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## By electronic filing

October 15, 2012

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

Dear Ms Walli,

# Ontario Power Generation Inc. ("OPG")Deferral and Variance Account Clearance and Adoption of USGAAPBoard File No.:EB-2012-0002Our File No.:339583-000136

We are writing this letter to seek intervenor status and cost award eligibility in this proceeding on behalf of Canadian Manufacturers & Exporters ("CME").

### Request for Intervenor Status

The reasons why CME should be granted intervenor status in this proceeding include the following:

- 1. CME is Canada's leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports.
- 2. Manufacturing is important to the Province of Ontario. It is the single largest sector of the economy (17.5% of Gross Domestic Product ("GDP") or \$300B) employing, directly, over 1M people in the Province.
- 3. Electricity is the primary source of energy for the manufacturing sector. As a result, the members of CME are vitally concerned with all matters pertaining to the supply and price of electricity.
- 4. Ontario-based CME members seek an electricity system for Ontario which is one of the most cost-effective and economically sustainable systems in North America.
- 5. CME's primary concern, in this proceeding, is the \$1.3B level of the deferral account balances at December 31, 2012. This amount represents about a 36% increase over the combined 2012 Board approved revenue requirements for hydro electric of \$674.4B and nuclear of \$2.8673B, for a total of \$3.5317B. The impact that the recovery of the total deferral account balances will have on the energy costs of CME members needs to be considered, having regard to the



combined effect of the total December 31 deferral account balances of about \$1.3B, the yet to be filed 2013-2014 revenue requirement deficiencies, if any, claimed by OPG and the 2013-2014 revenue requirement impact of the Niagara Tunnel Project ("NTP"), which the Board has decided will be determined as a separate phase of OPG's 2013-2014 Cost of Service Application.

6. CME wishes to actively participate in these proceedings to assure that affordable rates are the outcome of any deferral account balances that the Board authorizes OPG to recover as a component of its approved payment amounts. Affordable rates are a necessary ingredient of an electricity system that will support a growing and prosperous manufacturing sector. The affordability of OPG's Board approved payment amounts, including deferral account balances, should be considered having regard to the combined effect of each of the items described in paragraph 5 of this intervention.

# Request for Cost Award Eligibility

CME seeks a determination that it is eligible for a Cost Award on the following grounds:

- 1. CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members and to break down trade barriers.
- 2. About 85% of CME's 1,400 Ontario-based member companies are Small to Medium sized business Enterprises ("SMEs") with 500 employees or less. The views of these businesses should be considered in this proceeding.
- 3. CME's ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

## Request for Oral Hearing

The very large \$1.3B amount recorded in the deferral accounts at December 31, 2012, should be scrutinized at an oral hearing. CME requests an oral hearing rather than the written hearing proposed by OPG.

### CME Contacts

If the relief requested in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

Paul Clipsham		Borden Ladner Gervais LLP	Peter C.P. Thompson	
Director of Policy – Ontario Division		Barristers & Solicitors	Tel	(613) 787-3528
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			email	kdullet@blg.com



Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly,

Peter C.P. Thompson, Q.C.

PCT\slc

c. Colin Anderson (OPG) Charles Keizer (Torys) Paul Clipsham (CME)

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