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June 2, 2017

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

Dear Ms. Walli

**Re: Ontario Power Generation Inc. (“OPG”)
2017-2021 Payment Amounts Application
Canadian Manufacturers and Exporters (“CME”) Response to Clean Air
Alliance Publication**

Board File #: EB-2016-0152

It has come to CME’s attention that the Clean Air Alliance has published a news release which includes a number of extracts from CME’s submissions with respect to the component of OPG’s 2017-2021 Payment Amounts application relating to the incremental costs of extending operations at the Pickering nuclear facility beyond 2020 as currently contemplated in Ontario’s 2013 Long Term Energy Plan. The extracts circulated by Clean Air Alliance are taken out of context and do not provide an accurate picture of CME’s position with respect to incremental costs associated with extending operations at the Pickering facility.

In light of these publicly circulated comments, CME feels it necessary to reiterate to the Board that it is on record as supporting nuclear power generation, including capital investments to extend the operation of nuclear assets, a fact that CME has emphasized in its submissions.

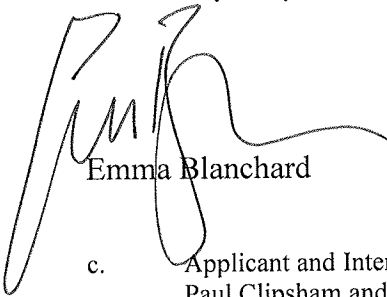
CME’s concern as expressed in its submissions is that the economic rationale for including the incremental costs of extending Pickering operations to 2022-2014 appears to be based on assumptions about production forecasts, operating costs and the cost of generating the same amount of energy using gas fired generation which are not current and which appear to no longer be accurate. This was of particular concern given the outcome of benchmarking studies commissioned by OPG which demonstrate that the Pickering facility performs poorly relative to other nuclear facilities, particularly in terms of total generating cost.

CME therefore submitted that incremental costs associated with extending operations at Pickering from 2020 to 2022-2024 should not be included in rates for 2017-2021 until an updated economic analysis has been completed demonstrating that Pickering Extended Operations will provide a real economic benefit to ratepayers and until clear direction with respect to OPG's plan for Pickering Extended Operations has been received from the System Planner and from the IESO.

To the extent that an updated economic analysis produced by OPG or the IESO demonstrates that OPG's plan to extend Pickering Operations to 2022-2024 will generate savings for electricity consumers in Ontario, OPG's plan would have CME's full support.

We trust that this correspondence addresses any misperceptions that could be created by the Clean Air Alliance's news release. If the Board has any questions or concerns, we remain available to respond.

Yours very truly



Emma Blanchard

c. Applicant and Intervenors, EB-2016-0152
Paul Clipsham and Ian Shaw