



September 7, 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
AMPCO Interrogatories on Board Staff Evidence
Board File No. EB-2010-0008

Pursuant to the Board's Procedural Order No. 4 dated August 6, 2010, attached please find AMPCO's interrogatories on Board Staff evidence in the above proceeding.

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

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

AMPCO Interrogatories on Evidenced Filed by Board Staff

**“Update to Report on Methodologies for Setting
Ontario Power Generation Payment Amounts”
August 30, 2010, Power Advisory LLC.**

1 **Reference: “Update to Report on Methodologies for Setting Ontario Power Generation**
2 **Payment Amounts”, August 30, 2010, Power advisory LLC.**
3

4 Interrogatory # 1
5

6 Please provide the cost to the Board to engage Power Advisory to prepare this report.
7
8

9 Interrogatory # 2
10

- 11 a) Please provide Power Advisory’s opinion as to the appropriateness of OPG’s
12 methodology for measuring the effectiveness of the hydro-electric incentive mechanism
13 ordered by the Board in its Decision with Reasons in the EB-2007-0905 proceeding.
14
15 b) How should OPG’s response to hydro-electric incentives be best monitored?
16
17

18 Interrogatory # 3
19

20 In the proceeding EB-2007-0905, AMPCO filed evidence (Exhibit M Tab 2), that discussed in
21 some detail previous performance incentive schemes applied to OPG, particularly the Market
22 Power Mitigation Agreement (MPMA) and Regulation 53/05. AMPCO's evidence discussed the
23 results of these measures.
24

25 Please provide Power Advisory’s view of overall effectiveness and lessons learned from these
26 previous incentive regimes applied to OPG.
27
28

29 Interrogatory # 4
30

31 Please comment on whether and how the Board might encourage OPG to schedule nuclear
32 production to as closely as possible match the production pattern to the demand pattern.
33
34
35

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

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**“Update to Report on Methodologies for Setting
Ontario Power Generation Payment Amounts”
August 30, 2010, Power Advisory LLC.**

1 Interrogatory # 5

2

3 **Reference: “Update to Report on Methodologies for Setting Ontario Power Generation**
4 **Payment Amounts”, August 30, 2010, Power Advisory LLC.**
5 **Page 27, Table 4.**

6

7 Regarding Table 4 on page 27, please comment on why Power Advisory relied upon non-fuel
8 operating costs as a benchmark for comparing OPG performance with that of international
9 peers instead of the combined fuel and non-fuel operating cost measure recommended by
10 ScottMadden, OPG Nuclear 2009 Benchmarking report.

11

12 Interrogatory # 6

13

14 **Reference: “Update to Report on Methodologies for Setting Ontario Power Generation**
15 **Payment Amounts”, August 30, 2010, Power Advisory LLC.**
16 **Page 29, Section 4.3.2.**

17

18 On page 29, the Power Advisory report indicates “Nuclear industry capacity factors have
19 increased over the past two decades due in part to deregulation and improved asset
20 management practices as firms had a strong financial incentive to increase production.”

21

- 22 a) Please identify the jurisdiction or jurisdictions whose experience is noted in this
23 statement.
- 24
- 25 b) Please indicate whether any Candu operations show indications of improving capacity
26 factors over time.

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