

August 31, 2016



VIA Email, Courier and RESS

Independent Electricity System Operator

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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Ontario Energy Board File No.: EB-2016-0152
Ontario Power Generation – Application for an Order Approving Payment Amounts for
Prescribed Generating Facilities

Pursuant to the Ontario Energy Board's Procedural Order No. 1, please accept this letter as the IESO's submission on the draft issues list.

The IESO may wish to ask interrogatories relating to how OPG operates its regulated facilities for the purpose of earning Other Revenues (e.g., Other Revenues from ancillary services, segregated mode of operation, capacity exports) and whether OPG's Other Revenues will be appropriately shared between OPG and ratepayers and, more generally, whether OPG's payment amounts are designed to incent OPG to operate its regulated facilities to earn Other Revenues in a manner that appropriately benefits ratepayers. The IESO believes that any interrogatories it may ask on these topics would fall under issue 11.2. However, if they may not, the IESO would propose the following additional issue be added:

- Are OPG's payment amounts appropriately designed to incent OPG to operate its regulated generation facilities to earn Other Revenues so as to fairly benefit both OPG and ratepayers?

The IESO may also wish to ask interrogatories on the methodology OPG uses to allocate its Corporate Costs for all fuel types in order to ensure that there is no overlap in costs recovered by OPG through payment amounts and costs recovered by OPG through IESO procurement contracts and that there is not any cross-subsidization amongst any of OPG's facilities. The IESO proposes that issues 6.7 and 6.8 be modified as follows in order to include these issues:

- Are the corporate support services costs allocated to the ~~nuclear-regulated~~ business appropriate?
- Are the centrally held costs allocated to the ~~nuclear-regulated~~ business appropriate?

Should you require additional information, please do not hesitate to contact me.

Yours truly,



Nancy Marconi
Senior Manager, Regulatory Affairs

cc via email:

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Charles Keizer, Torys
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EB-2016-0152 Intervenors