

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O.1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by Ontario
Power Generation Inc. pursuant to section 78.1 of the
Ontario Energy Board Act, 1998 for an Order or
Orders determining payment amounts for the output
of certain of its generating

Submissions of the School Energy Coalition on Draft Issues List

1. These are the submissions of the School Energy Coalition (“SEC”) on the draft Issues List in this proceeding.
2. SEC is generally satisfied with the draft Issues List but offers the following submissions, most of which involve clarifications of the scope of the issues as drafted:

Clarification of Scope of Existing Issues

Issue 3.1

3. SEC understands this issue to include a consideration of what constitutes “refurbishment” under the regulations. For example, SEC would ask that the Board consider whether routine replacement of capital constitutes “refurbishment” under the Regulations?

Issue 3.5

4. SEC assumes this issue also includes a consideration of whether OPG has done an asset condition assessment, and if so whether that assessment justifies the additional capital spending (in addition to the levels being recovered under section 6(2)(4) of the Regulation 53/05).

Issue 4.1

5. SEC proposes that the words “and the results flowing from it” should be inserted into this issue, so that the issue would read:
 - 4.1 Is the methodology used by OPG to generate the proposed hydroelectric and nuclear business production forecasts and the results flowing from it appropriate?

6. Generally when a methodology is considered the results of the application of the methodology are also considered.

Issue 5.4

7. With respect to Issue 5.4, SEC submits this issue should include a consideration of whether the allocation to the unregulated business units is appropriate as well. The issue as worded may imply that only the allocation to the regulated hydroelectric and nuclear businesses is under consideration. SEC believes that in order to properly consider this issue, it is necessary to also consider the allocation to the unregulated units, i.e. is the overall allocation fair and reasonable?

Issue 5.5

8. According to the pre-filed evidence, 90% of in-service fixed assets are directly associated with generation facilities, and the remaining 10% of assets are directly associated with business units or held centrally. Centrally held assets include: OPG Head Office, Kipling Site Building Complex, Shared CIO and Energy Market Assets.
9. The assets that are held centrally are not included in rate base. Rather, the business units are charged a fee (in OM&A) for the use of the centrally held assets. The service fees are computed in a cost-based manner, which includes depreciation, operating costs, and tax-adjusted return on assets.
10. The question SEC would like to consider under this issue is whether the 10% centrally held assets should be capitalized and put into rate base or whether OPG's methodology of treating them as an expense for the business units is appropriate.
11. Also, if centrally held assets are treated as an expense, is OPG recovering the appropriate amount for them?

All of which is respectfully submitted this 1st day of February, 2008.

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