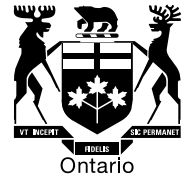


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BY E-MAIL

March 3, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Generation Inc.
Board File No. EB-2013-0321**

In accordance with Procedural Order No. 3, please find attached Board staff's submission on confidential filings with respect Ontario Power Generation Inc.'s application for 2014-2015 payment amounts.

Yours truly,

Original signed by

Violet Binette
Project Advisor, Applications

Attach

ONTARIO POWER GENERATION INC.
2014-2015 PAYMENT AMOUNTS
CONFIDENTIAL FILING

EB-2013-0321

Board Staff Submission

March 3, 2014

Introduction

Ontario Power Generation Inc. (“OPG”) filed an application, dated September 27, 2013, with the Ontario Energy Board under section 78.1 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) (the “Act”) seeking approval for increases in payment amounts for the output of certain of its generation facilities, to be effective January 1, 2014.

On February 19, 2014, the Board issued Procedural Order No. 3 which made provision for submissions on Exh D2-2-1 Attachment 5, *Darlington Business Case Summary* (“BCS”), as updated on November 14, 2013 and filed with the Board on February 6, 2014 in redacted form and on February 24, 2014 in confidential form.

In the cover letter filed on February 24, 2014, OPG states that it seeks confidential treatment for the updated Darlington BCS as the document:

... includes commercially sensitive information such as contingencies, point estimates for total project costs, or aggregate information that would allow determination of commercially sensitive information. Disclosure of the redacted portions of the Updated Darlington Refurbishment BCS that include OPG commercially sensitive information would prejudice OPG’s competitive position because if OPG’s budgets for contingencies, even on a preliminary basis, are made publicly available they may affect suppliers’ bids for work and ultimately increase the cost for the work. Therefore, release of such information may significantly interfere with OPG’s negotiations and existing relationships in a variety of aspects of its business. Furthermore, similar information was treated as confidential by the OEB in OPG’s previous application, EB-2010-0008.

Submission

Board staff acknowledges that the Board approved the confidential treatment of business cases in the previous cost of service proceeding. Board staff submits that this does not relieve OPG of the onus to provide sufficient rationale in this proceeding. Accordingly, Board staff submits that the Board may be assisted by additional information on OPG’s rationale for seeking confidential treatment for the updated Darlington BCS.

It is Board staff's understanding that there are many major work packages involved in the Darlington Refurbishment. Each work package could also require the services of multiple contractors or sub-contractors. However, on a general basis, Board staff has the following questions regarding OPG's rationale for seeking confidential treatment:

1. Are the contingencies based on industry experience and guidelines and/or OPG experience? If yes, staff assumes that suppliers would already know the general range of the contingencies. How would disclosure of contingencies affect the suppliers' bid for work?
2. Are there a sufficient number of suppliers to enable a robust bidding process? If yes, staff assumes that suppliers would strive to be the lowest bidder, within reason, in order to secure the contract. In that case, how would disclosure of contingencies or point estimates affect that bidding process?
3. Are there risks, other than the ones cited in the OPG correspondence of February 24, 2014, in making the contingencies, point estimates and aggregate information available on the public record?

OPG seeks confidential treatment for the revenue from its heavy water sales. Board staff agrees that due to the limited market and number of potential transactions, this information is commercially sensitive. Board staff has no submission on the other documents for which OPG seeks confidential treatment.

All of which is respectfully submitted