

PETER C.P. THOMPSON, Q.C.,
T 613.787.3528
pthompson@blg.com

Borden Ladner Gervais LLP
World Exchange Plaza
100 Queen St, Suite 1100
Ottawa, ON, Canada K1P 1J9
T 613.237.5160
F 613.230.8842
blg.com



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January 25, 2013

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Policy Review of Micro-Embedded Generation Connection Issues

Board File No.: EB-2012-0246

Our File No.: 339583-000140

We are the solicitors for Canadian Manufacturers & Exporters (“CME”) and are writing to provide brief comments on the Board Staff Discussion Paper on Issues Related to the Connection of Micro-Embedded Generation Facilities dated December 20, 2012.

The principle that guides the comments that follow is that the costs of these facilities should be recovered from those who cause the costs to be incurred.

1. Offer to Connect Process

We agree with Board Staff that ratepayers should not be burdened with costs that distributors incur to review micro-embedded projects that are speculative and unlikely to materialize.

The solution to this problem that we prefer is described in subparagraph (b) on page 5 of the Board Staff Paper, namely, to amend the Distribution System Code (“DSC”) to allow distributors to charge for the provision of an offer to connect.

2. Appropriateness of Timelines in the DSC (sections 6.2.6 and 6.2.7) for Micro-Embedded Generation Facilities

If the timelines currently specified in the DSC for the processing of applications for connections are unachievable in most cases, then they should be revised to reflect timelines that are achievable in most cases. Achievable timelines in most cases should be the rule and not the exception.

3. Standard Form Connection Agreement in the DSC

We have no comments on this matter at this time.

4. **Experience with the Monthly Service Charge**

Monthly Service Charge

We have no comments, at this time, on the underlying methodology used to set the province-wide fixed monthly charge.

Charging for Consumption

Like Board Staff, we support the user pay principle. However, we need further information to better understand the outcome of applying that principle to consumption by microFIT generators.

5. **Variability of Connection Charges**

We support the adoption of a standardized approach to determining, on a distributor-specific basis, the connection costs that generators should pay. The same principled approach should be applied by all distributors to determine the cost responsibility of generators on a utility-specific basis.

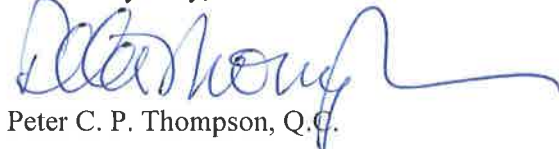
6. **Cost Responsibility in Relation to Upstream Infrastructure Upgrades to a Transmitter or Host Distributor**

This is a complex issue that is related to a matter already under consideration in the Renewed Regulatory Framework for Electricity (“RRFE”) proceeding.

We suggest that all matters pertaining to this cost responsibility issue should be considered in the RRFE proceeding so that matters pertaining to the issue in relation to micro-embedded generation should be added to the cost responsibility matter currently under consideration in the RRFE proceeding.

We hope that these brief comments are of some assistance.

Yours very truly,



Peter C. P. Thompson, Q.C.

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c. Paul Clipsham (CME)

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