
19 August 2007

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, ON, M4P 1E4 By e-mail

Dear Ms Walli:

Re: EB-2007-0673 Third Generation I.R. for Electricity Distributors – GEC comments on Staff Scoping Paper

Further to our earlier correspondence, having attended the Board Staff consultation on September 13th we can offer the following comments on the Staff scoping paper. (Previous comments are repeated here for ease of reference.)

We note that Board Staff has already included the issue of lost revenue due to changes in electricity consumption. However, we are concerned that the issue may be narrowly construed as limited to natural or program driven customer conservation. EDA has previously proposed an RSAM (broader variance account) and we understood that the Board in its comments in the recent report following DSM consultations was including this broader proposal when it indicated that “alternative mechanisms to address lost revenue” was best considered in this process (as well as the fundamental rate re-design process anticipated to take effect in 2011). Accordingly, GEC suggests that specific mention of the RSAM proposal be added to the scope of considerations.

As noted earlier GEC would also suggest the following topics:

The incentive or disincentive for loss reduction created by the I.R. proposals and whether a separate incentive is needed to address loss reduction.

The incentive or disincentive for fuel switching (away from electricity) created by the I.R. proposals and whether a separate incentive is needed to address fuel switching.

Sincerely,



David Poch

Cc: Lisa Brickenden