

September 21, 2007

BY COURIER (3 COPIES) AND EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms. Walli:

**Re: Pollution Probe – Comments on Staff Scoping Paper
EB-2007-0673 – 3rd Generation Electricity IR**

We are writing to provide you with Pollution Probe's comments on Board Staff's Scoping Paper on 3rd Generation Incentive Regulation for Electricity Distributors.

Pollution Probe believes that the Ontario Energy Board should encourage Ontario's electric LDCs to aggressively and cost-effectively promote conservation and demand management ("CDM"). Pollution Probe accordingly submits that this proceeding should also investigate the following issues:

1. How should the Board streamline its regulatory processes to facilitate the approval of CDM applications from the LDCs?
2. Should the Board appoint an independent auditor to review the CDM evaluation reports as well as the LRAM and SSM cost claims of Ontario's electric LDCs? In addition, should a CDM Audit Advisory Committee, consisting of intervenor representatives, be created to provide advice to the independent auditor?
3. Should the Board be responsible for allocating some or all of the "global adjustment" CDM fund among Ontario's electric LDCs?

We trust that that these comments are of assistance, and please do not hesitate to contact the undersigned if you require clarifications or further information.

Yours truly,



Basil Alexander

BA/ba

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