

October 24, 2007

Mr. Peter O'Dell Assistant Board Secretary Ontario Energy Board P.O. Box 2319 2300 Yonge Street 27th floor Toronto, ON M4P 1E4

Re: <u>EB-2007-0662:</u>

<u>Comments on Proposed Amendments to Affiliate Relations Code (ARC) for</u> Electrical Distributors.

Following from your notice of September 19, 2007 regarding proposed amendments to the ARC, the Building Owners and Managers Association of the Greater Toronto Area (BOMA Toronto) is pleased to provide these comments:

We appreciate having had the opportunity to participate in this consultation by providing comments on the Staff Research paper. And we are heartened to see the participation of ratepayer groups, and other stakeholders groups who are affected by the application of the ARC.

We are generally of the view that the ARC remains extremely relevant to the operation of the electricity market and that it should not be fundamentally changed. We concur that it could benefit from improved clarity and, in some instances, greater flexibility. As such we are fully supportive of both the proposed amendments and the accompanying rationale.

The specific inclusion of the objective of "preventing a utility from acting in a manner that provides an unfair business advantage to an affiliate that is an energy service provider" does much, in our opinion, to clarify and underline the original intent of the ARC. We view "energy service providers" as delivering an increasing array of products and services, far more than just electricity retailing, especially as CDM grows as a vital resource in the years ahead. As consumers, we expect to see a robust and competitive energy services market, fuelled by innovation and efficiency, to meet our existing and evolving needs. We believe the ARC amendments as proposed will ensure that LDC actions do not inhibit desired market development or consumer choice.

As the market for competitive energy services develops, the inclusion of the objective of "preventing customer confusion that may arise from the relationship between a utility and its affiliate" is especially useful. We believe that a proper separation of 'church and state' is not an unreasonable or burdensome responsibility for LDCs and their affiliates, as evidenced by certain LDC affiliates who are active energy service providers to the commercial consumer market.

We concur with the alignment, to the extent possible, with the Gas ARC as a means of providing improved clarity and compliance.

In summary we believe that compliance with the ARC obligations as proposed will provide necessary protection and benefit to ratepayers, while not imposing unreasonable burdens or costs on LDCs and their affiliates.

We appreciate the opportunity to comment and look forward to the adoption of the proposed amendments.

Yours truly,

Chuck Stradling

Executive Vice President

agle 8.

BOMA Toronto