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Monday, February 16, 2004

Mr. Peter H. O'Dell
Assistant Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge St., 26th Floor
Toronto, Ontario M4P 1E4

Dear Mr. O'Dell

Re: RP-2004-0020 - Review Further Efficiencies in the Electricity Distribution System

We appreciate the opportunity of providing comments to the Board regarding this very important issue. The exercise of finding additional efficiencies and debating the optimum sized distribution company (or structure) is sure to provide some lively debate. There will be varied opinions. Each will be supported by analysis from the respective consultants retained by the distributor. We are hopeful that the Board is aware that most utilities have been very diligent in trying to minimize costs over the past number of years.

It is our understanding that the purpose of this particular venture is to provide the Board with a "Coles Notes" version of the various opinions on how to optimize efficiencies. Board members and Ministry of Energy representatives will need to have the opportunity to fully appreciate the complexity of this issue. We are confident that a thorough consultation process will follow.

One concern has remained constant throughout all of the turmoil of the past several years: distributors do care how these changes impact the customer. We firmly believe that methodic, balanced analysis needs to be completed to determine how this industry can progress throughout the next one hundred years.

We need to "think out of the box" if we want to see Ontario maximize the opportunities that are available. In order for this province to continue to be a leader in industry, technology and overall quality of life, we need to structure a system that will ensure stability, reliability and sustainability, with little or no government intervention.

The electrical industry is too important to allow it to become a pawn in every provincial election. Now is the time is now to come up with a plan, see it through to completion, and remove it permanently from the political agenda.

Some points that may warrant future consideration:

- Consider realigning service areas electrically
- Create an environment that encourages co-operatives, mergers or amalgamations
- Amalgamate the Hydro One distribution system with other distributors to create "shoulder to shoulder" utilities

Mr. Peter H. O'Dell, Assistant Secretary
Ontario Energy Board
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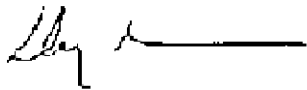
We don't believe that anyone would dispute the fact that the makeup of the electrical industry is extremely complicated. Our customers have been telling us that they don't care about detailed line items on a bill. They only look at the bottom line. i.e. How much do they pay? They want reasonably priced and reliable electricity.

We have been very fortunate to work with a number of utility personnel from various distributors. One thing is certain. If you are serious about productive reform you need only to draw from this vast number of dedicated professionals to compile a workable plan. Give them the tools and the mandate. They will provide you with the plan.

This may not fit every political agenda (provincial or municipal). However, if we don't implement some drastic initiatives within a very short period, we will find ourselves in a very serious situation. We cannot allow individuals or organizations that may have a vested personal interest in this industry's structure, to impede the final design.

Difficult choices will have to be made. We are hopeful that they will be the right ones.

Yours truly,

A handwritten signature in black ink, appearing to read 'Doug Sherwood', followed by a horizontal line extending to the right.

Doug Sherwood
President/Secretary
Centre Wellington Hydro Ltd.