

July 17, 2007

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street  
Suite 2700  
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2007-0662

We have reviewed the staff research paper and offer our comments with respect to independent directors.

We consider the circumstances in Ontario to be unique and should therefore have provisions that suit the situation. In many cases, a holding company exists that has its major investment as the regulated wires company. Currently some utilities like ours, have a non-regulated subsidiary to handle street light maintenance in a separate company owned by the holding company.

We would suggest that the rules be amended to allow similar boards be allowed for the holding company and the regulated wires company subject to the following:

- That the regulated wires company assets exceed 90% of the holding company consolidated assets.
- Requiring a director to abstain, if acting in a dual capacity from any activity reasonably considered detrimental to the regulated wires utility customer interest.
- Any unregulated subsidiary or affiliate other than the regulated wires company shall ensure that at least one third of its Board of Directors is independent from the holding company.

We believe the above noted changes capture the intent and also provide for a cost effective utilization of resources.

If there are any questions, please contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read "J. Grotheer", with a horizontal line extending from the end of the signature.

John W. Grotheer  
President and CEO