

**Ontario Power Generation Inc. (“OPG”)  
Lennox Generating Station (“Lennox”)  
Reliability Must-run Agreement (“2007-08 RMR Agreement”)  
(EB-2007-0715)**

**Board Staff Interrogatories Addressed to the Independent Electricity  
System Operator (the “IESO”)**

**1. Re: Appendix D – Formal De-registration Correspondence between  
OPG and IESO**

Under sections 2.4 and 9.6 of Chapter 7 of the Market Rules, a technical assessment must be performed by the IESO to support a decision to enter into an RMR agreement.

- a. Please file the technical assessment conducted by the IESO under the Market Rules and which is the basis for entering into the 2007-08 RMR Agreement.
- b. Please confirm that that this study is the one referenced in the letter dated April 5, 2007 from Mr. Finkbeiner of the IESO to Mr. Barrett of OPG.

**2. Section 9.6.7.2 of the Market Rules permits the IESO to negotiate a contract with a “single potential supplier where the IESO determines this will result in reasonable prices and other terms”.**

- a. Has the IESO ever attempted to employ a competitive tendering or negotiation process with multiple potential suppliers to deal with the identified reliability issues?
- b. If not, why not?

**3. The Integrated Power System Plan (the “IPSP”) filed with the Board in August, 2007 by the Ontario Power Authority (the “OPA”) (proceeding EB-2007-0707) assumes that Lennox will remain in service for local reliability reasons at least through 2010. Attached as Attachment A to these interrogatories are copies of the relevant IPSP materials filed by the OPA. Page 9 of Exhibit D, Tab 8, Schedule 1 (“Natural Gas Fired Resources”) deals with the OPA’s assumptions about the need for and operation of Lennox. Attachment 1 to Exhibit D, Tab 8, Schedule 1 (“Discussion Of The Ongoing Requirement For The Availability Of The Lennox Generating Station And The Cost Effectiveness Of Alternatives”) provides a more detailed analysis.**

- a. Does the IESO share the OPA’s view that Lennox will be needed to operate as a must-run facility for system reliability purposes until at least the end of 2010?
- b. Has the IESO done an analysis of whether a multi-year RMR agreement for Lennox could result in a more reasonable cost and/or provide superior incentives to OPG to manage investment in

and the operation of Lennox while it is needed as a must-run facility?

**4. Re: Section 4.4 of the 2007-08 Agreement**

Section 4.4.1 of the 2007-08 RMR Agreement provides for the IESO to initiate one or more audits during the term of the RMR Agreement and within a period of four months from the expiration or termination of the RMR Agreement, to verify compliance by OPG with its obligations under the RMR Agreement, including verification of billings and costs.

- a. Please identify if the IESO is, or will be, arranging for or conducting an independent audit of OPG's performance under the second RMR agreement?
- b. If available, please provide information on the results of such an audit.