

12 November 2007

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board

By e-mail

Dear Ms. Walli:

**Re: EB-2007-0791 OPA 2008 Revenue Requirement Review**

We are in receipt of Mr. Lyle's letter of November 2<sup>nd</sup> requesting a written proceeding in this matter.

GEC was an active participant in the 2007 case and strenuously disagrees with the interpretation OPA has placed on the results of that process. GEC played a lead role in fashioning a settlement proposal and it is our view that the availability of an ADR and the incentive for OPA to avoid the costs and uncertainties of a disputed oral hearing were critical factors enabling settlement.

Contrary to OPA's assertion, there are certainly contentious issues and Mr. Lyle's reference to the benefits of avoiding the need to address issues overlapping with the IPSP process increases the need for the revenue review to be treated seriously. For example, OPA has indicated in its business plan that it is proposing to pursue revenues from the disposition of environmental attributes. In GEC's view, such a proposal would work at cross-purposes with both the OPA's and the public's CDM efforts unless a rigorous cap and trade mechanism is first created and is therefore premature. If the Board were to rubber stamp this effort, as OPA seems to seek, there could be much confusion and damage done to the sector and the IPSP process.

Mr. Lyle implies that the OPA should be subject to a lower standard of review than privately-owned regulated utilities. While OPA certainly operates with different incentives due to its ownership and mission, we do not view this as diminishing the legislated requirement for meaningful OEB review at this critical juncture.

We certainly hope that an oral hearing and the requirement of extensive Board deliberations will be avoided as it has been in the past. To increase the chance of that occurring we urge the Board not to pre-determine the need for such a hearing. Rather, we suggest that the Board await the outcome of a mandated ADR to determine the form of hearing required, if any.

Sincerely,



David Poch  
cc: all parties