

April 30, 2007

VIA COURIER AND EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:


**EB-2006-0064 – OPG's Comments on Staff Discussion Paper
Filing Requirements for Ontario Power Generation -**

**Setting Payment Amounts for Output from OPG's Prescribed
Generation Assets**

Enclosed please find three copies of Ontario Power Generation Inc.'s written comments on Staff Discussion Paper re Filing Requirements for Ontario Power Generation. An electronic version in searchable Adobe Acrobat (PDF) format has also been submitted by e-mail to boardsec@oeb.gov.on.ca.

Please direct any questions in this matter to the undersigned.

Yours truly,


for: Andrew Barrett

Encl.

cc: Michael Penny (Torys) via e-mail
Barbara Reuber



ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF a process to determine the methodology by which the Ontario Energy Board will determine payment amounts under Section 78.1 of the *Ontario Energy Board Act, 1998* for the prescribed assets of Ontario Power Generation Inc.

ONTARIO POWER GENERATION INC. RESPONSE TO MARCH 30, 2007 DRAFT FILING REQUIREMENTS

I. Introduction

In this submission, Ontario Power Generation Inc. (OPG) provides its comments on the March 30, 2007 Ontario Energy Board (OEB or the Board) *Staff Discussion Paper: Filing Requirements for Ontario Power Generation. Setting Payment Amounts for Prescribed Generation Assets*. The draft filing requirements were developed pursuant to the November 30, 2006 OEB report entitled *A Regulatory Methodology for Setting Payment Amounts for the Prescribed Generation Assets of Ontario Power Generation Inc.* (the Methodology Report).

Generally, it is OPG's submission that the draft filing requirements are unreasonably onerous for a newly regulated entity and the Board's first proceeding to establish payment amounts for a prescribed generator. Accordingly, as an overall comment, OPG

submits that the Board should permit OPG to exercise some flexibility in applying the filing requirements in the first proceeding.

As set out in detail below, OPG offers the following specific proposals in response to its particular areas of concern with the draft filing requirements:

1. A single hearing would be more efficient and effective than separate sequential proceedings for prescribed nuclear and hydroelectric facilities;
2. The test period should be aligned with O. Reg. 53/05¹, as amended, and with OPG's fiscal and business planning calendars;
3. Filing of historic information regarding OPG's capital structure and the valuation of its assets is inconsistent with O. Reg. 53/05, as amended, and should not be required;
4. Filing of data for the 2004 historical year should not be required because of its limited value due to the large number of assumptions upon which it would be based;
5. OPG will file information addressing all of the elements of the revenue requirement in its first application, however it is OPG's understanding that the Board intends to conduct only a limited-issues cost of service review;
6. The average of monthly averages methodology should be replaced with a mid-year approach for gross asset values and non-cash working capital;
7. Cash working capital should be established using a lead/lag study rather than a balance sheet approach;
8. Proposed filing requirements for expenses incurred through the purchase of services or products are unreasonably onerous;
9. Filing of information on contract sales, export sales and the global adjustment should not be required because such information is not relevant to the prescribed assets;

¹ Ontario Regulation 53/05 as amended to Ontario Regulation 23/07 under the *Ontario Energy Board Act, 1998*.

10. Filing of *pro forma* financial statements should not be required due to considerations of commercial sensitivity and confidentiality;
11. Filing of proposed outage schedules for nuclear units should not be required since this may give rise to market competition concerns;
12. OPG understands that the threshold values are the lesser of the percentage or absolute value cited;
13. The 1500 MW threshold for prescribed hydroelectric generation should apply to all such prescribed facilities in aggregate, rather than on an individual basis;
14. There should be no requirement to file information relating to an incentive price mechanism for the Beck Pump Generating Station; and
15. Filing the requested breakdown of full time employees and related information should be based on actual employee groups at OPG.

This submission addresses each of these areas, in sequence.

II. OPG Submissions on the Draft Filing Requirements

- 1. Separate sequential proceedings for nuclear and regulated hydroelectric facilities would be inefficient and unnecessarily delay establishment of new payment amounts.**

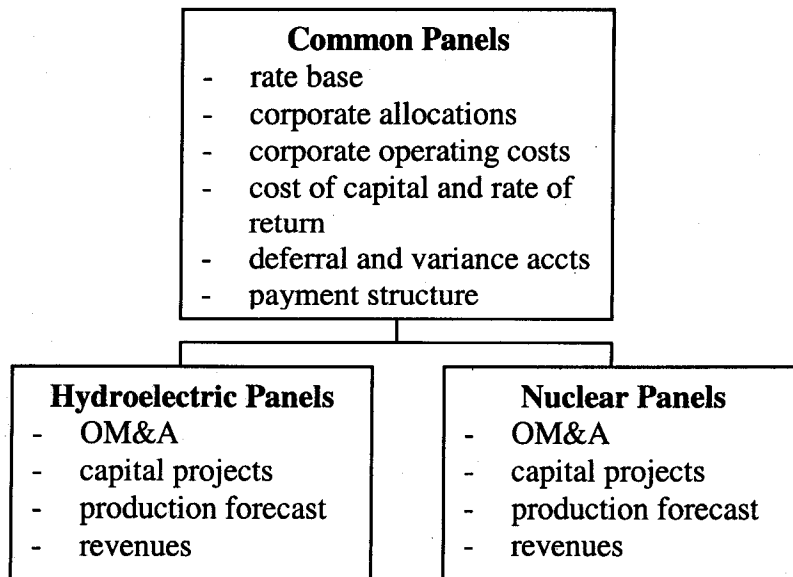
The Staff Discussion Paper indicates on page 3 that “the Board will review the prescribed hydroelectric and nuclear generation assets in separate sequential proceedings” and calls upon OPG “to make two separate filings, one for each class of assets.”

OPG submits that two separate sequential hearings with separate notice periods, interrogatory phases and decisions would be a wholly inefficient method for establishing payment amounts and would potentially delay approval of new payment amounts. Moreover, there is no apparent advantage to this approach over a single proceeding. In a single proceeding addressing both generation technologies, the issues unique to each

technology would be addressed in separate exhibits sponsored by witness panels that are technology-specific just as they would be in separate proceedings. However, for the many issues common to both nuclear and regulated hydroelectric facilities, common witness panels could deal with both technologies efficiently, avoiding duplication and the possibility of inconsistent results.

OPG further submits that an efficient and effective limited-issues cost of service proceeding could be structured as follows. As illustrated in Figure 1 below, common panels would address rate base, corporate function costs and cost allocation, corporate elements of operating costs such as depreciation and tax, cost of capital, deferral and variance accounts and payment structure. Witness panels would then speak to OM&A, capital projects, production forecasts and revenues for one group of assets (e.g., regulated hydroelectric facilities) followed by separate panels to consider the same issues for the second group of assets (e.g., nuclear facilities). This structure is efficient in that it considers elements common to both asset groups only once. The structure also allows any party that may be interested in only one technology to focus their involvement on the panels considering that asset group.

Figure 1: Structure of single hearing to consider prescribed facilities



Proceeding in this manner would be entirely consistent with the Board's Methodology Report, which states that: "the regulatory methodology to be used to set initial payment

amounts for the prescribed generation assets will be a cost of service review ... with each of the nuclear and hydroelectric businesses being reviewed separately” (pg. 11). As this quote indicates, the Board did not suggest, let alone require, separate sequential proceedings.

In fact, the two issues identified in the Board’s Methodology Report as issues for the initial proceeding are the areas where the argument for common treatment across asset groups is the strongest. Specifically, a large component of OM&A expense, including corporate functions costs, corporate cost allocation methodology, depreciation methodology, tax expense and OPG’s compensation and benefits framework, are common to both asset groups. The entire Cost of Capital and Rate of Return exhibit is common to both groups of assets. Thus, OPG’s evidence will necessarily address the regulated facilities within a corporate context that is identical for the prescribed nuclear and hydroelectric assets.

In its recently published 2007-2010 Business Plan, the OEB establishes the following strategic objective: “To monitor, report and improve on regulatory processes to ensure that they are effective, fair and transparent.” OPG does not see how two separate proceedings for the nuclear and regulated hydroelectric facilities would be consistent with this objective. Further, OPG submits that separate sequential hearings are inconsistent with the Board’s own Rules of Practice and Procedure which stress the need for “the most just, expeditious and efficient determination on the merits of every proceeding.” (Rule 2.01)

Separate sequential proceedings will unnecessarily delay the Board Order establishing new payment amounts, for at least one group of assets, well past the date of April 1, 2008, which is the earliest date for new payment amounts to take effect. The current payment amounts have been effective since April 1, 2005. OPG will be seeking an increase in payment amounts for both groups of assets after having had no increase for a period of three years. The delay caused by separate sequential proceedings will potentially have significant negative financial consequences for OPG. The Board should hold a single hearing with an objective of achieving new payment amounts for all of the prescribed assets by April 1, 2008 or if this timing is not achievable, declare the payment amounts interim, effective April 1, 2008.

In summary, OPG submits that the initial determination of payment amounts for OPG's prescribed generating facilities could be accomplished more efficiently and expeditiously through a single hearing rather than by two separate hearings, particularly given the many issues that are common to both nuclear and regulated hydroelectric facilities.

2. Adoption of a test period of April 1, 2008 to December 31, 2009 would match test period costs to the period over which payment amounts are effective.

The draft filing requirements propose a forward test year of April 1, 2008 to March 31, 2009 for the first filing. OPG submits that this test period will not provide an accurate representation of OPG's costs over the period for which new payment amounts are expected to apply. The Board's Methodology Report states on page 13 that "The Board expects that its first rate order will be in place until December 31, 2009." A test period of April 1, 2008 until December 31, 2009 will most accurately represent the cost of service for the period in which new payment amounts are expected to apply because the test period and the effective period for the new payment amounts would be the same.

OPG understands that historically most applications have been based on a single test year. However, the Board is entitled to consider a longer test period, particularly one that is coincident with the period that the payment amounts will be in effect. OPG's proposed 21-month test period is designed to support the expeditious transition to a 24-month test period based on two calendar years in future applications to allow for biennial proceedings to review the payment amounts.

OPG's fiscal year is a calendar year and its business planning and budgeting processes are based on a calendar year. Financial reporting, variance analysis, and the historic and bridge year information identified in the filing requirements are also prepared on a calendar year basis. The Board's proposed test period would require OPG to adjust its business planning and budget figures by backing out Q1 2008 and Q2, Q3 and Q4 2009. Adjustments for a April 1, 2008 to March 31, 2009 test period will reduce test period forecast accuracy because quarterly forecasts of OM&A expenses and in-service additions are not developed with the same degree of rigour as annual forecasts.

OPG proposes to file information for calendar years 2008 and 2009 throughout its application to facilitate trending and variance analysis. At the end of the filing, in its

calculation of the proposed payment amounts, OPG proposes to make an adjustment to back-out the period from January 1, 2008 to March 31, 2008. This approach will avoid a potential hearing issue associated with the trending of costs over 2009 and serve as a transition to a future test period based on a calendar year.

In summary, the proposed test period for the initial hearing of April 1, 2008 to March 31, 2009 will unnecessarily complicate matters at the hearing and will not have any enduring value beyond OPG's initial application. OPG proposes instead that the Board adopt a 21-month test period coincident with the period for which payment amounts will be effective. This 21-month test period would also serve as a transition to a two-year test period for future filings and place these filings on a calendar year basis, consistent with OPG's fiscal year-end.

3. Historic information on OPG's capital structure and valuation of OPG's assets is inconsistent with the provisions of O. Reg. 53/05, as amended, and not relevant to the determination of payment amounts for the prescribed facilities.

The draft filing requirements propose on page 20 that OPG provide:

- *A historic accounting of changes to OPG's total capital structure from OPG's inception in 1998 to the present, including but not limited to, asset valuations, writedowns, debt issues and retirements. [OPG notes that the inception of OPG was in 1999, not 1998.]*
- *All internal or commissioned reports, studies or analysis of how to value OPG's assets and assigned debt by business unit or asset class since OPG's inception in 1998.*

It is OPG's submission that the requested information has no relevance to the determination of payment amounts because asset and liability values must be established on the basis of OPG's most recently audited financial statements, according to the provisions of O. Reg. 53/05, as amended. Including historical information dating back to OPG's inception in 1999 would add an unnecessary and inappropriate element of complexity to the proceeding.

OPG submits that to require this information would be inconsistent with paragraphs 5 and 6 of subsection 6(2) of O. Reg. 53/05, as amended, which provide as follows:

5. *In making its first order under section 78.1 of the Act in respect of Ontario Power Generation Inc., the Board shall accept the amounts for the following matters as set out in Ontario Power Generation Inc.'s most recently audited financial statements that were approved by the board of directors of Ontario Power Generation Inc. before the effective date of that order:*
 - i. *Ontario Power Generation Inc.'s assets and liabilities, other than the variance account referred to in subsection 5 (1), which shall be determined in accordance with paragraph 1.*
 - ii. *Ontario Power Generation Inc.'s revenues earned with respect to any lease of the Bruce Nuclear Generating Stations.*
 - iii. *Ontario Power Generation Inc.'s costs with respect to the Bruce Nuclear Generating Stations.*
6. *Without limiting the generality of paragraph 5, that paragraph applies to values relating to,*
 - i. *capital cost allowances,*
 - ii. *the revenue requirement impact of accounting and tax policy decisions, and*
 - iii. *capital and non-capital costs and firm financial commitments to increase the output of, refurbish or add operating capacity to a generation facility referred to in section 2.*

These provisions are specifically designed to require that the payment amounts are to be established without revisiting those decisions made in the past, long before the current regulatory regime was anticipated, let alone enacted. It is clear, from a plain reading of these paragraphs from O. Reg. 53/05, as amended, that the intent of the Regulation is that the initial valuation of OPG's assets not be considered in the hearing.

Accordingly, OPG submits that the proposed requirement to provide the information cited above should be removed from the filing requirements.

- 4. Filing of data for the 2004 historical year should not be required because of its limited value due to the large number of assumptions upon which it would be based.**

OPG submits that historical data should be filed only for 2005 and 2006 and not 2004. O. Reg. 53/05 was filed on February 22, 2005 and the payment amounts for the prescribed facilities became effective on April 1, 2005. The assets were not regulated in 2004. Further, in 2004 OPG's hydroelectric and fossil generating facilities were in a single organizational unit, known then as Electricity Production; it was only in 2005 that separate operating business units were established for Fossil and Hydroelectric.

Because of the fundamental organizational and regulatory differences in 2004, some of the historical data required in the proposed filing requirements for that year does not exist. OPG developed some segmented financial data for the purpose of comparisons in the 2005 Audited Financial Statements but did not produce all of the information specified in the draft filing requirements. Further, OPG's revenues in 2004 were based on market pricing, which does not provide a relevant comparison for the period after the prescribed facilities became subject to regulation.

OPG submits that it would be a significant burden on OPG, a company preparing its first regulatory filing, to develop the requested historical year 2004 information given the assumptions and approximations that would be necessary.

Generally, for a regulated entity with a history of regulation, information for only one historical year is required. OPG accepts that, as a newly regulated entity, an additional historical year (2005 in addition to 2006) is of value. Adding a third historical year (2004) and the associated variance analyses (2004 budget vs. actual and 2004 actual vs. 2005 actual) would make an already voluminous and complicated filing even larger and more complex.

In summary, the requirement to include a 2004 historical year in the initial filing would require a number of assumptions but would be of limited relevance to the Board or intervenors. Regulation of OPG's prescribed facilities did not begin until April 1, 2005. Thus, OPG submits that filing of data for the 2004 historical year should not be required.

5. The draft filing requirements do not address the limited-issues nature of the first proceeding.

The draft filing requirements effectively call for a full cost of service filing, and in some respects go beyond a full cost of service filing. It is OPG's understanding that it is the

OEB staff's expectation for OPG to file the information associated with a full cost of service review but that the examination of issues will be limited to the issues specified in the Board's Methodology Report, i.e., OM&A, rate of return and submissions on specified issues. For the purposes of the application for payment amounts, OPG considers OM&A to include all of its operating costs such as fuel/GRC, taxes and depreciation.

In establishing a revenue requirement for the prescribed facilities, OPG understands the draft filing requirements to mean that the Board will rely upon the test period information filed by OPG pursuant to the filing requirements for those elements of the revenue requirement that are not issues in the limited-issues cost of service proceeding.

6. Average of monthly averages methodology is not warranted for OPG's gross assets or non-cash working capital.

The additions and retirements of gross assets with respect to OPG's prescribed facilities and non-cash working capital lack the significant seasonality that would warrant using the average of monthly averages methodology. Generally, the average of monthly averages methodology is beneficial for a utility with a high degree of seasonality in these areas. Furthermore, OPG is not currently capable of using this methodology to establish gross asset values because OPG uses a mid-year average to forecast gross assets with the exception of a monthly forecast for large in-service additions and retirements.

OPG proposes that gross asset values be based on a mid-year average (an average of opening and closing balances of the year) with the contribution for capital in-service additions of greater than \$50 million weighted based on their forecast in-service dates. This approach is more practical than the average of monthly averages methodology and is consistent with the approach reflected in OPG's business plans.

Non-cash working capital is comprised of supplies and material inventory and nuclear fuel. Materials and inventory do not exhibit any seasonal purchase patterns. This working capital item is not forecast on a monthly or even a quarterly basis but rather an annual need is forecast and assumed to occur uniformly throughout the period. An average of monthly averages approach would produce the same forecast rate base as a mid-year average, therefore a mid-year average approach is preferred for its simplicity.

Nuclear fuel is purchased to minimize cost in both the short- and long-run while ensuring availability of supply. There is limited seasonality to the purchase patterns for nuclear fuel as it supports baseload generation and therefore a mid -year average approach is preferred for its simplicity.

7. Cash working capital should be established using a lead/lag study.

OPG does not segment its cash working capital assets and liabilities between its regulated and unregulated facilities. The balance sheet approach using an average of monthly averages methodology would require OPG to make assumptions and develop allocation methodologies necessary to segment the balance sheet and create the information necessary to support the average of monthly averages methodology.

The OEB has approved the use of (or has indicated its intent to develop) a lead/lag methodology for determining a utilities' cash working capital allowance. This method supports the stand-alone assessment of regulated operations, does not require a forecast balance sheet for the regulated entity, and reflects requirements throughout the period (not at a point in time). OPG submits that its lead/lag study should be used to establish the cash working capital component of its regulated rate base.

8. Proposed filing requirements for expenses incurred through the purchase of services or products are unreasonably onerous.

The proposed filing requirements for expenses incurred through the purchase of services or products are unreasonably onerous and go beyond the requirements in both the natural gas and electricity transmission sectors.

OPG submits that there should be no requirement to file a summary of the tendering process and cost approach for these expenses. This specific requirement is in neither the natural gas nor the transmission minimum filing requirements. OPG proposes to submit a summary of its tendering process. A summary for each individual purchase would be repetitive and, OPG submits, of little utility in reviewing the expense. Although OPG is unclear what is meant by the reference to "cost approach" in the draft filing requirements, OPG expects much of the information on costing would be confidential information under the confidentiality agreements and provisions that are generally associated with purchasing contracts.

OPG submits that no threshold should be specified for reporting expenses incurred through the purchase of services or products and that reporting should be based on OPG's assessment of materiality. Neither the natural gas nor the transmission minimum filing requirements have a threshold. It is unclear how the 1% threshold would be applied. It is OPG's concern that the 1% threshold is inappropriate for the regulated hydroelectric facilities as it would capture a number of relatively low value contracts due to the relatively low level of total OM&A expense for the regulated hydroelectric facilities.

9. Information on contract sales, export sales and global adjustment is not relevant to the prescribed assets and should not be included in the filing requirement.

The draft filing requirements indicate that OPG should present information on energy revenue from, among other things, contract sales, export sales and the global adjustment. OPG submits that this information is not in any way related to the prescribed facilities and thus has no possible relevance to establishing the regulated payment amounts. Section 78.1 of the *Ontario Energy Board Act, 1998* specifies that payments to prescribed generators are "with respect to output that is generated by a unit at a generation facility prescribed by the regulations." The output from the prescribed facilities is entirely sold to the IESO-administered markets, with the exception of sales to Hydro Quebec that are associated with the segregated mode of operation at R.H. Saunders, which will be addressed in OPG's filing.

With respect to global adjustment revenues, OPG receives no such revenues with the exception of the small amount received in association with station service electricity consumption at the prescribed facilities. The global adjustment associated with station service is simply an offset to the cost of power consumed by these facilities and is captured in OPG's forecast costs for station service. Accordingly, global adjustment revenues are not a relevant issue for the prescribed generation assets and need not be included in the filing requirements.

10. OPG can not file *pro forma* financial statements due to issues of commercial sensitivity and confidentiality surrounding the unregulated facilities.

OPG's financial statements are prepared for the company as a whole. OPG does not prepare *pro forma* financial statements, nor does OPG prepare separate financial statements for the prescribed facilities. *Pro forma* financial statements for the bridge and test years, as proposed in the draft filing requirements would disclose confidential forward-looking information regarding the unregulated facilities and prejudice OPG's position in the competitive electricity markets. For example, forecast OM&A and fuel expense and revenues for the unregulated segment is commercially sensitive information.

With regulation of the prescribed facilities beginning on April 1, 2005, OPG changed the definition of its reportable business segments in order to remain compliant with the Canadian Institute of Chartered Accountants (CICA) handbook, Section 1701 – Segment Disclosure. While a number of elements in the financial statements are reported for “Regulated – Nuclear” and “Regulated – Hydroelectric” a number of other entries, notably taxes, working capital, interest, and other liabilities are presented only on a “total OPG” basis.

Accordingly, OPG submits that the requirement to provide *pro forma* financial statements for the bridge and test years should be removed from the filing requirements.

11. Filing proposed outage schedules for the nuclear units goes beyond the generator disclosure provisions of the IESO and raises potential market surveillance issues.

The draft filing requirements on page 21 specify that OPG should file data on proposed outage schedules for the nuclear units, reasons for each outage, duration and impact on output. The release of planned outage information at the level of detail proposed in the draft filing requirements has the potential to allow other market participants to ‘price up’ or to withhold offers, with the result that market prices would be higher than they would otherwise be and market efficiency would be reduced. Any requirement to disclose planned outage information should be reviewed by the Market Surveillance Panel.

The question of releasing generator outage information was considered extensively by the Independent Market Operator (now the Independent Electricity System Operator or IESO) in the period from 2000 to 2003. In March of 2003, the Chair of the Market Surveillance Panel, in a letter to the Chair of the Independent Market Operator, stated

that the Market Surveillance Panel believed that there was some merit in the concern regarding 'pricing up' or withholding by other market participants associated with the increased disclosure under consideration, which included disclosure of planned outage information.

Following consideration of this issue, the IESO now posts planned generator outage information aggregated by fuel type (i.e., total nuclear outages including OPG and Bruce Power units) for a period of 33 days only. The proposal in the draft filing requirements goes further than this by requesting proposed outage schedules by unit and requesting information on the reason for each outage. In addition, if OPG were to file this information, market participants could deduce information regarding Bruce Power outage by comparing the IESO generator disclosure reports with OPG's filing. OPG submits that disclosure of planned outage information in the filing should be consistent with the IESO generator disclosure requirements so as to avoid any potential market surveillance concerns.

For the test period, OPG proposes to file evidence on the percentage of annual planned outage days that are forecast to fall within the months of peak demand, which are the summer and winter months. OPG submits that this evidence would be sufficient to demonstrate the efficient scheduling of OPG nuclear outages.

If the Board decides to require more detailed planned outage information in its filing requirements than that disclosed by the IESO, OPG submits that this information should be provided on a confidential basis and should not be provided to any party with a commercial interest in the electricity markets.

12. OPG understands that the threshold values are the lesser of the percentage or absolute value cited.

The draft filing requirements specify thresholds in both percentage and absolute dollar values. It is OPG's understanding that as a general rule, it is the lesser of the percentage or absolute dollar value that applies as the threshold and that the filing requirements cited in the Staff Discussion Paper would apply to any item that is greater than the threshold.

13. Data regarding the 1500 MWh threshold for the prescribed hydroelectric facilities should relate to all prescribed hydroelectric facilities rather than individual facilities.

The draft filing requirements specify that OPG file “a schedule of the hours when total output from each of the prescribed hydraulic generation assets exceeded 1500 MW per hour.” (pg. 21) OPG wishes to confirm that this is an editorial error in the draft filing requirements and that the intent is to provide a schedule of the hours when the total aggregated output from all of the prescribed hydroelectric facilities exceeded 1500 MW per hour. Given the capacity of the individual facilities, it is unlikely that the output from any of them individually exceeded 1500 MW in any hour.

14. It is not reasonable to establish an incentive for the Beck Pump Generating Station (PGS) separately from the other Niagara facilities and there should be no requirement to file data with respect to this proposal.

The Methodology Report proposes that the Board examine whether a separate “incentive price” mechanism for setting payment for output from the Beck Pump Generating Station (PGS) would be a useful tool to increase the efficient utilization of that asset. OPG reiterates its earlier submission that any proposal to isolate the Beck PGS from the other Niagara Plant Group facilities in establishing the payments will not work. Beck PGS was designed and built for integrated operation with the other two Beck generating stations. Integrated operation of Beck PGS with the other Beck generating stations makes economic sense, optimizes peaking capability, allows OPG to efficiently provide Automatic Generation Control and operating reserve at Beck, assists in diversion control at the Beck complex, and provides other safety and system related benefits. To sever the Beck PGS operation from the rest of the Beck facility by developing its payment amounts separately from Beck I and Beck II would pervert the uniform incentives that currently exist and negatively impact the efficiency with which it performs the valuable roles required by the power system.

The integration of the operation of the Beck PGS with Beck I and Beck II is complex. It would require a lengthy and detailed submission to provide a full explanation of the Beck complex operation. In addition, any explanation would greatly benefit from the opportunity for discussion. OPG suggests that before the Board makes a final decision

on filing requirements in the area of a separate incentive for the Beck PGS, it should provide OPG with an opportunity to make an oral presentation to the Board, Board staff and intervenors on the matter.

In summary, it doesn't make sense to establish a separate incentive for a Beck PGS which is a 174 MW facility whose operation is integrated into the 2000 MW complex comprised of Beck I and II. OPG submits that the Board should not require any data to be filed by OPG in respect of the proposal for a separate incentive mechanism for Beck PGS as this is an ill-advised use of the Board's and intervenor's time.

15. OPG's breakdown of full-time employees, part-time employees, salaries, wages and benefits should be based on the employee groups within the company.

OPG submits that the breakdown of full-time employees, part-time employees, salaries, wages and benefits as set out in the Operating and Maintenance section on page 17 should be based on the following employee groups within OPG:

- Management, including management and non-unionized staff that deal with confidential or labour-relations information;
- Staff represented by the Society of Energy Professionals, a union that represents professional employees at OPG and includes analysts; and
- Staff represented by the Power Workers Union, a union that represents trades, certain operations and technical staff and administrative staff at OPG.

III. Conclusion

OPG reiterates that all of the comments and suggestions herein are made in the spirit of seeking an expeditious and efficient hearing of this matter that leads to a timely decision. All of which, it is submitted, is in the interest of the Ontario Energy Board, Board staff, OPG and all intervenors.