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File .

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BARRISTERS & SOLICITORS

April 30, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Dear Madam:

**Re: Setting Payment Amounts for the Prescribed Generation Assets of
Ontario Power Generation Inc./
Draft Filing Requirements EB-2006-0064**

On March 21, 2006, the Ontario Energy Board (“Board”) initiated a consultation process to determine the methodology by which payment amounts for the output of the prescribed generation assets of Ontario Power Generation Inc. (“OPG”) would be determined. The Board issued its report entitled *A Regulatory Methodology for Setting Payment Amounts for the Prescribed Generation Assets of Ontario Power Generation Inc.* on November 30, 2006 (“Board Report”).

On March 30, 2007, the Board issued draft filing requirements in order to provide direction to OPG in preparing its filings in support of its cost of service proceedings. The Board has invited interested parties to comment on the draft filing requirements.

At this point it is not clear as to what OPG’s submissions on the filing requirement will be. The Council urges the Board to seek an additional round of comments to allow OPG to comment on the submissions of interested parties and interested parties to respond to the comments of OPG. These are the submissions of the Consumers Council of Canada:

- The Council notes the Board has established filing requirements that to a large degree mirror the filing requirements for the Ontario natural gas local distribution utilities (“LDCs”). The Council supports this approach, but recognizes that there may be some justifiable differences given the different type of businesses. The Council would hope that OPG would indicate when the information requested by Board Staff would not be applicable to its operations, or relevant to the determination of its revenue requirement.

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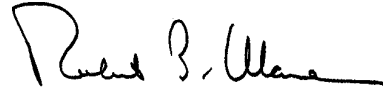
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- The Board has suggested that, consistent with the Board Report, it will review the prescribed hydroelectric and nuclear generation assets in separate sequential proceedings. From the Council's perspective, this may not be the most efficient way to proceed. Given that OPG's nuclear and hydroelectric operations are each allocated a share of its overall common corporate costs, the proposed process would likely result in a review of those costs in two separate proceedings. The Council suggests that the Board undertake one proceeding that would consider both sets of assets. This would avoid the need for the Board to consider common corporate costs and other issues common to both operations such as the cost of capital in two separate proceedings.
- With respect to the first test year for review the Board has indicated in the Board Report that it was considering the period April 1, 2008 to March 31, 2009. In the interest of aligning the payment periods with OPG's fiscal year the Council suggests the initial test year period cover the period April 1, 2008 to December 31, 2009.
- The Council strongly supports the suggestion that, "The evidence should be designed to increase the understanding of parties the case with the overall objective of reducing the number and scope of interrogatories required." (p. 10). The Council agrees that the more complete the evidence is up front, the need for interrogatories will be limited.
- In the section dealing with Rate Base filing requirements there are a number of materiality thresholds set out for variance analyses. The Council supports the need for a materiality threshold for variance analyses, but it is not clear as to how those numbers were set. The threshold should be sufficient to ensure that all significant variances are explained, but not so low that the reporting becomes overly onerous and meaningless. It is not clear, for example, if a \$17 million threshold represents the appropriate level given OPG's overall rate base. In addition, does the \$14 million threshold for capital budget projects mean all projects exceeding \$14 million will be subject to more detailed reporting? Justification of those thresholds should be provided.
- With respect to "Operating & Maintenance and Other Costs", it is not clear as to what, specifically, would constitute "Other Costs". In addition, what is the rationale for a 10% variance threshold for written explanations? This may or may not be appropriate given the overall budgets that this threshold would be applied to.

The Council appreciates the opportunity to provide comments to the Board on its proposed filing requirements. Following the initial proceeding it may be appropriate to reconsider the filing requirements and refine them for future proceedings.

Yours very truly,

WeirFoulds LLP

A handwritten signature in black ink, appearing to read "Robert B. Warren". The signature is written in a cursive style with a large initial 'R' and a long horizontal stroke at the end.

Robert B. Warren

RBW/dh

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