

November 12, 2012

File 21199

VIA RESS FILING AND COURIER

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**Re: Ontario Power Generation Inc. - Deferral and Variance Account
Clearance and Adoption of USGAAP (EB-2012-0002) – Draft Issues
List**

On November 6, 2012, the OEB issued Decision and Procedural Order No. 1 to which a draft issues list was attached for comment.

The Power Workers' Union has reviewed the proposed issues list and identifies two additional issues as described below.

1. "OPG is proposing to defer clearance of the Hydroelectric Incentive Mechanism and Hydroelectric Surplus Baseload Generation Variance Accounts and the hydroelectric portion of the Capacity Refurbishment Variance Account" (Exhibit H1-2-1, page 2 of 5, lines 22-24). This proposal is not covered in the proposed Issues List. The proposed issue to be added is:

Is OPG's proposal to defer the clearance of the Hydroelectric Incentive Mechanism and Hydroelectric Surplus Baseload Generation Variance Accounts and the hydroelectric portion of the Capacity Refurbishment Variance Account appropriate?

2. OPG submitted that "the balance in the Pension and OPEB Cost Variance Account will be amortized over a 48-month period from January 1, 2013 to December 31, 2016. This extended amortization period was chosen to lessen ratepayer impact" (Exhibit H1-2-1, page 3 of 5, lines 5-7). OPG also submitted that "the balances in the Bruce Lease Net Revenues Variance Account and the Pension and OPEB Cost Variance Account will be amortized on a straight line basis over the 48-month period from January 1, 2013 to December 31, 2016. These extended amortization periods were chosen to lessen ratepayer impact" (Exhibit H1-2-1, page 4 of 5, lines 1-4). This

HONORARY COUNSEL

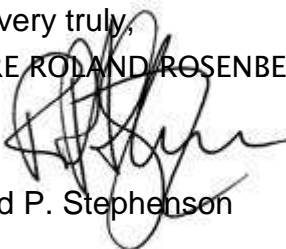
Ian G. Scott, Q.C., O.C.
(1934 - 2006)

proposal is not covered in the proposed Issues List. The proposed issue to be added is:

Are OPG's proposed approaches for the amortization of the Pension and OPEB Cost Variance Account and the Bruce Lease Net Revenues Variance Account appropriate?

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

A handwritten signature in black ink, appearing to read 'R. Stephenson', is written over the printed name and firm name.

Richard P. Stephenson

RPS:jr

encl.

cc: John Sprackett, PWU (via email)
Judy Kwik (via email)

List of PWU Employers

Algoma Power
AMEC Nuclear Safety Solutions
Atomic Energy of Canada Limited (Chalk River Laboratories)
BPC District Energy Investments Limited Partnership
Brant County Power Incorporated
Brighton Beach Power Limited
Brookfield Power – Mississagi Power Trust
Bruce Power Inc.
Atlantic Power - Calstock Power Plant
Atlantic Power - Kapuskasing Power Plant
Atlantic Power - Nipigon Power Plant
Atlantic Power - Tunis Power Plant
Cooor Nuclear Services
Corporation of the City of Dryden – Dryden Municipal Telephone
Corporation of the County of Brant, The
Coulter Water Meter Service Inc.
CRU Solutions Inc.
Ecaliber (Canada)
Entegrus Powerlines Inc.
Erie Thames Services and Powerlines
ES Fox
Great Lakes Power Limited
Grimsby Power Incorporated
Halton Hills Hydro Inc.
Hydro One Inc.
Independent Electricity System Operator
Inergi LP
Innisfil Hydro Distribution Systems Limited
Kenora Hydro Electric Corporation Ltd.
Kincardine Cable TV Ltd.
Kinectrics Inc.
Kitchener-Wilmot Hydro Inc.
Lake Superior Power Inc. (A Brookfield Company)
London Hydro Corporation
Milton Hydro Distribution Inc.
New Horizon System Solutions
Newmarket Hydro Ltd.
Norfolk Power Distribution Inc.
Nuclear Waste Management Organization
Ontario Power Generation Inc.
Orangeville Hydro Limited
Portlands Energy Centre
PowerStream
PUC Services
Sioux Lookout Hydro Inc.
Sodexho Canada Ltd.
TransAlta Generation Partnership O.H.S.C.
Vertex Customer Management (Canada) Limited
Whitby Hydro Energy Services Corporation

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