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By electronic filing

February 20, 2013

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

Dear Ms Walli,

Encouraging Electricity Distributor Efficiency Consultative

Board File No.: EB-2012-0397 Our File No.: 339583-000003

We are writing this letter to seek cost award eligibility in this proceeding on behalf of Canadian Manufacturers & Exporters ("CME").

The reasons why CME should be granted cost eligibility in this proceeding include the following:

- 1. CME is Canada's leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports.
- 2. Manufacturing is important to the Province of Ontario. It is the single largest sector of the economy (17.5% of Gross Domestic Product ("GDP") or \$300B) employing, directly, over 1M people in the Province.
- 3. Electricity is the primary source of energy for the manufacturing sector. As a result, the members of CME are vitally concerned with all matters pertaining to the supply and price of electricity.
- 4. Ontario-based CME members seek an electricity system for Ontario which is one of the most cost-effective and economically sustainable systems in North America.
- 5. One of CME's primary concerns is the need to develop and apply measures that will operate to constrain, within the limits of reasonableness, the system expansion, system enhancement, and embedded generation initiatives the government of Ontario is striving to achieve in a manner that constrains the level of spending within affordable and tolerable limits and thereby prevents material harm to the Ontario economy.
- 6. CME believes that it may have some constructive suggestions to offer pertaining to the subject matter of this consultation, namely, encouraging distributor efficiency.



CME seeks a determination that it is eligible for a Cost Award on the following grounds:

- 1. CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members and to break down trade barriers.
- 2. About 85% of CME's 1,400 Ontario-based member companies are Small to Medium sized business Enterprises ("SMEs") with 500 employees or less. The views of these businesses should be considered in this proceeding.
- 3. CME's ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

CME Contacts

If the relief requested in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

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Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly,

Peter C.P. Thompson, Q.C.

PCT\slc

c. Paul Clipsham OTT01: 5515476: v1