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**By electronic filing**

April 23, 2013

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")**  
**Reliability Must-Run Agreement for the Thunder Bay Generating Station**  
**Board File No.: EB-2013-0061**  
**Our File No.: 339583-000153**

In accordance with paragraph 3 of Procedural Order No. 1 dated April 3, 2013, we are enclosing our Interrogatories to OPG and the Independent Electricity System Operator ("IESO").

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Peter C.P. Thompson', is written over a light blue circular stamp.

Peter C.P. Thompson, Q.C.

PCT\slc  
enclosure

c. Andrew Barrett (OPG)  
Paul Clipsham (CME)

OTT01: 5638561: v1

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

**AND IN THE MATTER OF** an Application filed by Ontario Power Generation Inc. for approval, pursuant to Part 1, Paragraph 5.2 of Ontario Power Generation Inc.'s Generation Licence EG-2003-0104, of a Reliability Must-Run Agreement for the Thunder Bay Generating Station between Ontario Power Generation Inc. and the Independent Electricity System Operator.

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS ("CME")  
TO ONTARIO POWER GENERATION INC. ("OPG") and  
TO INDEPENDENT ELECTRICITY SYSTEM OPERATOR ("IESO")**

1. The February 27, 2013 Letter Application refers to the Board's prior approval of four (4) separate Reliability Must-Run ("RMR") Agreements for OPG's Lennox Generating Station ("GS"). In connection with those prior Agreements, please provide the following information:
  - (a) Do any portion of the amounts which the Board has approved for recovery by OPG under the auspices of RMR Agreements fall within the ambit of OPG's Regulated Payment Amounts? If so, then please provide details of amounts of prior approved RMR payments recovered by OPG that are embedded in OPG's currently approved Payments Order.
  - (b) What annual Board approved amount, if any, is OPG currently recovering for RMR Agreements for its Lennox GS, which exceeds actual costs being incurred by OPG to operate those facilities?
2. The information provided in the February 27, 2013 Letter Application and in Attachment 3 thereof indicates that, on January 7, 2013, the Independent Electricity System Operator ("IESO") advised OPG that it was prepared to enter into discussions with a view to concluding a RMR contract for one (1) Thunder Bay unit for a period of up to one (1) year. The duly executed IESO-OPG RMR Agreement dated January 1, 2013, at Attachment 1 of the Letter Application, indicates that the agreement had been finalized and signed by the President of OPG by February 6, 2013. Please provide a brief description of the sequence of discussions and events related to the negotiation of that contract, including the following:
  - (a) A brief chronology of such discussions and events between January 7 and February 6, 2013, that led to the finalization of the terms of the agreement.

- (b) Copies of any historic backup information relied upon by OPG to derive the annualized and monthly fixed payment budget amounts shown in Schedule D, Table 1 of Attachment 1.
  - (c) Copies of any historic backup information considered by the IESO and the criteria applied by the IESO to determine that the budget amount presented by OPG was reasonable.
  - (d) An indication of whether there is any return on investment component contained within the budget and, if so, then the equity return on investment reflected therein.
- 3. With respect to the performance standards, including penalties or rewards that apply if the performance standards are missed or exceeded, as described in Schedule B of the RMR Agreement, please provide information pertaining to any industry standards that were used to establish the following:
  - (a) The performance standards expressed in the agreement.
  - (b) The EROR-OP target range of 6% to 10% used in calculating rewards and penalties.
  - (c) The capping of the net penalty/reward amount in a sum that shall not exceed \$500,000.00