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VIA E-MAIL AND WEB POSTING

March 30, 2007

To: All Participants in Consultation Process EB-2006-0064

All Other Interested Parties

Re: Setting Payment Amounts for the Prescribed Generation Assets of Ontario

Power Generation Inc.
Draft Filing Requirements
Board File No.: EB-2006-0064

On March 21, 2006, the Board initiated a consultation process to determine the methodology by which payment amounts for the output of the prescribed generation assets of Ontario Power Generation Inc. ("OPG") would be determined. On November 30, 2006, following consultations with interested parties, the Ontario Energy Board (the "Board") issued its report entitled *A Regulatory Methodology for Setting Payment Amounts for the Prescribed Generation Assets of Ontario Power Generation Inc.* (the "OPG Report").

Both the Board's March 21, 2006 letter and the OPG Report contemplated that the next stage in this consultation process would be the issuance of draft filing requirements to provide direction to OPG in the preparation of a filing. To that end, the Board has today posted on its website draft filing requirements prepared by Board staff. Board staff's draft filing requirements reflect the regulatory methodology detailed in the OPG Report, which recommended a series of limited issues cost of service proceedings. The draft filing requirements also reflect recent amendments to the *Payments Under Section 78.1* of the Act Regulation, O. Reg. 53/05, which contains rules to be followed as part of the payment-setting process.

Invitation to Comment and Cost Awards

The Board invites interested parties to comment on staff's draft filing requirements. Following consideration of comments received from interested parties, the Board will issue final filing requirements.

Interested parties should file their written comments on the draft filing requirements with the Board by **April 30**, **2007** and as set out below.

As contemplated in the Board's March 21, 2006 letter, cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* in relation to the preparation of written comments on the draft filing requirements, up to a maximum of **20** hours.

Requirements for New Participants

Interested parties that have not previously participated in this consultation process must follow the process set out in Appendix A. Appendix A contains important information regarding cost awards for new participants, including in relation to eligibility requests and objections.

Interested parties that are already participants in this consultation process need only file their written comments on the draft filing requirements in accordance with the instructions set out in this letter.

Instructions on Filing Material with the Board

All filings in relation to this consultation process must quote file number **EB-2006-0064** and include your name, address, telephone number and, where available, an e-mail address and fax number. Three paper copies of each filing must be provided. All filings are to be addressed to the Board Secretary at the Board's mailing address set out above. The Board asks that participants make every effort to provide electronic copies of their filings in Adobe Acrobat (PDF) or Word, either on diskette or by e-mail to boardsec@oeb.gov.on.ca.

Filings must be received by **4:30 pm** on the required date.

All materials related to this consultation process will be posted on the "Key Initiatives & Consultations" portion of the Board's web site at www.oeb.gov.on.ca. The material will also be available for public inspection at the office of the Board during normal business hours.

Any questions relating to this consultation process should be directed to Harold Thiessen at 416-440-7637, or by e-mail to Harold.Thiessen@oeb.gov.on.ca. The Board's toll-free number is 1-888-632-6273, and the Market Operations Hotline is 416-440-7604.

Yours truly,

Original Signed By

Peter H. O'Dell Assistant Board Secretary

Attachment: Appendix A – Requirements for New Participants: Participation and Cost

Awards

Appendix A Requirements for New Participants: Participation and Cost Awards

Notice of Intention to Participate

Interested parties that wish to participate in this consultation process must indicate their interest in writing by letter addressed to the Board Secretary by April 10, 2007. That letter should also include a statement as to whether the participant wishes to request cost eligibility. All requests for cost eligibility must be accompanied by the information identified below under the heading "Cost Award Eligibility".

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person requesting cost eligibility must file with the Board a written submission to that effect by **April 10, 2007**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (including addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known.

OPG will be provided with an opportunity to object to any of the requests for cost award eligibility. If OPG has any objections to any of the requests for cost eligibility, such objections must be filed with the Board Secretary by **April 17**, **2007**. All requests and any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting parties. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

Eligible groups should have flexibility to budget potential cost awards as needed to best assist the Board throughout this process. As such, groups representing the same interests or class of persons are expected to make every effort to communicate and co-ordinate their participation in this process.

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied.

For more information on the cost awards process, please see the Board's *Practice Direction on Cost Awards*, available on the Board's website at www.oeb.gov.on.ca.