

December 17, 1998

Dear Sir/Madam:

Re: PBR Framework for Electricity Distributors and Formation of Task Forces

Enclosed please find a copy of a report entitled PBR Framework for Electricity Distributors in Ontario which describes Board Staff's proposal for a two-pronged performance based regulatory (PBR) framework and a process for developing a detailed PBR proposal for the electricity distributors in Ontario.

Your written comments and participation at the PBR workshops in November, 1998 were invaluable in forming the proposal presented in the report. Our understanding of the electricity industry has increased significantly through the stakeholder process and on behalf of Board Staff, I would like to take this opportunity to express out appreciation for your significant efforts and contributions.

One of Board Staff's proposals reflects a strong sentiment expressed at the workshops that the PBR design details should be developed through task forces comprised of industry experts. In this report we are proposing the establishment of four task forces as described in the attached sheets. At this time, we are seeking nominations for participation in the four task forces. We are seeking appropriate industry representations and nominees with the appropriate background and experience to enable the task force(s) to carry out the terms of reference. Please provide your nominee's name, organization, position and the task force the individual in being nominated for.

We anticipate that the task forces will be established by mid-January, 1999. The task forces will be chaired by OEB personnel and are expected to fulfill their objectives within a 6-8 week time period. The nominee should be available to participate at regular task force meetings that will take place in Toronto, and also to take on related assignments during this period.

Please address all nominations to Judy Kwik by fax at (416) 440-7656 or by e-mail at kwikju@oeb.gov.on.ca by January 4, 1998.

For those stakeholders who are unable to participate actively in the task forces, opportunities for providing input on an ongoing basis will be made available via website communications technology.

We look forward to working cooperatively with you in implementing a fair and practical PBR proposal.

Sincerely,

Robert Cappadocia
Director,
Regulatory Affairs

cc: Les Horswell Assistant Deputy Minister, MEST
Floyd Laughren Chair OEB