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By Electronic Filing

April 3, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Ontario Power Generation Inc.
Niagara Tunnel Project Prudence Review
Board File No.: EB-2012-0002
Our File No.: 339583-000003

I am writing on behalf of Canadian Manufacturers & Exporters ("CME") to provide comments on correspondence filed by OPG on March 12, 2012. In that correspondence, OPG requested approval by the Board to sever the prudence review of the Niagara Tunnel Project from its 2013-2014 payments amount application. If accepted by the Board, the result of OPG's proposal will be that the 2013-2014 payments amount application will proceed in 2013, and the Niagara Tunnel Project prudence review will proceed in 2014.

Subject to the comments below, CME does not oppose the severance of the Niagara Tunnel Project prudence review from OPG's 2013-2014 payment amounts application. We will trust the Board to determine whether that severance is best accomplished through two applications or a phased proceeding.

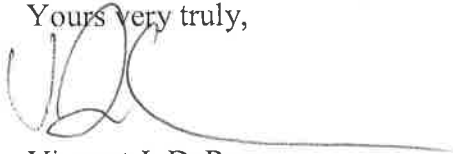
In the normal course, the 2013-2014 payment amounts application would include exhibits and continuity statements (as required by the Filing Guidelines) related to rate base, capital projects, cost of capital and rate of return which reflect the impact of the Niagara Tunnel Project. As recognized in the submissions of Board Staff, this information will not be included in the 2013-2014 payments amount application if the Niagara Tunnel Project proceeds on a stand-alone basis in 2013.

We are of the view that evidence on the potential financial impact of the Niagara Tunnel Project must be included as part of the 2013-2014 payment amounts application – even if the prudence of the Project is not considered. At a minimum, OPG should be directed to provide evidence on the anticipated revenue requirement, as well as the rate impacts, of the Niagara Tunnel Project.

This information will, in our view, enable the Board to properly assess the total price increase facing consumers over the test period. Without this information, the Board will not have a complete picture of the total bill increases faced by consumers in 2014. For this reason, we request that the Board direct OPG to file evidence on these issues.

If you have any questions or concerns, please do not hesitate to contact me directly.

Yours very truly,



Vincent J. DeRose
VJD/kt

c. Paul Clipsham (CME)

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