

**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 E-MAIL AND WEB POSTING

June 15, 2007

**To: All Licensed Electricity Distributors and Transmitters
All parties to proceeding EB-2006-0232
All Other Interested Parties**

**Re: Staff Research Paper on the Affiliate Relationships Code for
Electricity Distributors and Transmitters
Board File No.: EB-2007-0662**

Board staff has been engaged in research regarding the Board's Affiliate Relationships Code for Electricity Distributors and Transmitters ("Electricity ARC"), and affiliate relationships codes ("ARCs") from other jurisdictions.

The Board has today posted on its website a preliminary Staff Research Paper that reflects the results of staff's research.

Staff Research Paper

The Staff Research Paper provides background on the development of the Electricity and Gas ARCs in Ontario, summarizes the current status of Ontario electricity distributor affiliate relationships and identifies some of the concerns regarding the Electricity ARC that have been raised recently. With this background, the Staff Research Paper considers major ARC issues identified from a review of other North American jurisdictions and the Board's 2004 Gas ARC review, and considers Board's Electricity ARC relative to those issues.

Consultation Process

The Board invites interested parties to provide written comments on the Staff Research Paper in order to ensure that staff's identification and characterization of relevant issues are more fully informed by all relevant stakeholders as staff proceeds to finalize its work. Comments would be most useful to staff if the comments include specific examples of the challenges that stakeholders feel the Board's Electricity ARC presents, with as much particularity regarding perceived limitations or consequences as possible. Such comments may also be used to assist in determining whether there is sufficient reason to commence a notice and comment process that could lead to possible revisions to the Board's Electricity ARC.

Parties should provide their comments no later than **July 20, 2007** and in the manner set out below.

Cost Awards

Cost awards will be available to eligible parties under section 30 of the *Ontario Energy Board Act, 1998* for their participation in this consultation. The costs awarded will be recovered from all licensed rate-regulated electricity distributors based on their respective distribution revenues. Appendix A contains important information regarding cost awards for this consultation, including in relation to eligibility requests and objections. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

Invitation to Participate and Filing Instructions

Those interested in participating in this consultation should indicate their intent in writing by letter addressed to the Board Secretary by **June 25, 2007**. That letter should include the following:

- a statement as to whether the participant intends to make written comments on the Staff Research Paper, and/or whether the participant wishes to be on the distribution list for future developments in this consultation; and
- a statement as to whether the participant wishes to request cost eligibility. All requests for cost eligibility must be accompanied by the information identified in Appendix A under the heading "Cost Award Eligibility".

Interested parties that wish to provide written comments on the Staff Research Paper must file three (3) paper copies of the comments and an electronic version of the comments in searchable Adobe Acrobat (PDF) and Word with the Board Secretary by **July 20, 2007**. Electronic copies may be submitted on diskette or by e-mail to boardsec@oeb.gov.on.ca.

Your submission must quote file number EB-2007-0662 and include your name, postal address and telephone number and, if available, e-mail address and fax number.

This letter, the Staff Research Paper, and all written comments submitted in response to the Research Paper will be available for public inspection on the Board's website at www.oeb.gov.on.ca and at the Board's office during normal business hours.

Any questions relating to this consultation should be directed to John Vrantisidis. The Board's toll-free number is 1-888-632-6273.

Yours truly,
Original Signed By

Peter H. O'Dell
Assistant Board Secretary

Appendix A – Cost Award Information

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person requesting cost eligibility must file with the Board a written submission to that effect by **June 25, 2007**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (including addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known.

Rate-regulated licensed electricity distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board Secretary by **4:30 pm on July 3, 2007**. All requests and any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting parties.

Eligible groups should have flexibility to budget potential cost awards as needed to best assist the Board throughout this process. As such, groups representing the same interests or class of persons are expected to make every effort to communicate and co-ordinate their participation in this process. Costs maybe pooled when groups with common viewpoints collaborate and pool their resources.

Activities Eligible for Cost Awards

Cost awards will be available in relation to written comments on Board staff's Research Paper, up to a maximum of 20 hours per interested party.

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process.

For more information on the cost awards process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's website at www.oeb.gov.on.ca on the "Rules, Codes, Guidelines and Forms" webpage.