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June 30, 2007

VIA EMAIL

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8
Email: jstevenson@osc.gov.on.ca

- and -

Anne-Marie Beaudoin, Directrice du secrétariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal, Québec
H4Z 1G3
Email: consultation-en-cours@lautorite.com

Dear Sirs/Mesdames:

Re: Proposed Amendments to National Instrument 51-102, *Continuous Disclosure Obligations*

This letter is submitted on behalf of Enersource Corporation ("Enersource") in response to the request from the Canadian Securities Administrators ("CSA") for comments on its proposed amendments to National Instrument 51-102, as published on March 29, 2007 (referred to herein as "proposed amendments").

Enersource is presently registered as a venture issuer and provides quarterly financial disclosures as required by the Ontario Securities Commission (the "OSC"). The venture issuer status arises as a result of $290,000,000 of Enersource bonds (*Borealis – Enersource series*) issued on May 1, 2001. Enersource does not have any equity securities traded on any markets.

Generally, Enersource understands and supports financial disclosure requirements to provide appropriate information to allow prudent investors to make informed investment decisions. However, Enersource disagrees with the proposed revision to the definition of a venture issuer.

In developing the proposed amendments, it appears that the asset value of the issuer is the main criteria for the purposes of defining a venture issuer. When defining a venture issuer, the type of the security and the risk associated with that security should be the main determinant of the amount of information that a prudent investor would likely consider when making an informed investment decision.

Typically, bond investments are lower risk than equity investments. This is evidenced by lower bond yields required by investors than those required for riskier equity investments in the identical issuer, if available. Of course, the risk level and associated return reflects the subordinated access to liquidation proceeds in the case of dissolution of the security issuer.

Another key consideration for prudent bond investors is objective information provided by bond rating agencies, such as DBRS and S&P. These agencies provide extensive analyses on the credit metrics of the bond issuers, which reduces the burden of information gathering and analyses required by the prudent bond investor. The impact of bond rating agencies is demonstrated by immediate changes in market prices of bonds upon the announcement of a credit event by these agencies.

Enersource's Recommendation:

Enersource recommends that the asset value limit in the proposed definition of venture issuer be removed for debt-only issuers. It is also recommended that debt-only venture issuers be required to file bond rating reports prepared by independent third-party bond rating agencies on SEDAR.

Thank you for the opportunity to comment.

Respectfully submitted,

Norman Wolff
Controller