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### **For immediate release**

December 21, 2007

## **OEB Approves OPG's Reliability Must-run Contract with the IESO**

Toronto – Today the Ontario Energy Board (the Board) issued a Decision approving a third reliability must-run (RMR) contract between Ontario Power Generation Inc. (OPG) and the Independent Electricity System Operator (IESO) for OPG's Lennox generating station. A first RMR contract for Lennox was approved by the Board on March 13, 2006 and a second was approved on January 22, 2007.

In February 2007, OPG filed a request with the IESO to deregister Lennox. In May 2007, the IESO confirmed that all four units at Lennox continue to be required to operate the system reliably, and negotiated the RMR contract with OPG to cover the period from October 1, 2007 to September 30, 2008. The terms and conditions of this latest RMR contract are essentially the same as those in the two previous RMR contracts approved by the Board, save for the total contract costs.

In its Decision, the Board noted that there are no alternatives to the Lennox RMR contract in the short term, and determined that the financial provisions of the contract are reasonable. The Board also noted that Lennox is expected to be required for reliability reasons until at least the end of 2009, and that it is therefore likely that further RMR contracts will be negotiated in the future. Although to date all RMR contracts for Lennox have been for a period of one year, the Board indicated that it is prepared to impose a condition that any future RMR contract have a longer term if that would result in a more cost-effective outcome.

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 served by responsive regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at [www.oeb.gov.on.ca](http://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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