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March 2, 2007

**To: All Licensed Electricity Distributors
All Participants in Proceeding EB-2006-0266
All Other Interested Parties**

**Re: Regulatory Treatment of Conservation and Demand Management Activities
by Electricity Distributors (EB-2006-0266)**

Today, the Board issued its “Report of the Board on the Regulatory Framework for Conservation and Demand Management by Ontario Electricity Distributors in 2007 and Beyond” (the “Report”). A copy of the Report is available on the Board’s website at www.oeb.gov.on.ca.

On January 25, 2007 the Board posted on its website, and invited comment on, a Board staff Discussion Paper that set out a proposed regulatory framework to address rate-related matters stemming from electricity distributor involvement in the delivery of CDM programs funded by the Ontario Power Authority, and through distribution rates. The Board received submissions from thirteen parties, and consideration of those submissions has informed the Board in its development of the regulatory framework for CDM activities by distributors as set out in the Report.

The issuance of the Report concludes the Board’s consultation on the development of a regulatory framework for CDM activities by electricity distributors in Ontario. The Board wishes to thank all participants for their thoughtful contributions. A Notice of Hearing in respect of cost awards for this process will be issued shortly.

Yours truly,

Original signed by

Peter H. O’Dell
Assistant Board Secretary