

**Ontario Energy
Board**

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**Commission de l'énergie
de l'Ontario**

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BY E-MAIL

September 14, 2016

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Generation Inc.
2017-2021 Payment Amounts
Ontario Energy Board File Number EB-2016-0152**

In accordance with Procedural Order No. 1, please find below a summary of the expert evidence that OEB staff plans to file in EB-2016-0152.

Evidence	Expert
A report presenting the expert's review of the analysis of total factor productivity trends prepared by London Economics International (LEI) for OPG, and on the productivity, inflation and stretch factors proposed, and, where relevant, alternatives. The analysis will include a detailed review of the LEI report, Empirical Analysis of Total Factor Productivity Trends in the North American Hydroelectric Generation Industry, and any subsequent updates or revisions.	Pacific Economics Group Research, LLC Estimated cost of expert report: \$125,000
A report presenting the expert's review of the analysis of risk set out in the OPG application with respect to capital structure, and, where relevant, alternatives. The analysis will include a detailed review of the Concentric Energy Advisors report, Common Equity Ratio: For OPG's Regulated Generation, and any subsequent updates or revisions.	The Brattle Group, Inc. Estimated cost of expert report: \$152,000

Evidence	Expert
<p>An expert report that:</p> <ul style="list-style-type: none"> • reviews the Darlington Refurbishment Program (DRP) risks and the risk management proposed by OPG with respect to industry best practices for projects of the size and complexity of DRP • reviews the allocation of risk to OPG and contractors, and how off ramps are structured, and also considers risks to ratepayers • reviews the contracting strategy and major contracts awarded by OPG with respect to established industry best practices and steps for carrying out a project of the size and complexity of DRP • reviews the DRP proposal with respect to previous OPG mega-projects, previous CANDU refurbishments, previous PWR refurbishments, and relevant mega-projects in other jurisdictions • provides a summary of the rate setting decisions related to nuclear unit refurbishment in other jurisdictions <p>The analysis will include a detailed review of the independent assessments of DRP prepared by Concentric Energy Advisors and Pegasus Global Holdings Inc., and any subsequent updates or revisions.</p>	<p>Schiff Hardin LLP</p> <p>Estimated cost of expert report: \$300,000</p>

There will be additional costs for matters such as interrogatory responses and hearing attendance not included in the costs above for preparing the evidence.

Yours truly,

Original signed by

Violet Binette
Project Advisor, Applications