

January 19, 2006

**BY COURIER AND EMAIL**

Mr. John Zych  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, Ontario M4P 1E4  
Email: boardsec@oeb.gov.on.ca

Dear Mr. Zych:

**Re: Pollution Probe – Response and Correction to Board Staff's Reply Submissions  
EB-2005-0523 – Electricity CDM Activities**

We write to correct an important error or misstatement about Pollution Probe's position, made in the Board Staff's reply submissions for this matter. Ten copies of this letter are being provided by courier, and a PDF copy is being provided by email.

Paragraph 15 of the Board Staff's reply submissions states that:

*In addition, Pollution Probe's suggestion that utilities should be directed to make every expenditure that would pass the TRC test is equally unconstrained. ...*  
[emphasis added]

It is not, nor has it ever been, Pollution Probe's position that utilities should be directed to make every expenditure that would pass the TRC test, and to my knowledge Pollution Probe has never so stated.

Upon inquiries from Pollution Probe to Board Staff regarding the basis of this incorrect assertion, Board Staff referred Pollution Probe to various transcript references.<sup>1</sup> However, these transcript references do not support this false assertion upon review. These references instead reinforce Pollution Probe's position that the TRC test should be the basis of analysis regarding CDM expenditures, not that the Board should require every expenditure that passes the TRC test.

Pollution Probe recognizes that various factors play into the decision about which expenditures should actually be made, so although Pollution Probe advocates for a great deal more conservation expenditure, it has never taken the simplistic position ascribed to it by Board Staff.

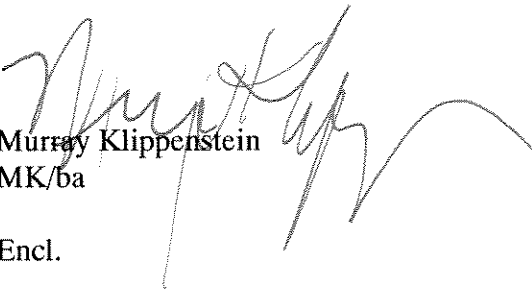
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<sup>1</sup> RP-2005-0020 / EB-2005-0523, Transcripts, Vol. 1 – Dec. 22, 2005: page 66, lines 11-24; page 68, lines 1-8; page 79, lines 6-20; page 81, lines 2-6, 8, and 13-15; page 82, lines 16-23; and page 85, lines 5-9.

In addition, if Pollution Probe's position truly was to mandate every expenditure that passes the TRC Test, such expenditures would very likely far exceed Pollution Probe's proposed minimum spending targets of 1%, 2% and 3% of total revenues in 2007, 2008 and 2009 respectively as detailed in Pollution Probe's written and reply submissions. The targets themselves stand in stark contrast to the impractical approach that Board Staff incorrectly asserts as Pollution Probe's position.

We trust that this letter clarifies this issue and that the Board will duly consider this letter when reviewing Board Staff's submissions.

Yours truly,



Murray Klippenstein  
MK/ba

Encl.

cc: Registered Intervenors in RP-2005-0020 and all LDCs pursuant to the Notice of Proceeding and Hearing by email (or fax/mail if email not available)