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## **BY E-MAIL AND WEB POSTING**

October 20, 2010

**To: All Rate-Regulated Licensed Electricity Distributors  
All Participants in Consultation Process EB-2010-0219**

**Re: Review of Electricity Distribution Cost Allocation Policy  
Board File No.: EB-2010-0219**

### **Issuance of Consultant's Report**

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By letter dated September 2, 2010, the Ontario Energy Board (the "Board") initiated a consultation to review specific elements of its electricity distribution cost allocation policy and revise it as required (the "Review"). The letter also set out the approach that the Board intends to use for the Review and provided information on how interested stakeholders can participate in the consultation.

Cost allocation policies reasonably allocate the costs of providing service to various classes of consumers and, as such, provide an important reference for establishing rates that are just and reasonable. The Board expects that any revisions to its electricity distribution cost allocation policy resulting from this consultation would be implemented through cost of service applications starting with the 2012 rate year.

Today the Board has posted for comment a report prepared by Elenchus Research Associates, Inc. ("Elenchus"), the consultant retained by the Board. The report, entitled "Cost Allocation Policy Review: Options and Preferred Alternatives" (the "Report"), provides background information and sets out options identified and recommendations made by Elenchus on the matters in scope for the Review, as identified in the Board's September 2, 2010 letter. The Report is available on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca).

## Stakeholder Meeting

As indicated in the Board's September 2, 2010 letter, the Board will host a stakeholder meeting on **November 18, 2010** where participants will have an opportunity to engage with representatives of Elenchus regarding the content of their Report. The stakeholder meeting will not be transcribed.

The stakeholder meeting will take place in the Board's West Hearing Room, on the 25th floor at 2300 Yonge Street, Toronto. It will commence at **9:30 a.m.** and is expected to conclude no later than **4:30 p.m.** An agenda for the stakeholder meeting will be circulated to registered participants in early November.

Participants wishing to attend the stakeholder meeting are asked to register in advance by email to [EDR@oeb.gov.on.ca](mailto:EDR@oeb.gov.on.ca) no later than **November 4, 2010**. Please include your name, organization, telephone number and e-mail address. Please also indicate whether you plan to attend in person at the Board's offices or remotely via webinar, as further detailed below.

Participants are encouraged to send written questions focusing on gaining a better understanding of the Report by e-mail to [EDR@oeb.gov.on.ca](mailto:EDR@oeb.gov.on.ca) before **November 4, 2010**. All written questions received from participants will be posted on the Board's website in advance of the stakeholder meeting. This will ensure that the stakeholder meeting is as efficient and productive as possible. Elenchus will not be providing written responses to participants' written questions.

### Webinar

The Board will provide interested participants the option of participating in the stakeholder meeting on a remote basis via webinar. The webinar will be structured to enable participants attending remotely to submit questions by e-mail or telephone during the stakeholder meeting. Detailed instructions on how to participate via webinar will be sent to all registered participants in early November.

## Written Comments

As indicated in the Board's September 2, 2010 letter, written comments on the options and recommendations contained in the Report are due by **December 2, 2010**, and should be submitted in accordance with the filing instructions set out in that letter. Participants are asked to organize their comments on the elements in scope by following the order in which they are discussed in the Report.

All materials related to this consultation will be posted on the project webpage of the "Regulatory Proceedings" portion of the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). The material will also be available for public inspection at the Board's office during normal business hours.

Questions relating to this consultation should be directed to Alexandre Ruest at (416) 440-8129 or by e-mail at [EDR@oeb.gov.on.ca](mailto:EDR@oeb.gov.on.ca). The Board's toll free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary