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July 13, 2010

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

We are counsel to Association of Major Power Consumers in Ontario ("AMPCO"). Pursuant to Procedural Order No. 1. in this matter, this letter represents AMPCO's submissions with respect to the Draft Issues List. We will only make reference to those numbered issues with which we have concern.

2.2 Rate Base

It is suggested on behalf of AMPCO that the wording of this issue be changed as follows:

"Is OPG's request for accelerated cost recovery for the Darlington Refurbishment Project appropriate?"

4.2 Capital Projects

AMPCO believes that this issue should be reworded to remove the expression, "and supported by business cases?". The issue should read, therefore, as follows:

"Are the capital budgets and/or financial commitments for 2011 and 2012 for the regulated hydroelectric business appropriate?"

AMPCO submits that the word "appropriate" should not be modified for the purposes of this discussion. We believe that an examination of OPG's hydroelectric capital budget is a necessary component of the Board's review and examination of one of the largest, and most troubled elements of the capital budget; namely, the Beck Tunnel Project. The recently revised in-service states for the Tunnel Project do not change our view that a review in the nature of a status update is required.

6.2 and 6.4 Operating Costs

AMPCO recommends adding to these two issues the following question:

“Is OPG’s benchmarking methodology appropriate?”

AMPCO believes that for the Board to have a complete understanding of the benchmarking results OPG has filed, it would be necessary for the Board to understand, as well, the benchmarking analysis and the judgments which underpin that analysis such as the criteria for the selection of cohorts.

8.1 Nuclear Waste Management and Decommissioning Liabilities

AMPCO strongly supports the inclusion of this issue. We believe that it encompasses a consideration of alternative methodologies for treating these very significant decisions. As noted by the Board in its decision in EB-2007-0905, there was, at that time, no precedent in North America for the use of the rate base method for Asset Retirement Costs (“ARC”) and Asset Retirement Obligations (“ARO”). The Issues List should allow an opening should the passage of time have allowed for the development of other relevant precedents, as appears to have occurred.

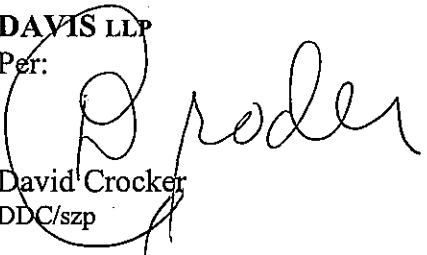
12 Methodologies for Setting Payment Amounts

AMPCO believes that if it is the wish of the Board to consider this issue as part of this proceeding, it might best be dealt with by written submissions and argument. It appears to AMPCO to be a distinct and separate matter which, if fully considered by the Board, might divert the focus from other elements of the proceeding.

Yours truly,

DAVIS LLP

Per:



David Crocker
DDC/szp

cc: Applicant and Intervenor - (via email)