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DELIVERED BY E-MAIL

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

Dear Ms. Walli:

Re: OPG - EB-2010-0008

In a filing dated October 27th, OPG has provided a response to Undertaking J3.5. This response updates with 2009 results the nuclear benchmarking study provided in F5/1/1, which provided benchmarking results for the period 2006-2008.

The report provided in J3.5 is very helpful and informative but raises some concerns for AMPCO. These concerns include the loss of comparisons with U.S. reactors with respect to many safety and reliability indicators, the change in units of measure used in benchmarking thereby complicating comparisons with previous studies, and the absence of information identifying the members of the INPO comparator group. AMPCO can deal with these concerns in final argument.

One of AMPCO's concerns cannot be dealt with effectively in final argument and has important implications for the usefulness of the report to the Board particularly with respect to monitoring OPG's compliance with its Memorandum of Agreement (MOA), dated August 17, 2005 with the provincial government. The redaction process used in the original report, in protecting the privacy of participating utilities, had the effect of eliminating information that would have allowed the Board to identify the differences in overall nuclear performance between U.S. and CANDU reactors.

The MOA sets out the Province's expectations regarding OPG's mandate, governance, performance, and communications. Key aspects of the MOA include:

- OPG has a commercial mandate, and is to operate on a financially sustainable basis and maintain the value of its assets for its shareholder.
- OPG's key nuclear objective is to reduce the risk exposure to the Province arising from its investment in nuclear generating stations.

- OPG is to seek continuous improvement in its nuclear generation business and internal services. OPG will benchmark its performance in these areas against CANDU reactors worldwide as well as against the top quartile of private and publicly-owned nuclear generators in North America.

In support of this last bullet, AMPCO posed an interrogatory; Issue 6.4 L2/23. Part A of that question asked "Please provide the year by year WANO NPI results for Candu vs. PWR." In replying to that request, OPG identified errors in the original study.

Table 3 on page 76 of the study provided in J3.5 provides the ordinal ranking of average WANO NPI results for 20 major nuclear operators for the years 2006 through 2009. It appears that the data provided in the chart repeats the error in the original report that was identified and corrected in L2/23. In addition, the redacted report does not indicate which operators use PWR and which use CANDU technology, thereby limiting the value of the information.

AMPCO believes that it would assist the Board for OPG to correct and label by generation technology the information provided in Table 3, following the model of L2/23. By this letter, AMPCO is asking the Board to require OPG to make those changes. This information should be provided by way of a supplemental response to J3.5.

Yours truly,

DAVIS LLP

Per:

David Crocker
DDC/szp

cc: Intervenor - (via email)

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