



By electronic filing and by e-mail

March 23, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms Walli,

Cost of Capital in Current Economic and Financial Market Conditions

Board File No.: EB-2009-0084

Our File No.: 339583-000003

Subject to the reservation of rights described below, we are writing this letter to seek intervenor status and cost award eligibility in this proceeding for Canadian Manufacturers & Exporters ("CME").

Reservation of Rights

The Consultative appears to be premised on a notion that values produced by the Board's established methodology can be "adjusted" without effectively changing the formulaic methodology. We question this premise and reserve our rights to make formal submissions with respect to the matter, if necessary.

As well, we question the notion, reflected at page 3 of the Board's March 16, 2009 letter to All Interested Stakeholders, to the effect that the Board might make retroactive adjustments for 2009 to the Cost of Capital components of some 23 distributors that had their rates re-based this year. We hereby reserve all of our client's rights with respect to this issue and particularly so where the Cost of Capital components of such rates are based on Board approved Settlement Agreements.

Request for Intervenor Status

Subject to these reservation of rights, the reasons why CME should be granted intervenor status and cost award eligibility in this proceeding are set out below.

- (i) CME is Canada's leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports.

Vancouver
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Toronto
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Ottawa
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Montréal
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Calgary

- (ii) Manufacturing is important to the Province of Ontario. It is the single largest sector of the economy (17.5% of Gross Domestic Product (“GDP”) or \$300B) employing, directly, over 1M people in the Province.
- (iii) Ontario manufacturers are vitally concerned with all matters pertaining to the transmission and distribution of natural gas and electricity by utilities which the Board regulates.
- (iv) All of CME’s 1,200 Ontario-based member companies receive transmission and/or distribution services from utilities the Board regulates. Costs of Capital and taxes thereon, notional or otherwise, are a major component of the prices such utilities charge for the transmission and distribution services they provide.

Request for Cost Award Eligibility

CME seeks a determination that it is eligible for a Cost Award on the following grounds:

- (i) CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members and to break down trade barriers.
- (ii) About 85% of CME’s 1,200 Ontario-based member companies are Small to Medium sized business enterprises (“SMEs”) with 500 employees or less. The views of these businesses should be considered in this proceeding.
- (iii) CME’s ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

CME Contacts

If the relief requested in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

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Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly,

A handwritten signature in black ink, appearing to read 'P. Thompson', followed by a long horizontal flourish.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Paul Clipsham (CME)

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