

14 September 2016

Ontario Energy Board
Attn: Ms Kirsten Walli, Board Secretary

By electronic filing and e-mail

Dear Ms Walli:

**Re: EB-2016-0152 OPG 2017-21 – GEC request for information for the
September 23rd Technical Conference**

We are in receipt of Mr. Keizer's September 13th letter on behalf of OPG responding to ours of September 7th in which OPG resists GEC's requests for additional information at the technical conference. We offer the following response.

GEC's requests were pursuant to the statement in the Board's Procedural Order that "Parties may request presentation of additional aspects of the DRP and rate smoothing deferral account prior to the conference." OPG, in essence, asserts that the conference should be limited to a presentation of the OPG proposals "as filed" and that sensitivities or variations should not be discussed at this point. OPG also suggests that several of GEC's requests are out of scope or 'not useful'.

GEC recognizes that the conference is not intended to replace the interrogatory process. Indeed, our request was prefaced with the observation that: "GEC will reserve more detailed questions for the written interrogatory process...". However, we submit that an early and modest elaboration of how the OPG proposal would perform under an illustrative range of possible outcomes would be of assistance to the Board and the parties in understanding the mechanics of the proposal and in preparing for a more detailed examination subsequently.

GEC has requested that OPG discuss scenarios that are explicitly recognized in the LTEP and in OPG's application.

Our first two requests ask for an elaboration of impacts on costs and rates respectively, should the exercise of a DRP off-ramp or cancellation take place. OPG suggests that these requests are out of scope. We simply point out that the LTEP explicitly requires off ramps and that OPG claims to have structured its contracts with that in mind.

Our third request asks for a discussion of the impact of DRP delays and cost overruns. While we appreciate that the precise impact of any delay or overrun would be depend on its extent and on the Board's and government's actions at that time, OPG's suggestion that the possibility be ignored is akin to asking the Board to engage in ostrich-like behaviour when considering the

smoothing proposal and to ignore the history of Ontario Hydro and OPG nuclear and mega-project cost overruns (and that of most such projects world-wide).

OPG resists our forth request because it views the impacts of a Pickering life extension cancellation as unrelated to the DRP or rate smoothing. Clearly, OPG's revenue requirement, production, and payments would all be dramatically impacted if it does not obtain CNSC approval for the project. In GEC's respectful submission, for the Board to consider the rate smoothing proposal without consideration of how the mechanism performs in the face of major uncertainties such as that would not be prudent.

OPG is in effect urging a restrictive interpretation of the hearing scope and the issues list that it did not enunciate in its submissions that were due on August 31st. Had it done so then, all parties could have responded on September 9th. While the Board may wish to indicate whether it would find some discussion of these scenarios at the technical conference helpful or would prefer they first be dealt with via interrogatories, we ask the Board not to pre-emptively rule on these hearing scope questions, there having been no process where all parties have had notice of the matter and have had an opportunity to respond to OPG's view.

Sincerely,

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

David Poch

Cc: OPG and all parties