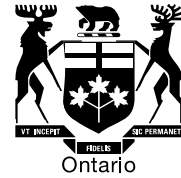


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BY E-MAIL AND WEB POSTING

September 2, 2009

To: All Participants in Consultation Process EB-2009-0084
All Licensed Electricity Distributors
All Registered Intervenors in 2009 Cost of Service Proceedings
All Other Interested Stakeholders

Re: Consultation on Cost of Capital
Board File No.: EB-2009-0084
Stakeholder Conference September 21 – 25, 2009

On June 18, 2009, the Ontario Energy Board (the “Board”) issued a letter announcing a review of its policy regarding the cost of capital. The Board issued its issues list on July 30, 2009 to form the basis of its review, taking into account the stakeholder comments received in response to the Board's March 16, 2009 letter and other information that the Board considered relevant. Interested stakeholders were invited to file written comments identifying their views and positions on the listed issues by September 8, 2009. On August 20, 2009 the Board responded to a letter dated August 13, 2009 sent on behalf of the Consumers Council of Canada, the Vulnerable Energy Consumers Coalition and the London Property Management Association, in which a number of questions were asked concerning the Board's Consultation on Cost of Capital.

As previously communicated, the Board will hold a stakeholder conference during the week of September 21, 2009 to provide a forum for discussion on the issues identified by the Board. As previously communicated, a detailed schedule of the Stakeholder Conference will be issued to participants prior to the commencement of the conference. The purpose of this letter is to advise participants that a Capital Markets Panel will “kick off” the Stakeholder Conference on the morning of September 21, 2009.

The Panel will be comprised of practicing capital markets individuals, representing investor, equity analyst, and bond market perspectives. Representatives from Sun Life Financial, TD Securities Inc., Scotia Capital, and Macquarie Capital Markets are expected to comprise the Capital Markets Panel.

Each Panel participant will have approximately 15 to 20 minutes to present their relevant perspective on capital markets conditions. There will be a question and answer session with conference participants following the presentations by Panel members.

It is expected that the Panel will provide a comprehensive overview of capital markets conditions. Panel members are likely to address matters such as:

- What the capital markets have been through, where they are today, and set out key indicators or variables that are of interest prospectively;
- Overall availability of capital and the cost of that capital (both debt and equity);
- Access to bank credit/debt/equity, the absolute cost of debt, spread, term availability, and covenants;
- Spreads that have been and are being observed and under what conditions; and
- Activity that has been and/or is evident in the market in terms of funds flow into the market and between asset classes.

Any presentation materials that Panel members use will be posted on the Board's web site.

If you have any questions regarding this consultation, please contact Lisa Brickenden at 416-440-8113, or email EDR@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

Kirsten Walli
Board Secretary