

October 24, 2008

VIA EMAIL AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto,
ON M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0298 - Lennox Reliability Must-Run Agreement

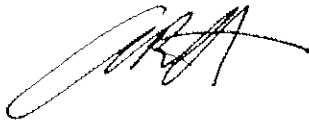
On October 17, 2008 the OEB issued its Notice of Application and Hearing with respect to Ontario Power Generation's (OPG's) request for approval of the Reliability Must-Run (RMR) contract for the Lennox Generating Station. The Procedural Order attached to the Notice stated that the Board wishes to further examine the issue of the continued need for Lennox as a reliability must-run resource beyond September 30, 2009. This letter is in response to that Procedural Order.

OPG agrees that it would be beneficial to address the issue of the continued need for Lennox in this proceeding and the potential for a multi-year arrangement for Lennox. Given the adjournment of the proceeding to consider the Ontario Power Authority's (OPA's) Integrated Power System Plan (IPSP), which identified the ongoing requirement for Lennox in its prefiled evidence, it is in the public interest to consider the most cost effective mechanism to address the system need for Lennox until a decision is reached on the IPSP.

OPG is discussing this issue with the OPA and IESO and will be developing evidence in this regard for submission to the Board.

Please direct any comments or questions in this matter to the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to be 'A. Barrett', with a long horizontal stroke extending to the right.

Andrew Barrett

cc: Fred Cass, Aird & Berlis
John Rattray, IESO
Mike Lyle, OPA