

**Ontario Energy
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BY E-MAIL

February 2, 2017

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**

Please find attached three Excel spreadsheets that are related to the revised response to Exh M2-11.1-OPG-2 which was filed on January 16, 2017. The interrogatory response and spreadsheets relate to the report prepared by Pacific Economics Group Research LLC entitled "IRM Design for Ontario Power Generation".

OPG and all intervenors have been copied on this filing.

Yours truly,

Original signed by

Violet Binette
Project Advisor, Applications

Attach

Ontario Power Generation (OPG) Interrogatory #2

Issue Number: 11.1

Issue: Is OPG's approach to incentive rate-setting for establishing the regulated hydroelectric payment amounts appropriate?

Interrogatory:

Reference: Exhibit M2 section 5

Please provide the results of PEG's study and revised versions of Tables 3, 4, 5, and 6 in Exhibit M2, assuming one-hoss shay depreciation for the periods 1975-2014, 1996-2014, and 2003-2014.

Response (Revised):

The response is provided by PEG in Attachments M2-11.1-OPG 2A and 2B.

Attached are working papers for the calculations done by PEG to respond to the one-hoss shay work requested in M2-11.1-OPG-2. They consist of three excel files. The first is similar to PEG-WP-1 provided earlier and contains calculations of US results (Tables 3A and 4A). The second is similar to PEG-WP-2 and contains calculations for OPG (Table 6A). The third is an excel version of Table 5A with references to the other two files.