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BY E-MAIL AND WEB POSTING

December 11, 2009

To: All Participants in Consultation Process EB-2009-0084
All Licensed Electricity Distributors and Transmitters
All Gas Distributors

**Re: The Cost of Capital for Ontario's Regulated Utilities
Issuance of Report of the Board**

Today, the Board issued its "Report of the Board on the Cost of Capital for Ontario's Regulated Utilities". A copy of the Report is attached and is available from the Board's website at www.oeb.gov.on.ca.

The Report sets out the Board's approach to determine the cost of capital of a rate regulated entity, and in particular, addresses the formulaic approach used by the Board since 1997 to determine the return on equity.

The issuance of this Report completes the consultation process which began in February of 2009. The Board thanks all participants for their contributions. The Board will address the issue of cost awards for this consultation by separate correspondence to be issued shortly.

All documents related to this consultation are available for public inspection on the Board's web site at www.oeb.gov.on.ca and at the office of the Board during normal business hours. Please contact the Market Operations hotline at 416-440-7604 or by e-mail at market.operations@oeb.gov.on.ca with any questions. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment: Report of the Board on the Cost of Capital for Ontario's Regulated Utilities