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By E-mail

October 3, 2005

To: All Licensed Electricity Distributors
All Other Interested Parties

**RE: Review of Certain Provisions in the Distribution System Code Related to Expansions, Alternative Bids, and Enhancements
Board File No. (EB-2005-0488)**

The Ontario Energy Board (the "Board") has identified a need to review and clarify certain provisions in the Distribution System Code (the "Code") related to expansions, alternative bids, and enhancements.

The objectives of the review are to ensure that Code provisions are clear, effective, fair and transparent.

Chapter 3 of the Code, entitled Connections and Expansions, was established to encourage uniformity of approach across electricity distributors. Since the implementation of Chapter 3, individual customers, developers and distributors have expressed concerns in the following areas:

- the calculation of capital contributions;
- information in offers provided to customers by a distributor;
- varying standards of work eligible for alternative bid;
- the collection of security deposits by a distributor for system expansions; and
- the pricing for asset transfers.

This fall, the Board intends to issue proposed amendments to the Code for stakeholder comment through its formal Notice and Comment process.

Updated information on this initiative will be posted on the Board's website at www.oeb.gov.on.ca as it becomes available. Questions should be directed to Lisa Brickenden at 416 440-8113 or Paul Gasparatto at 416 440-7724, or call toll free 1-888-632-6273. E-mails should be directed to DSCChapter3@oeb.gov.on.ca.

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary