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VIA E-MAIL AND WEB POSTING

July 8, 2008

**To: All Participants in Consultation Process EB-2008-0003
All Licensed Electricity Transmitters**

**Re: Release of Staff Discussion Paper and Information on Cost Awards
Transmission Connection Cost Responsibility Review
Board File No.: EB-2008-0003**

On January 4, 2008 the Ontario Energy Board (the "Board") initiated a consultation process to examine the issue of cost responsibility associated with the connection of generation and load facilities to electricity transmission systems.

The purpose of this letter is to notify participants of the release of a Board staff Discussion Paper, of an upcoming question and answer session on the staff Discussion Paper and of the availability of cost awards in relation to the provision of comments on the staff Discussion Paper.

Discussion Paper

The Board has today posted for comment a Board staff Discussion Paper that identifies and analyses issues and options associated with the connection of generation facilities to transmission systems. The staff Discussion Paper is available from the Board's website at www.oeb.gov.on.ca. The last section of the staff Discussion Paper sets out questions in relation to which stakeholder input is specifically requested. Participants should, however, feel free to comment on all aspects of the staff Discussion Paper.

Written comments on staff's Discussion Paper must be filed with the Board in accordance with the filing instructions set out below.

As identified in the Board's January 4, 2008 letter, this consultation covers both generation and load connections. For the reasons set out in the staff Discussion Paper, a separate Discussion Paper pertaining to load connections will be issued for comment at a later date.

Question and Answer Session

To facilitate the provision of comments on the staff Discussion Paper, a question and answer session will be held commencing at **9 a.m.** on **July 22, 2008** in the Board's West Hearing Room, at the Board's offices, at 2300 Yonge Street. This session will provide participants with an opportunity to raise with Board staff any questions they might have regarding the staff Discussion Paper.

Cost Awards

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

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 **July 17, 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 transmitters will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity transmitter has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **July 24, 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 provision of written comments on Board staff's Discussion Paper, to a maximum of **25 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.

Determining 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.

Filing Instructions

Participants who wish to provide written comments on staff's Discussion Paper must do so by **4:45 p.m.** on **August 11, 2008**.

All filings to the Board referred to in this letter should be made in accordance with the filing instructions set out in the Board's January 4, 2008 letter.

Any questions relating to this consultation should be directed to David Brown at david.brown@oeb.gov.on.ca or at 416-440-8123. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary