-alone crown corporation without share

capital during the transition period in 2003 and 2004, including, but not limited to: memorandum of understanding; corporate registrations/bylaws; accounting, management and audited financial statements; payroll services; new revenue strategy; and financial and administrative policies.

- Successfully established the pre-divestment organizational design model for the Corporate Services Branch at the Ontario Energy Board from a zero base in 1985.
- Successfully developed and resourced the OEB's Customer Service Centre in 2000, a major contributor to the Board's fulfillment of its consumer protection objective.
- Successfully designed and implemented the OEB's major overhaul of its cost recovery program in 1999 under the general framework of the transitional cost assessment regulation including the use of activity based accounting techniques.
- Successfully designed and implemented the OEB's major restructure of its organization in 1997 and provided key input into the establishment and development of the Board's pre-divestment organizational model.
- Instrumental in the design and development of the OEB's corporate business plans including performance standards since fiscal 2001/02.
- Directed and coordinated the development and implementation of the OEB's Information Technology Strategic and Annual Operational Plans.
- Participated in various Ontario Government Agency Reform Project initiatives under the auspices of Management Board Secretariat, examining methods/initiatives to effect cost effectiveness/efficiencies in the Agency sector.
- In keeping with government expenditure control measures during the mid-1990s, successfully downsized the Board's operating budget and staffing while introducing innovative financing solutions and efficiency measures.
- Member of OEB's Executive Team overseeing the development of the Mission, Vision and Values and Strategic and Directional Plans for the Ontario Energy Board in 1995 and 1997 respectively.
- Led OEB participation in a joint federal/provincial agency Electronic Regulatory Filing (ERF) project pursuing opportunities to streamline the hearing process in various Canadian regulatory jurisdictions through the electronic exchange of information (currently in extended pilot mode).
- Directed all activities associated with the relocation of the Board's offices to its current location in 1988 and subsequent expansions/renovations in 1995, 2001 (including automated hearing rooms), 2002 and 2004.
- Successfully introduced a zero-based budgeting approach in the Ontario Energy Board since 1985.

Regulatory

- Successfully concluded in 2002 and 2004 (awaiting final Board approval at the time of my retirement) revisions and updates to the Board's Rules of

Practice and Procedure and the development of the Board's Practice Direction on Cost Awards in 2003.

- Directed and coordinated all technical staff activities associated with the successful and timely delivery of Board obligations and requirements under the Energy Competition Act, 1998 (formerly Bill 35) during the transition period.
- Provided creative solutions and effective issues management under severe time constraints with limited staff resources in 1998 and 1999 that enabled the OEB to deliver its expected mandate due to the introduction of the Energy Competition Act, 1998.
- Successfully coordinated several independent financial reviews of the regulated gas industry's financial performance resulting in rate rollbacks to Ontario gas consumers in excess of \$100 million in the late 1980s through to the mid 1990s.
- Successfully negotiated in the 1990s, settlement agreements with gas utilities to mitigate potential over-earnings situations, thus avoiding the need for expensive, time-consuming hearings.
- Successfully concluded the first major review and overhaul of the regulation passed in 1964 prescribing the accounting system to be used by the gas utilities under the Board's jurisdiction (currently in force).
- Successfully completed, under severe time constraints, an independent audit of Consumers Gas' \$100 million "SIM" information technology project (approximate cost of audit \$1 million) for review and adjudication in a public hearing.
- Successfully designed and implemented the financial monitoring system used by the gas utilities under the Board's jurisdiction.

EDUCATION

Bachelors of Arts (Honours)

Mathematics and Economics, University of Waterloo

Other Courses include:

- Executive M.B.A. Program, York University, June 2000
- M.B.A. Studies, York University
- Attendance at several seminars/conferences/training sessions on public utility regulation, human resources management and general management techniques