



August 19, 2010

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

Dear Ms. Walli:

Re: Ontario Power Generation Inc.
Application Approving Payment Amounts for Prescribed Generating Facilities
Submission of AMPCO Questions for the Technical Conference
Board File No. EB-2010-0008

Pursuant to the Board's Procedural Order No. 4 in the above proceeding, dated August 6, 2010, attached please find AMPCO's questions for the Technical Conference beginning on August 26, 2010.

AMPCO representatives are currently reviewing the large volume of material filed on August 17 and August 18, 2010 and may wish to file additional questions by Monday August 23, 2010. OPG has agreed to this request. AMPCO respectfully asks that the Board please accept any additional questions filed by AMPCO.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

(ORIGINAL SIGNED BY)

Adam White
Association of Major Power Consumers in Ontario

Copies to: Ontario Power Generation Inc. (via email)
Intervenors (via email)

Association of Major Power Consumers in Ontario

www.ampco.org

372 Bay Street, Suite 1702
Toronto, Ontario M5H 2W9

P. 416-260-0280
F. 416-260-0442

Ontario Power Generation (OPG) Inc.
2011-2012 Payment Amounts for
Prescribed Generating Facilities
EB-2010-0008

AMPCO Technical Conference Questions

Question # 1

Ref: Exhibit L/Tab 2/Schedule 8b

Exhibit L/Tab 2/Schedule 8b asks for an explanation as to the schedule slippage for Beck 1 upgrades to G7, G9 and G10. The reply refers to lessons from the G7 upgrade, realigning the upgrade schedule to match the revised tunnel schedule and that the original schedule “was not preferable from a cost or resourcing perspective”.

- a) Please clarify with supporting documentation whether or not the G7 schedule slippage resulted from a planned or forced slowdown of the project.
- b) Please identify the cost and resource savings that resulted from the schedule changes.

Question # 2

Ref: Exhibit L/Tab 2/Schedule 10

Exhibit L/Tab 2/Schedule 10 asks for the Post Implementation Review (PIR) for the SAB 1 G7 project, completed in June 2009.

Please indicate the process OPG used to determine that rather than complete the PIR in 6 months to one year as per normal practice, a year and a half would be allowed in this case.

Question # 3

Ref: Exhibit L/Tab 2/Schedule 13

Ref: Exhibit L/Tab 2/Schedule 12/Table 2a

Exhibit L/Tab 2/Schedule 13 seeks details on a conventional commercial renovation related to a cafeteria recently completed within Pickering. Exhibit L/Tab 2/Schedule 12 Table 2a shows that the project was completed in twice the originally scheduled time and the cost overrun was 46% above the original estimate. OPG’s explanation refers to the difficulty of working in a nuclear environment and that “the schedule of the project was driven by the location”.

Ontario Power Generation (OPG) Inc.
2011-2012 Payment Amounts for
Prescribed Generating Facilities
EB-2010-0008

AMPCO Technical Conference Questions

Please provide the original business case, the document upon which the budget overrun was approved, and any follow-up analysis performed related to lessons learned.

Question # 4

Ref: Exhibit L/Tab 2/Schedule 6 Part F

The above interrogatory response indicates that OPG's Construction Work In Progress (CWIP) expert, Mr. Luciani, has not performed a quantitative analysis for Ontario supporting his opinion that CWIP in rate base is "beneficial to Ontario ratepayers". The response indicates that his conclusion is based on the regulatory activity in the United States as discussed in the Charles River Associates paper in which CWIP in rate base has been deemed beneficial to customers in supporting the construction of significant capital investments.

Please provide any quantitative analysis Mr. Luciani relies upon in supporting his opinion of benefits to ratepayers.

Question # 5

Ref: Exhibit L/Tab 2/Schedule 26 Attachment #1 (non-confidential version) Part C

The above interrogatory response refers to the review and approval of the Pickering B Integrate Safety Report by the end of Q2/'10.

Please provide an update on the status of that approval.

Question # 6

Ref: Exhibit L/Tab 2/Schedule 9 Part E

The above noted question seeks to understand the distinction of the cost of power for the tunnel project calculated by way of LUEC vs. PPA.

Please provide the capital costs, discount rates, and tax rates that are used in the LUEC and PPA calculations.