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July 7, 2008

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Ontario Energy Board
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Dear Ms Walli,

Ontario Power Generation Inc. ("OPG")

Board File No.: EB-2007-0905

Our File No.: 339583-000001

In preparing for Argument of the nuclear liabilities issue in this case, we discovered that the National Energy Board ("NEB") is currently engaged in a process to study the appropriate regulatory approach to recovering from ratepayers what it describes as Terminal Negative Salvage ("TNS") costs of pipeline decommissioning or abandonment. Copies of the NEB's recent Discussion Paper entitled "Financial Issues Related to Pipeline Abandonment" and its 1985 Discussion Paper on Negative Salvage are attached.

We are circulating these materials to the Board and all interested parties in these proceedings because we believe that the documents are relevant to the request made by the Board Panel during the course of the hearing to be advised of precedents pertaining to the regulatory treatment of decommissioning costs.

We expect to be referring to these materials in our submissions on behalf of Canadian Manufacturers & Exporters ("CME") to support the adoption of a regulatory approach to unfunded Asset Retirement Costs ("ARC"), which adequately protects OPG but is the least cost solution for ratepayers.

We thought that all parties, including OPG and Board Staff, should be aware of the attached NEB materials before they make their final submissions with respect to this important issue.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

PCT\slc
enclosures

c. Interested Parties EB-2007-0905
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