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BY E-MAIL AND WEB POSTING

March 23, 2007

**To: All Licensed Electricity Distributors
Consumers Council of Canada
Energy Probe Research Foundation
Green Energy Coalition
London Property Management Association
Pollution Probe
School Energy Coalition
Vulnerable Energy Consumers Coalition**

**Re: Notice of Hearing for Cost Awards for the Regulatory Treatment of
Conservation and Demand Management Activities by Electricity
Distributors (EB-2006-0266)**

Background

On December 11, 2006, the Ontario Energy Board (the "Board") began a consultation process in relation to the Board's approach for examining the regulatory treatment of conservation and demand management activities by local electricity distributors beyond September 2007.

In its December 11, 2006 letter, the Board stated that cost awards would be available under section 30 of the Ontario Energy Board Act, 1998 (the "Act") to eligible persons in relation to their participation in this consultation process. Under section 30 of the Act, the Board may order a person to pay all or part of a person's costs of participating in a consultation process initiated by the Board. The Board's December 11, 2006 letter stated that cost awards would be available in relation to written submissions on Board staff's discussion paper, up to a maximum of 21 hours or such additional time as the Board may permit. The Board's December 11, 2006 letter also stated that the costs would be recovered from all licensed electricity distributors based on their respective distribution revenues.

On February 5, 2007, the Board issued a Decision in which the Board ordered that Consumers Council of Canada, Energy Probe Research Foundation, Green Energy

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Coalition, London Property Management Association, Pollution Probe, School Energy Coalition, and the Vulnerable Energy Consumers Coalition (altogether, the "eligible parties") be eligible for cost awards.

Notice of Hearing

The Board is initiating this hearing on its own motion in order to determine the cost awards that may be made in accordance with section 30 of the Act in respect of the consultation on the regulatory treatment of conservation and demand management ("CDM") activities by electricity distributors. The file number for this hearing is **EB-2006-0266**.

As previously indicated any costs awarded in this proceeding will be recovered from all licensed electricity distributors based on their respective distribution revenues.

The Board intends to proceed by way of written hearing unless a party can satisfy the Board that there is a good reason for not holding a written hearing. If a party wants to object to a written hearing, the objection must be received by the Board no later than **7 days** after the date of this notice.

If the Board proceeds by way of written hearing, the hearing will follow the process set out below.

1. The eligible parties shall submit their cost claims by **April 13, 2007**. A copy of the cost claim must be filed with the Board and one copy is to be served on each licensed electricity distributor. The cost claims must be completed in accordance with section 10 of the Board's Practice Direction on Cost Awards. If the eligible party has already filed its cost claim with the Board and the cost claim was completed in accordance with section 10 of the Board's Practice Direction on Cost Awards, the eligible party does not need to file its cost claim again. However, the eligible party must still serve its cost claim on each licensed electricity distributor.
2. Licensed electricity distributors will have until **April 27, 2007** to object to any aspect of the costs claimed. A copy of the objection must be filed with the Board and one copy must be served on the party against whose claim the objection is being made.

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3. The party whose cost claim was objected to will have until **May 4, 2007** to make a reply submission as to why its cost claim should be allowed. A copy of the reply submission must be filed with the Board and one copy is to be served on the licensed electricity distributor who filed the objection to the party's request for a cost claim.
4. The Board will then issue its decision on the cost awards and, after the cost assessment officer determines the amount of the cost awards following the Board's decision, the Board will issue the cost orders. The Board's costs may also be addressed in the cost awards decision.

All submissions in this hearing (i.e., cost claims, objections, or responses), will form part of the public record. Copies of the submissions will be available for inspection at the Board's office and the submissions may be published on the Board's website.

Parties must file a paper copy of their submissions, and an electronic copy of their submissions in searchable Adobe Acrobat (PDF) or Word, with the Board Secretary by **4:30 pm** on the required dates. Electronic copies may be submitted on diskette or by e-mail to boardsec@oeb.gov.on.ca. The submissions must quote file number **EB-2006-0266** and include your name, address, e-mail address, telephone number, and fax number.

The Board has determined that it will invoke sections 12.04 to 12.06 of the *Practice Direction on Cost Awards* (the "Practice Direction"). Therefore, the Board will act as a clearing house for all payments of cost awards in this process.

Distributors shall pay any amount prescribed by the Board's cost order and as provided in the Board's invoice to the distributor. Invoices will be issued to distributors when the cost assessments made under section 26 of the Act are issued. The payment of invoiced amounts shall be due the same time the cost assessments are due. Please note that the Board will not send out any invoices for any cost awards until all eligible parties have submitted their cost claims and the Board will not send out any payments for the cost awards to eligible parties until all licensed distributors have paid the invoiced amounts.

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When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of the Board's *Practice Direction*. The maximum hourly rates set out in the Board's Cost Award Tariff will also be applied. The Board's *Practice Direction* and the Board's Cost Award Tariff can be found on the Board's website at http://www.oeb.gov.on.ca/html/en/industryrelations/rulesguidesandforms_regulatory.htm#general.

If you do not file a letter objecting to a written hearing or do not participate in the hearing by filing written submissions in accordance with this notice, the Board may proceed without your participation and you will not be entitled to further notice in this proceeding.

Yours truly,

Original Signed By

Peter H. O'Dell
Assistant Board Secretary