



**VIA RESS, EMAIL AND COURIER**

May 9, 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: AMPCO Response to Interrogatory on AMPCO Evidence  
Ontario Power Generation, Payment Amount Increases for Prescribed  
Generating Facilities, Board File No. EB-2007-0905**

Pursuant to Procedural Order #4, issued April 18, 2008, attached please find AMPCO's response to an interrogatory from OPG.

Please contact me if you require additional information.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Adam White", with a long horizontal flourish extending to the right.

Adam White  
President

Copies to:  
Applicant and Intervenors

**Association of Major Power Consumers in Ontario**  
[www.ampco.org](http://www.ampco.org)

372 Bay Street, Suite 1702  
Toronto, Ontario M5H 2W9

P. 416-260-0280  
F. 416-260-0442

**AMPCO**

**Response to Interrogatory from Ontario Power Generation Inc. ("OPG")**

**Interrogatory #1**

**Ref:** All

**Preamble:** AMPCO's evidence addresses two areas, Cost of Capital (Section 2 a) and Nuclear Cost Control and Need for Performance Incentives (Section 2 b).

**Interrogatory**

Please provide the qualifications of Dr. Murphy and Mr. Adams with respect to their respective sections of evidence. Please identify all publications, reports and testimony written by Dr. Murphy and Mr. Adams on cost of capital and/ or nuclear cost control and performance incentives. Provide details of all proceedings in which Dr. Murphy and/ or Mr. Adams have been accepted as an expert in utility cost of capital and/ or nuclear cost control and performance incentives.

**Response**

Section 2a of AMPCO's evidence was prepared by Dr. L. Murphy. It deals only with the question of OPG's ownership and its relationship to the question of risk. Dr. Murphy provided advice to AMPCO on this subject for the purpose of AMPCO's input to the Advisory Committee on Competition in Ontario's Electricity System (the so-called Macdonald Committee) and for AMPCO's response to the Government's White Paper on electricity market reform. He also participated actively in the work of the Market Design Committee on the implementation of these reforms. Dr. Murphy has appeared before the Ontario Energy Board at Ontario Hydro rate hearings and on other matters. Dr. Murphy's curriculum vitae (CV) is attached.

Section 2b of AMPCO's evidence was prepared by Mr. T. Adams. Mr. Adams was accepted as an expert, testified before the Ontario Energy Board, and subjected to cross-examination presenting a statistical model of nuclear performance in HR 20 and HR 21. In 2002, Mr. Adams was also accepted as an expert, testified before the New Brunswick Public Utilities Board, and subjected to cross-examination presenting an analysis of NB Power's proposed refurbishment plan for the Point Lepreau reactor. Mr. Adams was the only independent witness in that case to testify specifically on the refurbishment plan. In that case, the conclusion of the New Brunswick Public Utilities Board was, in part:

The Board, as a result of its review of the evidence in relation to the capacity factor and the cost of capital, finds that there is no significant economic advantage to the proposed refurbishment project. In addition,

1 the Board considers that there are other significant aspects of the  
2 refurbishment option for which the economic impact is uncertain. These  
3 aspects create additional economic risk which leads the Board to  
4 conclude that the refurbishment of Point Lepreau, as outlined in the  
5 evidence, is not in the public interest. The Board, therefore, will  
6 recommend to the Board of Directors of NB Power that it not proceed with  
7 the refurbishment of Point Lepreau.  
8

9 Mr. Adams has published a large number of articles in popular publications -- mostly in  
10 the National Post, Globe and Mail, Ottawa Citizen, New Brunswick Telegraph Journal,  
11 and London Free Press -- addressing matters related to nuclear productivity,  
12 performance trends, costs and cost control, governance, and incentives. His academic  
13 publications addressing these subjects are list on his attached CV.

May 2008

**Biographical Notes**  
**Lawrence J. Murphy Ph.D.**

Dr. Murphy has been president of Henley International Inc. for the past twenty years and has been actively consulting in the electricity industry in Ontario for most of that period. He has also served on various committees and task forces during the restructuring of the Ontario electricity sector. Dr. Murphy was Chairman of the market Design Committee's Retail Technical Panel and a member of the Wholesale Technical Panel. From its formation until April 2005 he was a member of the Technical Panel of the IESO. The Technical Panel has ongoing responsibility for advising the IESO Board on proposed market rule changes. He was also a member of OEB Task forces on Performance-Based Regulation and on Retail Settlements.

Dr. Murphy has advised many industrial, institutional and commercial companies in the design and negotiation of hedge contracts and other aspects of operating in the restructured Ontario electricity market. He has been an advisor to AMPCO on economic matters for several years.

**Educational Background**

Ph.D (Economics), McMaster University, 1973

B.Com. (Hon. Econ.), McGill University, 1968

**Other Positions Held**

1986 – 1987 Visiting Associate Professor of Finance and Economics, University of Toronto.

1978 – 1986 Director of Corporate Planning, Gulf Oil Canada

1973 – 1978 Vice President Economic Research and Forecasting, The Conference Board of Canada

1971 – 1973 Economic Advisor, Department of Finance, Government of Canada

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## **Thomas (Tom) M. Adams**

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### **Summary Bio**

Mr. Adams is an independent energy and environmental advisor. He has held a variety of senior responsibilities including Executive Director of Energy Probe from 1996 until September 2007, membership on the Ontario Independent Electricity Market Operator Board of Directors, and membership on the Ontario Centre for Excellence for Energy Board of Management. His guest columns have appeared in many major Canadian newspapers. He is a media commentator, a lecturer in energy studies at University of Toronto, and currently sits on the Board of Directors of the agricultural research and development organization REAP Canada. He has presented expert testimony before many regulatory tribunals in Canada on a wide variety of energy subjects. He has made presentations to Legislative Committees in Ontario and New Brunswick, academic, regulatory and trade conferences, the Atomic Energy Control Board, and the Canadian Nuclear Safety Commission. His profile appears in the Canadian Who's Who.

### **Consulting, Instruction and Research**

#### *2007-present*

Environmental and energy consulting in private practice

#### *2007*

Sessional Lecturer, University of Toronto Faculty of Arts and Science, Department of Geography, Course taught: GGR333 Energy and Society

#### *2005-2007*

Member, Ontario Centre of Excellence for Energy Board of Management

#### *2001-present*

Director, REAP Canada

#### *1997-2001*

Investigator, Environmental Bureau of Investigation

#### *1996-September 2007*

Executive Director, Energy Probe

#### *1991-October 2007*

Senior Consultant, Borealis Energy Research Association

*1999-2001*

Independent Director, Ontario Independent Electricity Market Operator (IMO)

*1998-1999*

Member, Ontario Electricity Market Design Committee (MDC)

*1989-1996*

Utility Analyst, Energy Probe

*May-August 1988*

Research Assistant, Electricity Planning Technical Advisory Panel (Reviewing Ontario Hydro's Demand/Supply Planning Strategy for Ontario Cabinet Office)

### **Administrative Law Experience**

*2007-2008*

Interventions on behalf of AMPCO before the Ontario Energy Board on LDC rates, the IPSP, and OPG regulated assets.

*1989-2007*

Interventions on behalf of Energy Probe before the Ontario Energy Board, New Brunswick Public Utilities Board, Manitoba Public Utilities Board, Ontario Joint Board, Ontario Environmental Assessment Board. Expert witness appearances or evidence presentations before the Ontario Energy Board, New Brunswick Public Utilities Board, and the Manitoba Public Utilities Board on matters related to benchmarking gas utility meter reading costs, gas DSM economics, pricing mechanisms to guide gas transmission system expansion and related market design issues, system gas pricing and contracting, statistical modeling of nuclear power output, electric LDC PBR, benchmarking electric LDC transition costs associated with commodity liberalization, and nuclear refurbishment economics.

### **Civil Law Experience**

*1997*

New Brunswick Power Corporation and James F. Hankinson vs. Atlantic Institute for Market Studies, Thomas Adams, et. al. (successfully defended defamation action)

*1989-1996*

Energy Probe, Rosalie Bertell and the Corporation of the City of Toronto vs. the Attorney General of Canada, Ontario Hydro and New Brunswick Power Corporation (unsuccessful constitutional challenge of the federal Nuclear Liability Act)

## **Prosecution Law Experience**

*1997-2002*

J. Fletcher v. Canada, Province of Ontario, Kingston Region (City's conviction on related pollution charges)

*1998-2001*

T. Adams v. Canada, Province of Ontario (Ontario government acquitted on pollution charges related to the Deloro Mine site)

*1997-2001*

J. Fletcher v. Canada, Province of Ontario (Ontario government acquitted on pollution charges)

## **Academic Publications**

*2008*

Ontario Wind Power Production Analysis, presentation to the World Wind Energy Conference June 2008, coauthored with Francois Cadieux (forthcoming)

*1996*

Comments on "The Future of Ontario Hydro: A Review of Structural and Regulatory Options," by R. J. Daniels and M. J. Trebilcock, in *Ontario Hydro at the Millennium: Has the Monopoly's Moment Passed?* edited by R. J. Daniels

*1995*

Comment on: 'Changing Canadian Electricity Markets and the Future Role of Government', in *Energy Studies Review*, Vol. 7, No. 1

*1993*

Ontario Hydro's Fatal Condition: Implications for Canadian Public Policy, in *Canadian Business Economics*, Vol. 1, No. 3

*1989*

Review of: Nucleus: A History of Atomic Energy of Canada Limited, in *Energy Studies Review*, Vol. 1, No. 1

## **Selected Publications**

*1998-2007*

Guest editorialist, *National Post*

*2000*

Coauthor with Mark Mattson and Myriam Beaulne, *The Citizen's Guide to Environmental Investigation and Private Prosecution*, published by the Environmental Bureau of Investigation.

1996/10/9

"New Brunswick's Power Failure, Choosing a Competitive Alternative" presented to the New Brunswick Legislative Assembly, sponsored by Atlantic Institute for Market Studies

1995-1999

Guest Editorialist, *Energy Analects*

1995/07/08

Shockingly Successful Privatization of Britain's Electricity Monopoly, *Financial Post*

1990/11/13

"Hardening of the Nuclear Arteries" *Globe and Mail*

### **Education**

1990

Master of Environmental Studies, York University

1984

Bachelor of Science, University of Guelph

### **Other Distinctions**

2002-present

*Canadian Who's Who*

Numerous presentations to Legislative Committees in Ontario and New Brunswick, CAMPUT conferences, trade conferences, academic events, the Atomic Energy Control Board, and the Canadian Nuclear Safety Commission.

### **Contact Information**

Email: tom.adams.energy@gmail.com