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**By electronic filing**

April 8, 2013

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

Dear Ms Walli,

**Ontario Power Generation Inc. (“OPG”)**  
**Deferral and Variance Account Clearance and Adoption of USGAAP**  
**Board File No.: EB-2012-0002**  
**Our File No.: 339583-000136**

On behalf of Canadian Manufacturers & Exporters (“CME”), we have reviewed the draft Payment Amounts Order and its Appendices circulated by OPG on April 1, 2013. We have also had an opportunity to briefly review Board Staff’s comments on the draft Order.

Our comments on the provisions of the Order which follow are primarily cosmetic rather than substantive.

The provisions of paragraphs 11, 12, 13 and 14 of the Order express items of approval by reference to Appendix B. Appendix B consists of a 12-page narrative under the following four (4) topic headings:

- (i) Clearance of Existing Deferral and Variance Accounts
- (ii) Continuing Variance and Deferral Accounts
- (iii) New Variance Account
- (iv) Interest

Some Board approvals expressed in Appendix B are duplicative of approvals already recited in the body of the formal Order. For example, the payment amounts and riders approved in paragraphs 1 to 7 of the formal Order are also “approved” in Appendix B. Moreover, the text of pages 3 to 11 of Appendix B purports to summarize the methodologies by which OPG shall continue to record entries in its various deferral and variance accounts.

We urge the Board and its staff to carefully verify that the summary which OPG has provided in Appendix B is in accordance with the approvals granted by the Board in prior proceedings and in this case. The presumed accuracy of this summary is the basis for the approvals expressed in paragraphs 11 to 13 inclusive of the draft Order. In this connection, we support the suggestions which Board Staff makes in its comments for correcting, clarifying and/or enhancing the text of the narrative and summary contained in Appendix B.

The "New Variance Account" described in the text of Appendix B at page 11 is the basis for paragraph 14 of the draft Order. There is, however, no paragraph in the formal Order relating to the recording of "Interest", being a topic described in various parts of Appendix B and at pages 11 and 12 thereof.

We support the clarifying language that Board Staff proposes for the "Interest" section of Appendix B. Further, we suggest that consideration be given to adding another paragraph following paragraph 14 of the formal Order to deal with "Interest". We invite OPG and the Board to consider something to the following effect:

"OPG shall either record or refrain from recording interest on the balances in its approved deferral and variance accounts in the manner described in Appendix B."

Finally, we agree with Board Staff that there is a typographical error in the recording of the total number of 12 pages at the top right hand corner of each page of Appendix B. This typographical error should be corrected.

We hope these comments are of some assistance.

Yours very truly,



Peter C.P. Thompson, Q.C.

PCT\slc

c. Colin Anderson (OPG)  
Carlton Mathias (OPG)  
Charles Keizer (Torys)  
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