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May 9, 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
2300 Youge Street, Suite 2700  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2007-0905- Ontario Power Generation Inc. Payment Amounts  
for Prescribed Facilities**

In accordance with Rule 10 of the Ontario Energy Board's *Rules of Practice and Procedure* and section 5.3 of the Board's *Practice Direction on Confidential Filings*, Ontario Power Generation Inc. ("OPG") requests the confidential treatment of certain information that has been requested by way of interrogatories in the above-noted proceeding. Specifically, OPG seeks confidential treatment of its responses to the following interrogatories:

- OEB Staff Interrogatory #62, found at Ex. L-1-62
- OEB Staff Interrogatory #65(a), found at Ex. L-1-65
- Consumers Council of Canada Interrogatory #50, found at Ex. L-3-50
- Consumers Council of Canada Interrogatory #89, found at Ex. L-3-89

In accordance with section 5 of the *Practice Direction*, the reasons for these confidentiality requests, including the reasons why OPG's responses to the interrogatories listed above are considered confidential and the reasons why public disclosure of the information contained in those responses would be detrimental, are set out below. In addition, the confidential, un-redacted portions of the interrogatory responses for which confidential treatments are requested, along with the non-confidential summaries of the confidential information are provided as attachments.

In accordance with the OEB's *Practice Direction on Confidential Filings*, this letter is being provided to the OEB along with all attachments identified below. The information for which confidentiality is being requested, which is included at Attachments A.2, B.2, C.2 and D.2 is to remain confidential at least until the OEB makes its determination on this request. A copy of this letter, including

all attachments other than the confidential information in A.2, B.2, C.2 and D.2, is being provided to each party to the proceeding.

However, at the suggestion of Board Staff and in the interests of efficiency, prior to the OEB making its determination, OPG is agreeable to allowing Board Staff and intervenors to proceed as though the information for which confidentiality has been requested has actually been determined by the Board to be confidential. In so doing, OPG requests that each intervenor requesting a copy of the information complete and sign a Declaration and Undertaking in the form included at **Attachment E**. At the conclusion of the proceeding or in the event that the confidentiality request is refused and OPG in turn requests that the information be withdrawn in accordance with 5.1.12 of the Practice Direction, all persons in possession of the information will be required to either destroy or return to the OEB Secretary for destruction the confidential information in accordance with 6.1.6 of the Practice Direction.

In addition, OPG expects that any references to confidential information contained in the documents produced will be conducted in camera so as to preserve their confidential nature.

#### **1. OEB Staff Interrogatory #62 (Ex. L-1-62)**

Interrogatory #62 from OEB Staff, along with the OPG response as filed, is provided at **Attachment A.1**. The portion of the interrogatory response for which OPG is seeking confidential treatment consists of a table setting out the percentage breakdown for the three components of nuclear fuel. This information is provided at **Attachment A.2**. A non-confidential summary of the portion of the interrogatory response for which OPG is seeking confidential treatment is provided at **Attachment A.3**.

OPG's response to this interrogatory provides a percentage breakdown of the various elements that factor into OPG's nuclear fuel costs. Specifically, the response provides the percentage of OPG's total nuclear fuel costs that is attributable to each of OPG's purchase of uranium concentrate, services to convert uranium concentrate into uranium dioxide, and services for the manufacture of fuel bundles for 2008 and 2009.

This information should be kept confidential because it would enable third parties to derive OPG's approximate unit costs for manufactured fuel bundles and conversion services. OPG has only one available supplier of uranium conversion services. For fuel bundle manufacturing services, OPG currently uses one of only two available suppliers. Disclosure of OPG's unit costs would prejudice OPG's competitive position in future negotiations for each of these services. Moreover, disclosure of these unit costs could prejudice the competitive positions of OPG's suppliers in their delivery of similar services to others.

Should the OEB grant this request for confidentiality, OPG proposes that the OEB order the confidential portion of OPG's interrogatory response be disclosed under suitable

arrangements as to confidentiality. It is OPG's view that, subject to any conditions the OEB may find appropriate, it would be suitable to allow disclosure only to those persons that sign a Declaration and Undertaking in the form set out in Appendix D of the *Practice Directions*.

## **2. OEB Staff Interrogatory #65(a) (Ex. L-1-65)**

Interrogatory #65 from OEB Staff, along with the OPG response as filed, is provided at **Attachment B.1**. The portions of the interrogatory response for which OPG is seeking confidential treatment consist of detailed fuel price calculation tables, a report on the uranium market from an independent source and a discussion of each of these items. This information is provided at **Attachment B.2**. A non-confidential summary of the portion of the interrogatory response for which OPG is seeking confidential treatment is provided at **Attachment B.3**.

OPG's response to this interrogatory includes a detailed calculation of how nuclear fuel costs were derived. This detailed calculation is commercially sensitive because it provides information that either directly identifies, or provides sufficient other information that can be used to derive, forecast unit costs of uranium concentrates contracts, conversion services and manufactured fuel bundles. For the reasons set out above in relation to Ex. L-1-62, disclosure of this information would prejudice OPG's competitive position in future negotiations for each of these services. Moreover, disclosure of this information could prejudice the competitive positions of OPG's suppliers in their delivery of similar services to others.

In addition, the forecast was developed in part using forecast information from a third party. The information provided by this source is confidential and proprietary to the third party. OPG is precluded from disclosing this information without the prior written consent of the author. As such, public disclosure of this information could result in OPG breaching its legal obligations to the author and potentially threatening OPG's ability to obtain similar information from the author in the future. OPG has sought, and recently received, the third party's consent to disclose under the OEB's confidentiality guidelines.

Should the OEB grant this request for confidentiality, OPG proposes that the OEB order the confidential portion of OPG's interrogatory response be disclosed under suitable arrangements as to confidentiality. It is OPG's view that, subject to any conditions the OEB may find appropriate, it would be suitable to allow disclosure only to those persons that sign a Declaration and Undertaking in the form set out in Appendix D of the *Practice Directions*.

## **3. Consumers Council of Canada Interrogatory #50 (Ex. L-3-50)**

Interrogatory #50 from the Consumers Council of Canada, along with the OPG response as filed, is provided at **Attachment C.1**. The portion of the interrogatory response for which OPG is seeking confidential treatment consists of a formal benchmarking study undertaken for OPG by a third party within the last five years. This information is

provided at **Attachment C.2**. A non-confidential summary of the portion of the interrogatory response for which OPG is seeking confidential treatment is provided at **Attachment C.3**.

OPG's response to this interrogatory indicates that OPG carries out formal benchmarking as required by the nuclear business and that in 2006 OPG commissioned Navigant Consultants to perform staffing benchmarking analysis against Canadian CANDU stations. This analysis involved the use of a database that is proprietary to Navigant. Moreover, as per terms set out by Navigant in the report, no part of the report may be circulated or reproduced for distribution outside of OPG without the prior written approval of Navigant. As such, public disclosure of this information could result in OPG breaching its legal obligations to the author and could potentially threaten OPG's ability to obtain similar information from Navigant in the future. OPG has sought, and recently received, Navigant's consent to disclose under the OEB's confidentiality guidelines.

Should the OEB grant this request for confidentiality, OPG proposes that the OEB order the confidential portion of OPG's interrogatory response be disclosed under suitable arrangements as to confidentiality. It is OPG's view that, subject to any conditions the OEB may find appropriate, it would be suitable to allow disclosure only to those persons that sign a Declaration and Undertaking in the form set out in Appendix D of the *Practice Directions*.

#### **4. Consumers Council of Canada Interrogatory #89 (Ex. L-3-89)**

Interrogatory #89 from the Consumers Council of Canada, along with the OPG response as filed, is provided at **Attachment D.1**. The portion of the interrogatory response for which OPG is seeking confidential treatment is provided at **Attachment D.2**. A non-confidential summary of the portion of the interrogatory response for which OPG is seeking confidential treatment is provided at **Attachment D.3**.

OPG has provided the requested Mercer Benchmarking Study as part of the non-confidential response to CCC interrogatory #89. The Towers Perrin Study is entitled *Power Services Survey: 2006 Descriptive Statistics (Canada)* and was prepared solely for the use of OPG as a participant in a database maintained by Towers Perrin. Moreover, Towers Perrin specifies in the report that the report and the know-how embodied in it are the confidential and proprietary work product of Towers Perrin and cannot be copied or disclosed without their prior written consent. If the study were to be made part of the public record, OPG would be in breach of its obligations to Towers Perrin and would thereby threaten OPG's ability to obtain similar information from this firm in the future. OPG has sought, and recently received, Towers Perrin's consent to disclose under the OEB's confidentiality guidelines.

Should the OEB grant this request for confidentiality, OPG proposes that the OEB order the confidential portion of OPG's interrogatory response be disclosed under suitable arrangements as to confidentiality. It is OPG's view that, subject to any conditions the OEB may find appropriate, it would be suitable to allow disclosure only to those persons

that sign a Declaration and Undertaking in the form set out in Appendix D of the *Practice Directions*. This report is voluminous (it fills a three-inch binder) and OPG proposed that it be made available to those persons that sign the Declaration and Undertaking either as a CD or as a paper copy for viewing at the Board's offices.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barbara Reuber', with a long horizontal flourish extending to the right.

Barbara Reuber

Cc: Michael Penny, Torys  
Josie Erzetic, OPG