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**Commission de l'Énergie  
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June 30, 1999

Dear Sir/Madam:

**Re: Draft Electric Distribution Rate Handbook**

Enclosed please find a copy of a draft of the Electric Distribution Rate Handbook prepared by Ontario Energy Board Staff. The draft document contains a proposal for the Board's performance-based regulation (PBR) of electricity distributors and was developed through intensive stakeholder task force efforts.

Board Staff will conduct regional seminars on the contents of the draft document. The times and locations of these seminars were sent to you in our correspondence of June 23, 1999. We ask that you go over the draft rate handbook before attending the seminars so that we can maximize the opportunity for clarification of and discussion on the proposal.

Along with the communication on the seminars, the Board sent notice of a public generic proceeding on Board Staff's proposal (Notice of Proceeding, File No.RP-1999-0034). Contained within that Notice was information on how to intervene in the proceeding, comment or request observer status. Following the public proceeding the Board will revise the proposal as deemed necessary. The resulting rate handbook should be used in the preparation of your evidence for your first PBR plan. We would like to remind you that the Notice requests that written submissions on the content of the draft rate handbook are to be submitted to the Board by August 3, 1999.

Please note that a Board Staff technical report on the PBR mechanism "Productivity and Price Performance for Electricity Distributors in Ontario" referenced in the draft rate handbook will be posted on the Board's Web site ([oeb.gov.on.ca](http://oeb.gov.on.ca)) in July prior to the dates of the seminars.

Thank you for your participation at our workshops in the fall of 1998, and for your commitment, if you took part in our task force endeavours. Your input was key in Board Staff's development of this proposal.

We look forward to your participation in the Board's public proceedings in the coming months.

Sincerely yours,

Elizabeth Mills  
Director, Regulatory Affairs

Enclosures