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BY E-MAIL AND WEB POSTING

February 6, 2012

To: All Participants in Consultations EB-2010-0377, EB-2010-0378, EB-2010-0379, EB-2011-0043 and EB-2011-0004
All Licensed Electricity Transmitters and Distributors
All Other Interested Stakeholders

**Re: Renewed Regulatory Framework for Electricity
Update on the Consultation Process
Board File Nos.: EB-2010-0377, EB-2010-0378, EB-2010-0379, EB-2011-0043
and EB-2011-0004**

The Ontario Energy Board (the “Board”) has initiated a consultation process for the development of a renewed regulatory framework for electricity distributors and transmitters (“RRFE”). As part of that consultation, on November 8, 2011, the Board issued a letter setting out the objectives for the renewed framework along with five staff discussion papers.

The purpose of this letter is to provide interested stakeholders with an update on the consultation process for this initiative.

As the next step in consulting on the renewed framework the Chair of the Board will be hosting a series of meetings in late February and early March with leaders of interested stakeholders to have a discussion at a strategic and conceptual level about the development of the RRFE. These groups of stakeholders are Consumers, Transmitters & Agencies, Distributors (both electricity and natural gas), and Finance & Academic representatives.

The composition of these meetings is intended to reflect a diversity of viewpoints, including: consumer representatives from the residential, commercial and industrial sectors; electricity and gas distributors; electricity transmitters, government energy agencies; and the financial and academic communities. It is also intended to reflect Ontario’s geographic diversity and the different types of organizations (size, location, etc.) active in the sector. Those parties that have been selected by the Chair for participation in these meetings have been informed by way of a separate letter.

To stimulate discussion at these meetings, Board staff has prepared a “straw man” model Regulatory Framework which provides a high level illustration of one way in which the main components and outcomes discussed in the five staff discussion papers might be brought together in a coherent, internally consistent manner that highlights linkages between outcomes, defined performance, measured performance and potential regulatory mechanisms. The model has been prepared only for the purpose of guiding discussion and does not necessarily represent the Board’s current thinking on the issues to be discussed in the RRFE. The “straw man” model Regulatory Framework is included as **Attachment A** to this letter.

Notes will be taken at the meetings by Board staff and will be posted on the Board’s website following the meetings to inform other stakeholders.

Next Steps

Once these meetings have concluded, we intend to hold a Stakeholder Conference at which all stakeholders will have the opportunity to discuss issues relating to the development of the renewed regulatory framework. Further details on the Stakeholder Conference will be provided at a later date.

If you have any questions regarding the consultation process, please contact Brian Hewson, Senior Manager, Networks & Smart Grid. Mr. Hewson can be reached by phone at 416-440-7628 or by email at brian.hewson@ontarioenergyboard.ca.

The Board’s toll free number is 1-888-632-6273, and the Market Operations Hotline is 416-440-7604.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment A – “straw man” model Regulatory Framework