

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th. Floor
Toronto ON M4P 1E4
Telephone: (416) 481-1967
Facsimile: (416) 440-7656

Commission de l'Énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4
Téléphone: (416) 481-1967
Télécopieur: (416) 440-7656



By Webposting only

May 17, 2007

**To: All Licensed Electricity Distributors
All Other Interested Parties**

**Re: Review of Electricity Distributors' CDM 2005 Annual Reports
Board File Number RP-2004-0203**

In 2005, electricity distributors received Board approval to recover the third instalment of MARR to invest in conservation and demand management ("CDM") activities. Approval by the Board of the investment was conditional on the distributors filing with the Board quarterly and annual reports on the progress of their spending.

By letter dated May 12, 2006, the Board indicated that selective audits of the annual reports filed by distributors would be conducted and that the results would be included in a report to be provided to all interested parties.

The Board's Chief Regulatory Auditor (CRA) has now completed his review of the distributors' 2005 CDM Annual Reports. In light of concern expressed by many that the value of reporting on a quarterly basis was not perceived to exceed the costs of preparing the reports, the CRA has recommended to the Board that it consider amending the reporting requirements to annual reporting only. This matter is being taken under advisement by the Board.

Any interested party that believes that quarterly reporting should be maintained or has questions should contact the CRA through the Market Operations Hotline at 416-440-7604 or by email at Market.Operations@oeb.gov.on.ca by June 1, 2007.

The CDM review report has been posted on the Board's website at:

http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_distconservation.htm

Yours truly,

Kirsten Walli
Board Secretary