



**ECMI**  
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Ontario Energy Board  
Suite 2700  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4  
ATT: E. Kirsten Walli, Board Secretary

December 12, 2006  
Dear Ms. Walli,

**Multi-year Electricity Distribution Rate Setting Plan  
Cost of Capital (EB-2006-0088) and 2nd Generation Incentive Regulation  
Mechanism (EB-2006-0089)  
Issuance of Draft Report of the Board**

In accordance with the OEB's E-mail and web posting of November 30, 2006, the ECMI coalition (ECMI) submits its comments on the draft Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors and Associated Guidelines.

Seven paper copies are enclosed and electronic copies in both Adobe Acrobat and Word have been sent this date by email to Boardsec@oeb.gov.on.ca.

Requested contact details are as follows:-

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Respectfully submitted for the Board's consideration,

*Original signed by R. White*

Roger White  
President

ECMI coalition (ECMI) comments on the draft Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors and Associated Guidelines

ECMI supports the Board's position in the Draft Report for returning to traditional regulation and walking away from regulation by codification.

ECMI is disappointed that the Board failed to recognise the scale implications of a single capital structure. The Cannon method recognised size.

ECMI understands that the Board is under a tight timeline for establishing a transition process and acknowledges the transition process as a transition process. The Board draft report is silent on any integration of the results of the cost allocation process with this transition process.