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For Immediate Release

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OEB Establishes Framework on Payment Levels for OPG Regulated Assets

Toronto – The Ontario Energy Board (the Board) has released its decision regarding Ontario Power Generation's (OPG) payment levels for the output of its regulated nuclear and hydroelectric generating assets.

The Board has reviewed the cost proposals underlying OPG's application and has decided there should be reductions in a number of areas including: nuclear operating costs, the return on equity, the debt/equity ratio, the treatment of nuclear liabilities and the treatment of revenues from the Bruce nuclear station. The Board has directed OPG to file revised payment amounts reflecting these changes.

In its application, OPG had applied for a fixed payment of 25% for nuclear generation whether it produces electricity or not. In its decision, the Board did not approve the fixed payment proposal and will compensate OPG on a 'per megawatt hour' basis for electricity.

OPG will be filing its draft order within 10 days for Board approval. Once the Board has approved that order, the OEB will be in a position to calculate the impact on consumer bills.

Earlier this month, the Board included an allowance in electricity prices under the Regulated Price Plan (RPP) to reflect about 50% of Ontario Power Generation's (OPG) original application. RPP prices may be adjusted by the Board on May 1, 2009 to reflect the difference between that 50% allowance and the final approved payments, if necessary.

For consumers that are not on the Regulated Price Plan, the new payment amounts are expected to go into effect on December 1, 2008.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a viable and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board or to view the transcript of the Board's ruling, please visit our website at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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