

ATTACHMENT A.1

OPG Response to Board Staff Interrogatory #62

Filed: 2008-04-09
EB-2007-0905
Exhibit L
Tab 1
Schedule 62
Page 1 of 1

Board Staff Interrogatory #62

Ref: Ex. F2-T5-S1, page 2

Issue Number: 5.7

Issue: Is the forecast of nuclear fuel costs appropriate?

Interrogatory

The application (F2/T5/S1/page 2) notes OPG's nuclear fuel supply chain is made up of the following stages:

- a) The purchase of uranium concentrate;
- b) The purchase of services for the conversion of uranium concentrate to uranium dioxide; and
- c) The purchase of services for the manufacture of fuel bundles containing the uranium dioxide.

During the test years, what is the percentage breakdown for the three stages in terms of the total nuclear fuel cost?

Response

The requested information on the percentage breakdown for the components of OPG's nuclear supply chain costs is commercially sensitive because it could be used to derive approximate unit prices for uranium conversion and manufacturing services. The release of this information could prejudice the commercial position of OPG and, potentially, third parties.

Pursuant to the OEB Rules of Practice and Procedure and Practice Direction on Confidential Filings, OPG will provide the requested information to the Board along with a request for the confidential treatment of this information. Should the Board agree that the information should be afforded confidential treatment, OPG proposes that it can only be made available to any party that completes the Declaration and Undertaking set out at Appendix D of the Practice Direction and complies with any other related instructions ordered by the Board.

Witness Panel: Base OM&A and Fuels

ATTACHMENT A.2

Confidential OPG Response to Board Staff Interrogatory #62

OMITTED

ATTACHMENT A.3

Non-Confidential Summary of Confidential Information in Response to Board Staff Interrogatory #62

The confidential information is comprised of a table setting out the percentage breakdown for the three stages of OPG's nuclear fuel procurement process for 2008 and 2009.

ATTACHMENT B.1

OPG Response to Board Staff Interrogatory #65

Filed: 2008-04-09
EB-2007-0905
Exhibit L
Tab 1
Schedule 65
Page 4 of 15

Board Staff Interrogatory #65

Ref:

Issue Number: 5.7

Issue: Is the forecast of nuclear fuel costs appropriate?

Interrogatory

The updated evidence shows that nuclear fuel costs for 2008 and 2009 were revised to \$162.4 M and \$204.2 M respectively. The revised costs compared to the 2007 actual of \$113 M represent increases of \$49.4 M (47%) for 2008 and \$91.2 M (81%) for 2009.

a) Please provide a detailed calculation including the forecasted uranium prices and other assumptions showing how the nuclear fuel costs for 2008 and 2009 were derived. If independent sources were used to derive the forecast, please provide copies of the information provided by the independent sources.

b) In light of the significant increases in nuclear fuel costs from 2007 to 2008 and 2009, does OPG intend to change how it manages the risk associated with uranium prices? If so, what does OPG intend to do and when will it implement this change? If no change is planned, please explain why.

Response

a) The detailed calculation showing how nuclear fuel costs were derived relies upon commercially sensitive information. The release of this information could harm OPG and third parties.

OPG uses information from an independent source to derive forecast uranium prices. The information provided by this source is confidential and proprietary to the source. OPG has no concerns with disclosing the information requested in the interrogatory to those parties that sign a declaration and undertaking in accordance with section 6.1 of the Board's Practice Direction on Confidential Filings. However, OPG cannot release the information unless and until it receives prior written consent from the source of the information. To this end, OPG has issued a request to the source of the information. Upon receiving consent from the source, OPG intends to provide the information to the Board along with a request for the confidential treatment of this information. If the Board agrees, OPG proposes that it be made available to any party that completes the Declaration and Undertaking set out at Appendix D of the Practice Direction.

b) OPG manages the risks associated with uranium prices by maintaining a portfolio of uranium supply arrangements which contain diverse pricing mechanisms. As described in Ex. F2-T5-S1, page 6, Chart 2, OPG's current uranium supply contracts provide pricing which is market-related at the time of delivery, or which has base prices that escalate to the time of delivery by formula or published indexes (known as "base price escalated" pricing). This mix of pricing terms moderates the impact of uranium market price volatility. Also, OPG enters the market for new contracts on a regular basis, which has the effect of dollar cost averaging the prices paid over time.

The diversified portfolio of uranium supply arrangements also mitigates the impact of any individual source supply disruption.

In 2003, OPG recognized the potential for market supply shortfalls and significant price increases and accelerated its program to increase its forward contract coverage. Between 2003 and 2007 OPG negotiated eight new uranium supply contracts which now provide physical coverage and price diversity for a portion of expected requirements through 2017. The physical coverage is 100 percent of requirements in 2008 and 2009 and declines to about 15 percent for 2016 and 2017.

In 2007, OPG revised its process for making uranium purchases in the spot market to expedite the approvals to make spot market purchases in times of price weakness. The benefits of this revised process are further discussed in L-1-63.

OPG is currently developing a framework to manage uranium market price risk, including determination of the optimal mix of market related and base price escalated pricing provisions in its portfolio of supply arrangements. This work is expected to be complete by the end of July 2008.

OPG is also currently observing the development of the financial futures market for uranium but has not made any decisions at this time concerning participation in such market. OPG has not included any assumptions on the use of such a market in its rate submission.

Witness Panel: Base OM&A and Fuels

ATTACHMENT B.2

Confidential OPG Response to Board Staff Interrogatory #65(a)

OMITTED

ATTACHMENT B.3

Non-Confidential Summary of Confidential Information in Response to Board Staff Interrogatory #65(a)

The confidential information is comprised of detailed fuel price calculation tables that set out the monthly flow, in both quantity and dollars, for each stage of OPG's nuclear fuel procurement process for 2008 and 2009. The confidential information also includes a report on the uranium market from an independent source and a short discussion of the price calculation tables and the independent report.

ATTACHMENT C.1

OPG Response to Consumers Council of Canada Interrogatory #50

Filed: 2008-04-17
EB-2007-0905
Exhibit L
Tab 3
Schedule 50
Page 8 of 15

CCC Interrogatory #50

Ref: Ex. A1-T4-S3, pages 7 - 28

Issue Number:

Issue:

Interrogatory

The MOU with OPG's shareholder states that OPG will seek continuous improvement in its nuclear generation business and internal services. It further states that OPG will benchmark its performance in these areas against nuclear plants worldwide and against top generators in North America. Please indicate specifically how OPG is meeting this objective beyond the information provided in section 9.0. Please provide copies of all benchmarking studies undertaken over the last five years.

Response

There are three components of "Benchmarking" that OPG undertakes to support our mandate outlined in the referenced MOU.

- We compare ourselves to other nuclear utilities using standard performance benchmarks via World Association of Nuclear Operators ("WANO") and Electric Utility Cost Group as described in Ex. A1-T4-S3, Section 9.0 and further in L-2-39.
- Staff in Nuclear actively participate in industry working groups, site visits, staff exchange, assessments, etc in order to be fully conversant with current industry trends and best practices. These activities include active participation in organizations such as CANDU Owner's Group, Institute of Nuclear Power Operations, WANO, and Electric Power Research Institute. Output from these efforts includes the improvement plans described throughout the evidence.
- Formal benchmarking studies are also completed as required by the business. In 2006 OPG commissioned Navigant Consultants to perform CANDU staffing benchmarking. The resulting report is confidential for internal OPG use only. OPG has however asked Navigant for permission to release this report. That request is outstanding at this time.

The results of the combined benchmarking effort are presented to the shareholder annually.

Witness Panel: Base OM&A and Fuels

ATTACHMENT C.2

Confidential OPG Response to Consumers Council of Canada Interrogatory #50

OMITTED

ATTACHMENT C.3

Non-Confidential Summary of Confidential Information in Response to Consumers Council of Canada Interrogatory #50

The confidential information is comprised of a presentation from Navigant Consulting Inc. dated September 18, 2006 setting out a staffing benchmarking analysis. The objectives of the analysis were to benchmark OPG staffing against other Canadian CANDU plants, identify staffing gaps between OPG actual staffing levels and the benchmarks, and provide analysis of the unique conditions at OPG that could help explain the differences in staffing between actual and benchmark.

ATTACHMENT D.1

OPG Response to Consumers Council of Canada Interrogatory #89

Filed: 2008-04-15
EB-2007-0905
Exhibit L
Tab 3
Schedule 89
Page 11 of 15

CCC Interrogatory #89

Ref: Ex. F3-T4-S1, pages 30 and 38

Issue Number:

Issue:

Interrogatory

Please provide copies of the Mercer Benchmarking Study and the Towers Perrin Study.

Response

A copy of the Mercer Benchmarking Study is attached. With respect to the Towers Perrin Study, this report has been prepared solely for the use of OPG as a participant in the database maintained by Towers Perrin. The report is the confidential and proprietary work product of Towers Perrin who owns all related intellectual property rights.

OPG is willing to disclose the Towers Perrin Study requested in the interrogatory to those parties that sign a declaration and undertaking in accordance with section 6.1 of the Board's Practice Direction on Confidential Filings. However, OPG cannot release the information until it receives the written consent of Towers Perrin. To this end, OPG has requested consent from Towers Perrin and, if received, will provide the information to the Board along with a request for the confidential treatment. If the Board agrees, OPG proposes that the Towers Perrin Study be made available to any party that completes the Declaration and Undertaking set out at Appendix D of the Practice Direction.

Witness Panel: Corporate and Other Operating Costs

ATTACHMENT D.2

Confidential OPG Response to Consumers Council of Canada Interrogatory #89

OMITTED

ATTACHMENT D.3

Non-Confidential Summary of Confidential Information in Response to Consumers Council of Canada Interrogatory #89

The Descriptive Statistics Report is a binder containing over 1300 pages of data which focuses on the elements of Total Compensation including base salary, annual incentives, the expected value of long-term incentives and value of perquisites. The survey collected data from 23 participants and covers over 150 benchmark positions. The report provides analysis and descriptive statistics for relevant data segments for each position such as organization ownership and geographic region.

The data in the Report is collected and analyzed by Towers Perrin, which owns all related intellectual property rights.

ATTACHMENT E

EB-2007-0905

IN THE MATTER OF the *Ontario Energy Board Act*, 1998;

AND IN THE MATTER OF an Application by
Ontario Power Generation Inc.
for an order or orders approving payment amounts
for prescribed generating facilities commencing April 1, 2008.

DECLARATION AND UNDERTAKING

I, _____, am counsel of record or a consultant for
_____.

DECLARATION

I declare that:

1. I have read the *Rules of Practice and Procedure* of the Ontario Energy Board (the "Board") and all Orders of the Board that relate to this proceeding.
2. I am not a director or employee of a party to this proceeding for which I act or of any other person known by me to be a party in this proceeding.
3. I understand that this Declaration and Undertaking applies to all information that I receive in this proceeding and that has been designated by the Board as confidential and to all documents that contain or refer to that confidential information ("Confidential Information").
4. I understand that execution of this Declaration and Undertaking is a condition of an Order of the Board, that the Board may apply to the Superior Court of Justice to enforce it.

UNDERTAKING

I undertake that:

1. I will use Confidential Information exclusively for duties performed in respect of this proceeding.
2. I will not divulge Confidential Information except to a person granted access to such Confidential Information or to the Board.
3. I will not reproduce, in any manner, Confidential Information without the prior written approval of the Board. For this purpose, reproducing Confidential Information includes scanning paper copies of Confidential Information, copying the Confidential Information onto a diskette or other machine-readable media and saving the Confidential Information onto a computer system.

4. I will protect Confidential Information from unauthorized access.
 5. I will, promptly following the end of this proceeding or within 10 days after the end of my participation in this proceeding:
 - (a) return to the Board Secretary, under the direction of the Board Secretary, all documents and materials in all media containing Confidential Information, including notes, charts, memoranda, transcripts and submissions based on such Confidential Information; or
 - (b) destroy such documents and materials and file with the Board Secretary a certification of destruction in the form prescribed by the Board pertaining to the destroyed documents and materials.
- For this purpose, the end of this proceeding is the date on which the period for filing a review or appeal of the Board's final order in this proceeding expires or, if a review or appeal is filed, upon issuance of a final decision on the review or appeal from which no further review or appeal can or has been taken.
6. I will inform the Board Secretary immediately of any changes in the facts referred to in

Dated at _____ this _____ day of _____,
_____.

Signature:

Name:

Company/Firm:

Address:

Telephone:

Fax:

Email: