

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

September 28, 2016

Parties to EB-2016-0152

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

In Procedural Order No. 1, the OEB made provision for any cost eligible intervenor planning to file expert evidence in this proceeding to file a letter with the OEB describing the nature of the evidence, whether the expert evidence will be commissioned jointly with other intervenors, and the estimated cost. The OEB also made provision for OEB staff to file a letter relating to any expert evidence OEB staff plans to file.

Letters were filed by the Vulnerable Energy Consumers Coalition (VECC), Energy Probe Research Foundation (Energy Probe) and OEB staff. The evidence proposed by VECC is co-sponsored by the Consumers Council of Canada (CCC) and the Canadian Manufacturers & Exporters (CME). While no provision was made for comment, Sustainability-Journal filed a letter commenting on the letter filed by OEB staff.

The proposed expert evidence is summarized below:

Party	Evidence	Cost
VECC	Capital Structure and Cost of Capital (Dr. Laurence Booth)	\$71,940 – report and supporting activities
Energy Probe	Darlington Refurbishment Program Analysis (Oxford Global Projects Ltd.)	\$48,650 – report and supporting activities
OEB Staff	Hydroelectric Incentive Regulation Mechanism, Total Factor Productivity (Pacific Economics Group, LLC)	\$125,000 – report
	Capital Structure and Cost of Capital (The Brattle Group)	\$152,000 – report
	Darlington Refurbishment Program Analysis (Schiff Hardin LLP)	\$300,000 – report

VECC will be eligible to claim its costs of obtaining the assistance of Dr. Booth with the discovery phase of the proceeding. Similarly, Energy Probe will be eligible to claim its costs of obtaining the assistance of Drs. Flyvbjerg and Budzier during the discovery phase. The costs associated with these activities will be reviewed at the cost claim phase of the proceeding. As noted in Procedural Order No. 1, "Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed."

All parties who have contracted for expert assistance are encouraged to carefully manage the contracts ensuring that their consultants stay focused on the issues relevant to this proceeding and are efficient in their execution. Expert assistance must be beneficial to the proceeding and be cost effective.

OEB staff is permitted to obtain the expert evidence as proposed.

The role of OEB staff in this proceeding is to represent the public interest. In seeking to fulfill this mandate, OEB staff plans to retain experts to file evidence. Based on the information provided, the OEB believes that it would not be appropriate to require ratepayers to bear the costs of any additional expert reports on the subjects for which OEB staff has already retained experts to file evidence. Specifically:

1. OPG has filed capital structure evidence prepared by Concentric Energy Advisors. OEB staff will file evidence on cost of capital prepared by the Brattle Group. Based on the information provided, the OEB does not consider that a third cost of capital expert report, to be funded through rates, is required. If VECC, CCC or CME disagree, they may file a letter summarizing what they deem to be the incremental value of Dr. Booth's expert report.
2. OPG has filed independent assessments of the Darlington Refurbishment Program prepared by Concentric Energy Advisors and Pegasus Global Holdings Inc. OEB staff will file evidence on this subject area prepared by Schiff Hardin LLP. Again, based on the information provided, the OEB does not consider that an additional expert report related to the Darlington Refurbishment Program is required, to be funded by rates. Based on the information provided, the OEB does not consider that this mandate would be distinguishable from that of the other experts. If Energy Probe disagrees, it may file a letter summarizing what it deems to be the incremental value of the additional report. Included in this letter, Energy Probe should also specify the area of expertise for which it wishes to qualify Oxford Global Projects Ltd. It should also summarize the previous experience of Oxford Global Projects Ltd. (Drs. Flyvbjerg and Budzier) in testifying as Reference Class Forecasting expert

witnesses before regulatory tribunals and any specific expertise with respect to nuclear power projects.

If VECC, CCC, CME or Energy Probe choose to file letters as described above, they are required to do so by October 3, 2016.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary