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August 2, 2007

VIA EMAIL AND LETTER MAIL

Board Secretary,
Ontario Energy Board,
P.O. Box 2319,
27th Floor,
2300 Yonge Street,
Toronto, ON M4P 1E4

Dear Sir:

This letter is to confirm our interest in participating in matters relating to:

Distributed Generation: Rates and Connection
Board File No. EB-2007-0630.

We are working on a number of documents relating to this matter. These documents, in their present draft form, are available at www.xylenepower.com > Electricity. These documents will be further edited over the next three weeks and will form an appendix to our written submission.

As we do not have a cost award, our core submission will be brief and will focus on matters that the OEB must resolve in order to make Distributed Generation economically viable in Ontario.

We are guided by my experience during the period 1994 to 2000 while I was CEO and chief engineer of ADMIC Controls. During that period ADMIC Controls designed, manufactured, financed, installed, operated and maintained natural gas fueled co-generation systems in numerous major buildings in Toronto. Presently all of these systems are out of service due to adverse end user electricity and natural gas rates. Until such time as the OEB fully addresses the key rate issues affecting the economic viability of behind the meter distributed co-generation, we do not believe that such distributed co-generation will form a significant fraction of the total Ontario electricity supply mix.

We caution the OEB that major generators and major municipal electricity distributors, such as Toronto Hydro, perceive behind the meter distributed co-generation as a threat to their core market and will likely do all necessary to ensure that such co-generation is not financially viable for its proponents.

Yours truly,

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