

31 March 2014

Ontario Energy Board
2300 Yonge St., 27th Floor
Toronto, ON
M4P 1E4

Attn: Ms Kirsten Walli
Board Secretary

By electronic filing and e-mail

Dear Ms Walli:

Re: EB-2013-0321 OPG 2014-15 – GEC comments on Issues List Prioritization

OPG has proposed issues for primary treatment with oral hearing and for secondary treatment requiring no oral hearing. GEC submits that issues 4.7, 4.12, 6.6 and 6.11 should be added to the list of primary issues.

Issues 4.7 and 4.12 refer to nuclear capital projects and to alignment with the principles stated in the LTEP. As is apparent from OPG's filing, nuclear costs will be a dominant factor in OPG's escalating payments requirements in the coming years. Recognizing that major project capital cost control has historically been a problem for OPG and thus for Ontario ratepayers, the Government has given explicit and very public direction to OPG on mechanisms to contain these risks. For OPG to suggest that compliance with these principles and objectives is a secondary matter in terms of hearing priorities suggests that OPG is out of touch with both the economic and public interest realities, and it is resisting meaningful accountability. Indeed, the very fact that OPG has suggested that these issues do not warrant an oral hearing review when the government has highlighted them illustrates how important it is that the Board insist on a thorough vetting of OPG's capital plans and contract arrangements.

Issue 6.6 and 6.11 refer to the Pickering 5 to 8 continued operations expenditures and to depreciation. Again, the government has been explicit in its LTEP document referring to the possible earlier shutdown of these units dependant, *inter alia*, on the Clarington transformer station availability. This is not the routine situation where there are any number of possible circumstances that could affect station life. This is an unprecedented situation where the government in a high level public policy directive has explicitly referenced a specific scenario it is contemplating. OPG now informs us (Exhibit L, Tab 6.6, Schedule 8, GEC-005 -- citing IESO) that the Clarington Transformer station is expected to be completed in 2017. Accordingly, there is a high likelihood that Pickering will close earlier than the 2020 timeframe OPG has

proposed and therefore, in GEC's submission, both the expenditure plan and depreciation schedule must be considered in light of this likely reality. Exhibit F2-2-3 indicates that an incremental \$436 million is budgeted in 2014 and 2015 due to continued operations. Further, roughly a billion dollars is forecast for the incremental cost annually in the 2016 – 2020 period. Such significant impacts warrant a thorough review by the Board while it remains possible to institute changes that better accommodate the potential earlier shutdown.

Sincerely,

A handwritten signature in black ink, appearing to read "David Poch", with a stylized flourish at the end.

David Poch

Cc: all parties