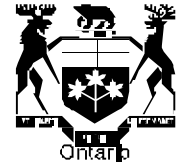


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July 27, 2007

**To: All Licensed Electricity Distributors
All Participants in Proceeding EB-2007-0097
All Other Interested Parties**

Re: Stakeholder Consultations on Regulatory Barriers to Conservation and Demand Management (EB-2007-0097)

On March 28, 2007, the Board issued a letter announcing a number of meetings that were to be held across the province to discuss conservation and demand management (“CDM”) and, in particular, regulatory barriers to CDM. The purpose of these meetings was to provide information about the Board’s current CDM framework, and to obtain feedback from interested parties as to whether there are any remaining regulatory barriers to the successful implementation of CDM in Ontario.

The meetings, which were held throughout April and May, 2007, provided an opportunity for stakeholders to raise issues and express any concerns they might have regarding CDM-related matters that fall within the Board’s mandate. Board staff has prepared a report summarizing the issues raised at the meetings, as well as staff’s comments on those issues. Staff’s “Report on Stakeholder Consultations on Conservation and Demand Management” is available on the Board’s website at www.gov.on.ca.

As noted in the Board’s March 28, 2007 letter, the meetings are a part of, and will inform, a larger work program that includes the development of third generation incentive regulation and a review of the design of electricity distribution rates, including standby and distributed generation rates. As noted in the staff report, Board staff is currently also in the process of preparing materials in anticipation of the initiation of a consultative process that will examine a number of CDM-related issues.

The Board wishes to thank all stakeholders that attended the meetings for their interest, participation and thoughtful contributions. A Decision and Order on Cost Awards for this process will be issued shortly.

Yours truly,

Original signed by

Peter H. O’Dell
Assistant Board Secretary