



By Electronic Filing and By E-mail

May 23, 2008

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> floor  
Toronto ON M4P 1E4

Dear Ms Walli

**Regulated Price Plan  
Consultation on Time-of-Use (“TOU”) Pricing Framework  
Board File No.: EB-2007-0672  
Our File No.: 339583-000003**

This letter contains the comments of our client, Canadian Manufacturers & Exporters (“CME”), on the Board Staff Discussion Paper for Regulated Price Plan – Time-of-Use Prices: Design and Price Setting Issues.

CME’s objective is to ensure that the Time-of-Use (“TOU”) Pricing Framework is compatible with the needs of Ontario manufacturers.

CME notes that the results of the Board’s Ontario Smart Price Pilot in Ottawa and the five Board-approved TOU Pricing Pilot Projects in various other municipalities contains very little data with respect to the impact of TOU Pricing on small businesses, including small manufacturers. Of these six projects, only the Veridian Connections and Hydro One Pilot Projects included businesses and other general services customers.

Veridian Connections Pilot Project involved two segments of medium sized business customers. One segment consisted of multi-residential, bulk-metered residential customers, and the other included Municipalities, Universities, Schools and Hospitals (“MUSH”) customers. The Veridian Project applied the Regulated Price Plan (“RPP”), On-peak, Mid-peak and Off-peak prices. According to the May 2008 Report filed in EB-2007-0086 by Hydro One on its TOU Pilot Project results, only two general service customers participated in the project.

The Board Staff Discussion Paper requests that Consultative participants provide responses to a number of specific questions with respect to TOU price setting. CME is concerned that the information currently available is insufficient to enable it to adequately assess the impact of TOU pricing on small manufacturers. In this connection, we recommend that, before finalizing any TOU Pricing Framework changes, an attempt

Borden Ladner Gervais LLP  
Lawyers • Patent & Trade-mark Agents  
World Exchange Plaza  
100 Queen Street, Suite 1100  
Ottawa ON K1P 1J9  
tel.: (613) 237-5160 fax: (613) 230-8842  
www.blgcanada.com

PETER C.P. THOMPSON, Q.C.  
direct tel.: (613) 787-3528  
e-mail: pthompson@blgcanada.com

Vancouver • Toronto • Ottawa • Montréal • Calgary

be made to structure a Pilot Project which specifically investigates the impacts which the various TOU Pricing structures are likely to have on small manufacturers.

Hydro One's Report indicates that its analysis of the data from the two general service customers who participated in its Pilot Project and its analysis of data pertaining to 348 customers with "clean" interval meter data, leads to conclusions that some customers and customer groups will likely benefit from TOU rates, whereas others, such as those with one work shift and/or plant closures on weekends, will be negatively affected by such rates.

Small manufacturers should not be materially disadvantaged by a TOU Pricing Framework which is designed primarily to change the electricity consumption behaviour of other customer classes.

CME suggests that definitive conclusions with respect to the impact of TOU Pricing on general service customers, including small manufacturers, should await the results of a Pilot Project designed to specifically evaluate the impact of TOU Pricing alternatives on such customers.

In addition to considering the results of such a Pilot Project, CME wishes to consider the responses of Hydro One and other electricity distributors to the questions contained in the Board Staff Discussion Paper before providing its considered comments on how best to structure the TOU Pricing Framework to serve the needs of small manufacturers. CME believes that further information and collaboration with Consultative participants is required before it can provide, on behalf of small manufacturers, meaningful responses to all of the questions posed in the Board Staff Discussion Paper.

In these circumstances, CME proposes to defer its response to the specific questions posed in the Board Staff Discussion Paper until this further information is made available so that CME's responses to the questions posed can focus on the interests of small manufacturers, many of whom are members of CME.

Yours very truly



Peter C.P. Thompson, Q.C.

PCT\slc

c. Paul Clipsham (CME)  
Vince DeRose (Borden Ladner Gervais)  
Nadia Effendi (Borden Ladner Gervais)

OTT01\3463371\1