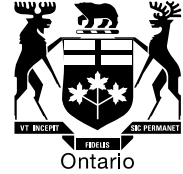


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BY EMAIL AND WEB POSTING

April 17, 2008

**To: All Licensed Electricity Distributors
All Participants in Consultation Process RP-2004-0205
All Participants in Consultation Process EB-2007-0032
All Other Interested Parties**

**Re: Regulated Price Plan
Consultation on Time-of-Use Pricing Framework
Board File Number: EB-2007- 0672**

The Ontario Energy Board (the “Board”) is initiating a consultation process to assist it in determining whether there is a need to modify the current methodology for setting time-of-use (“TOU”) electricity prices under the Regulated Price Plan (“RPP”).

TOU prices have been a part of the RPP since its inception. Since that time, the electricity marketplace has changed. The Board also now has the benefit of greater information pertaining to experience with TOU pricing – from pilot projects in Ontario and elsewhere – than was the case when the TOU pricing framework was developed in 2004-2005. In anticipation of the widespread deployment of smart meters in Ontario, the Board believes that it is timely to review its TOU pricing framework to determine whether any changes are warranted at this time. This consultation also provides an opportunity for the Board to further examine the usefulness of critical peak pricing in encouraging conservation, an issue which was deferred for later consideration when the RPP was initially developed.

This letter identifies how interested parties may participate in this consultation process, including in relation to the issue of cost awards. It also invites comment on a Board staff Discussion Paper that is being released today and is available on the Board’s website at www.oeb.gov.on.ca.

Staff Discussion Paper

The Board has today posted on its website a Board staff Discussion Paper entitled *Regulated Price Plan – Time-of-Use Prices: Design and Price Setting Issues*.

The Discussion Paper identifies a number of issues associated with the structure of TOU prices and the methodology by which those prices are determined. It also sets out Board staff's preliminary views on some of those issues.

Board staff would be assisted in furthering its work by written comments on the Discussion Paper. While the Discussion Paper identifies issues and questions on which stakeholder input would be particularly beneficial, interested parties should feel free to comment on other issues as they consider appropriate.

Details on how to provide your comments are set out below.

Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons for their participation in this consultation process. The costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues.

Appendix A contains **important information regarding cost awards** for this consultation process, 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 Instructions on Filing Information with the Board

The Board encourages participation in this consultation process by all interested parties.

Those interested in participating in this consultation process should indicate their intent by letter addressed to the Board Secretary by **April 29, 2008**. The letter should include the following:

- A statement as to whether the participant intends to make written comments on staff's Discussion 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 intends to request cost eligibility. All requests for cost eligibility should be accompanied by the information specified in Appendix A under the heading "Cost Award Eligibility".

Participants who wish to provide written comments on staff's Discussion Paper must do so by **May 23, 2008**.

All filings to the Board in relation to this consultation must quote file number **EB-2007-0672** and include your name, postal address, telephone number and, where available, an e-mail address and fax number. Three paper copies of each filing must be provided.

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Filings must be received by **4:45 p.m.** on the required date.

Next Steps

Based on the comments received from interested parties, the Board will determine the need for and form of the next steps for this consultation process as may be required. This may include issuance of proposed revisions to the Board's Regulated Price Plan Manual or the Standard Supply Service Code for comment.

All materials related to this consultation will be posted on the "Key Initiatives & Consultations" portion of the Board's web site. The material will also be available for public inspection at the Board's office during normal business hours.

Any questions regarding this consultation should be directed to Russell Chute at Russell.Chute@oeb.gov.on.ca or at 416-440-7682. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Appendix A

Cost Awards

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 **April 29, 2008**, 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 (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. All requests for cost eligibility will be posted on the Board's website.

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 by **May 6, 2008**. 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 Activities

Cost awards will be available in relation to the provision of written comments on Board staff's Discussion Paper to a maximum of 30 hours. Participants are reminded that cost awards are made available on a per eligible participant basis, regardless of the number of professional advisors that an eligible participant may wish to retain.

The Board anticipates that cost awards will also be available for later activities forming part of this consultation process. Details will be made available by the Board at the relevant time.

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 expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

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 award 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, Guidelines and Forms" webpage.