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June 9, 2016

VIA RESS AND COURIER

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

Dear Ms. Walli:

**Re: Consultation on the Regulatory Treatment of Pensions and
Other Post-Employment Benefit Costs
Board File Number EB-2015-0040**

Further to the Ontario Energy Board's ("OEB") letter of May 19, 2016 regarding the consultation on rate-regulated utility pensions and other post-employment benefits (OPEBs) in the electricity and natural gas sectors, Ontario Power Generation Inc. ("OPG") intends to participate in the stakeholder meeting scheduled for July 19, 2016.

The OEB letter asks for comments on the draft issues list. OPG is not proposing any revisions to the issues stated in the issues list. OPG is proposing that the OEB consider including an additional issue on the issues list. Section 3.4.2 of the KPMG Report discusses alternatives for possible set-aside mechanisms, including two new options (reducing rate base and implementing an interest bearing tracking account) which appear incremental to the scope of issue 8 of Appendix B to the May 19, 2016 letter. OPG proposes that the following issue be incorporated into the issues list:

To the extent that the cost recovery methodology reflected in rates differs from funding payments and/or the payment of benefits, a timing difference results. Should some form of capital cost be applied to such timing differences and, if so, what is an appropriate rate of return and how should it be implemented?

In addition the OEB letter asks stakeholders who wish to make a presentation to inform the OEB to reserve a place on the agenda. OPG wishes to reserve a place on the agenda to make a presentation. In addition, Concentric Energy Advisors has done some work on the application and implementation of an appropriate return on the timing differences defined in the issue OPG has proposed above. OPG believes this work would be helpful to the OEB's consideration of this issue, and requests that opportunity for Concentric to present the results of their work. OPG expects that both

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presentations could be delivered and questions addressed in approximately 60 minutes.

If there are any questions with respect to this notice of intent to participate, please contact Lindsey Arseneau at (416) 592-3703, lindsey.arseneau@opg.com.

Yours sincerely,

[Original Signed By]

Chris Fralick
Vice President, Regulatory Affairs
Ontario Power Generation