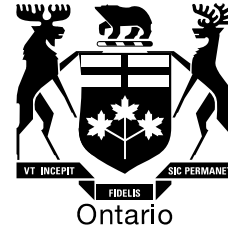


Ontario Energy Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'Énergie
de l'Ontario**
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



Compliance Office

Information Bulletin: 200508

September 26, 2005

To: All Licensed Electricity Transmitters

Re: Transmission System Code – Determination of Discount Rate for Economic Evaluations

This bulletin clarifies the manner in which the discount rate referred to in section 6.5.2 (e) and Appendix 5 of the Transmission System Code should be determined.

On July 25, 2005, the Ontario Energy Board issued a revised version of the Transmission System Code (the "Code"). This revised Code came into force on August 20, 2005.

It has come to the attention of the Compliance Office that some clarification regarding the determination of the discount rate used in economic evaluations may be helpful.

Section 6.5 and Appendix 5 of the revised Code set out rules according to which economic evaluations are to be conducted to determine capital contributions for load customer connections. In particular, section 6.5.2 (e) and Appendix 5 indicate that a discount rate is to be used in these economic evaluations, based on the transmitter's current deemed debt-to-equity ratio, debt and preference share costs and Board-approved rate of return on equity. The Compliance Office wishes to clarify that transmitters should determine this discount rate on an after-tax basis.

If you have any questions regarding this Information Bulletin, please contact the market participant hotline at 416-440-7604 or by e-mail at market.operations@oeb.gov.on.ca.

Brian Hewson
Chief Compliance Officer