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VIA WEB POSTING

March 14, 2011

To: All Interested Stakeholders

Re: Revision to the Board's Cost Assessment Model EB-2010-0362

Stakeholders will note that the Ontario Energy Board has posted its revised cost assessment model on the Board's website at <http://www.ontarioenergyboard.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Cost+Assessment+Model+Proposed+Revisions>

The revised cost assessment model is based on assessing 8 payor classes in accordance with Regulation 16/08, as amended by Regulation 499/10. Those payor classes are electricity distributors, electricity transmitters, natural gas distributors, the IESO, the OPA, OPG, licensed low-volume electricity retailers, and licensed gas marketers.

The revised cost assessment model reflects the Board's consideration of the submissions received from stakeholders regarding the draft of the proposed revised cost assessment model that was posted for comment in December 2010. The Board has made one material change to the draft. Only direct costs will be assessed to licensed low-volume electricity retailers and licensed gas marketers at this time. Those direct costs include the bulk of the costs related to the operation of the Board's Consumer Protection business unit. Over the next year, the Board will consider further the appropriateness of also assessing a portion of its indirect operating costs to those two new classes of payors.

The revised cost assessment model will be used for the purpose of cost assessments in respect of the fiscal year commencing April 1, 2011.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary