

By Electronic Filing and By E-mail



July 3, 2008

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

Borden Ladner Gervais LLP
Lawyers • Patent & Trade-mark Agents
World Exchange Plaza
100 Queen Street, Suite 1100
Ottawa ON K1P 1J9
tel.: (613) 237-5160 fax: (613) 230-8842
www.blgcanada.com

PETER C.P. THOMPSON, Q.C.
direct tel.: (613) 787-3528
e-mail: pthompson@blgcanada.com

Dear Ms Walli,

Ontario Power Generation Inc. ("OPG")
Board File No.: EB-2007-0905
Our File No.: 339583-000001

In its Response to Undertaking J15.1, Ontario Power Generation ("OPG") notes that the capitalized amount of Asset Retirement Costs ("ARC") is depreciated as time passes. OPG also states that ARC represents a point in time estimate of the present value of the unfunded Asset Retirement Obligations ("ARO") liability.

We are writing to request that OPG answer the following follow-up questions we have arising from its Response to Undertaking J15.1:

- (a) Please provide the rate at which the ARC is depreciated and either describe or refer us to the evidence which describes how the ARC depreciation rate is derived.
- (b) Please describe how OPG and/or its auditors determine the portion of the ARO that is funded and the portion thereof which is unfunded at a particular point in time.
- (c) Please illustrate the determination of the funded and unfunded components of the ARO at December 31, 2007, by reference to OPG's Balance Sheet for the twelve (12) months ending December 31, 2007.

We respectfully request that OPG provide us with responses to these follow-up questions as expeditiously as possible.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Interested Parties EB-2007-0905
Paul Clipsham (CME)
Vince DeRose & Nadia Effendi (Borden Ladner Gervais)
OTT01\3494221\1

Vancouver • Toronto • Ottawa • Montréal • Calgary