

14 July 2010

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

Dear Ms Walli:

Re: EB-2010-0008 – GEC reply to OPG Submissions on the Draft Issues List

GEC offers the following reply to OPG's submissions:

Proposed Issue 1.2: "Are OPG's economic and business planning assumptions for 2011 - 2012 an appropriate basis on which to set payment amounts?"

OPG objects to the issue arguing that "The proper focus for setting the payment amounts should be on OPG's forecast costs and production. The facts and assumptions that give rise to these forecasts are subsumed and form part of each area that drives OPG's revenue requirement. They do not exist separately in a manner that provides for discrete consideration. The establishment of economic and business planning assumptions for OPG's business planning is the role of management and not the role of the OEB."

GEC respectfully submits that the Board does indeed have the jurisdiction to examine, and if appropriate alter, the economic and business planning assumptions that underlie OPG's revenue requirement as part of the requirement that the Board ensure that the payment proposal is 'just and reasonable'. A plan based on ill-advised assumptions cannot meet this test. While the Board routinely shows deference for the business management decisions of the various regulated entities it oversees, such deference is not synonymous with an abdication of responsibility for oversight, which would be the result of OPG's logic.

Sincerely,

A handwritten signature in black ink, appearing to read "David Poch", with a stylized flourish at the end.

David Poch