2004 October 8

Mr. John Zych Board Secretary Ontario Energy Board P.O. Box 2319, 26th Floor 2300 Yonge St Toronto ON M4P 1E4

RE: OEB Website Posting of EDR DSM Subgroup Material

Dear Mr. Zych:

We write in response to a posting on the Board's website under the 'What's New' section, dated October 5, 2004. The posting provides the Board's response to an email received from Mr. Jack Gibbons, representing Pollution Probe in the Board's current Electricity Distribution Rates (EDR) consultation. The posting also provides Mr. Gibbons' original email, addressed to the Chair and several OEB Staff members, and a document attached to that email by Mr. Gibbons.

Both Mr. Gibbons' original email and the attached document represent that attached document as the 'draft Report of the Conservation Working Group'. As Chairs of the Revenue Requirement and Ratebase Working Group, of which the 'Conservation' or DSM subgroup is a part, and of the DSM subgroup, we are concerned that such a representation is misleading. Our concern is heightened because Mr. Gibbons identifies in his email certain DSM subgroup participant organizations, and implies their endorsement of the attached document.

The document attached by Mr. Gibbons is not the report of the DSM Subgroup, it was merely a working document, and the Board, OEB Staff, stakeholders in the EDR consultation, and users of the OEB website should be made aware of that. In submitting the document to the Board, Mr. Gibbons acted without the knowledge or consent of other subgroup participants. In addition, Mr. Gibbons departed from the established process whereby subgroup reports are first submitted to the Working Group Executive for review and subsequent submission to the Board and the wider group of stakeholders.

This matter has been discussed in the DSM sub-group and the position we have enunciated herein has been agreed to by all, including Mr. Gibbons who apologized for any misunderstanding.

The Board can be assured that the Working Groups and subgroups continue to work diligently in their various topic areas and will submit their respective reports to the Board in due course. In the interim, We appreciate the opportunity to correct the record respecting this matter and we trust that the Board will take the necessary steps to modify the subject website posting.

Sincerely,

Colin McLorg Chair, Revenue Requirement and Ratebase Working Group Executive

David Poch Chair, DSM Sub-group