Barbara Reuber
Director

Ontario Regulatory Affairs

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July 2, 2010

VIA EMAIL AND RESS

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

Dear Ms. Walli:

Re: EB-2010-0008 – Ontario Power Generation Inc. 2011-2012 Payment Amounts for Prescribed Facilities

In accordance with Procedural Order No. 1**,** Rule 10 of the Ontario Energy Board's (OEB) *Rules of Practice and Procedure* and section 5.1 of the OEB's *Practice Direction on Confidential Filings* (the "*Practice Direction*"), Ontario Power Generation Inc. ("OPG") requests confidential treatment for certain portions of its 2010 – 2014 business plans for the Nuclear and Hydroelectric businesses (collectively, the "Business Plans") and for certain portions of its Business Case Summaries (the "BCSs") included as part of the pre-filed evidence.

OPG has set out below the reasons for the confidentiality request, and the reasons why public disclosure would be detrimental to OPG.

Also, as set out further below, OPG is retaining certain redactions in the Hydroelectric Business Plan and the redacton of two numbers in the Nuclear Operations Business Plan.

In accordance with Procedural Order No. 1, this letter is being provided to the OEB along with a CD of the unredacted Business Plans and the BCSs, as attachments "A" and "B", respectively. Attachment A is labeled "Business Plans – Unredacted Confidential" and Attachment B is labeled "Business Case Summaries – Unredacted Confidential". Six hard copies of the unredacted materials will be provided by Tuesday, July 6, 2010. OPG has not provided the unredacted copy of the BCS for Nuclear project number 49104 Auxilliary Power System and will forward it as soon as possible.

Should the OEB grant OPG's request for confidentiality, OPG proposes that the OEB order that the confidential parts of the Business Plans and BCSs be disclosed, subject

to any conditions the OEB may find appropriate, to only those persons that have signed the Declaration and Undertaking referenced in Procedural Order No. 1.

In addition, OPG requests that any reference to the parts of the Business Plans and the BCSs determined to be confidential information be conducted *in camera* so as to preserve their confidential nature.

Reasons for Retaining Certain Redactions

The redacted portions of the Hydroelectric 2010 – 2014 Business Plan at Exhibit F1-1-1, Attachment 1, include information that relates to OPG's unregulated hydroelectric business. The redacted information related to the unregulated business is not relevant to the determination of OPG's payment amounts. OPG has consistently treated this information as confidential because it is commercially sensistive.

The redactions related to the unregulated business in the Hydroelectric Business Plan fall into two categories. First, certain of these redactions relate to information reflecting the combined regulated and unregulated assets. The disclosure of this aggregated information (combined with information regarding the regulated business already disclosed) would allow for the disclosure of information related to the unregulated facilities. This information is disclosed in the unredacted confidential version filed in Attachment A and for the reasons set out below, OPG requests confidential treatment for this information.

The second category includes redactions that relate solely to the unregulated facilities and reflect no aspect of the regulated business. For example, this information includes timelines, in-service dates and costs for unregulated hydroelectric development projects. Because this redacted information is wholly irrelevant to OPG's payment amounts proceeding, OPG has continued to redact this information in the confidential version filed in Attachment A.

The redacted portion of the Nuclear Operations 2010 – 2014 Business Plan at Exhibit F2-1-1, Attachment 1, is limited to just two numerical figures that relate to the best quartile and median results for the All Injury Rate (AIR) performance metric. This information is provided to OPG by the Canadian Electrical Association (CEA) on the basis that it not be disclosed.

Disclosure of this CEA data may result in OPG being blocked from further participation in CEA benchmarking or the termination of further CEA benchmarking on that metric. It is higly important to OPG's business that it continue to participate in CEA benchmarking. Disclosure of this redacted information, even under the OEB's confidentiality guidelines, could therefore be highly prejudicial to OPG.

While the first quartile and median benchmarking values of the AIR metric are not disclosed, in its pre-filed evidence at Exhibit F5-1-1 page 18, OPG shows that the performance of all OPG nuclear plants has been above best quartile in respect of the AIR metric since 2003.

Reasons for Confidential Treatment of the Business Plans

The redacted portions of the Hydroelectric 2010 – 2014 Business Plan at Exhibit F1-1-1, Attachment 1, should be protected as confidential and not placed on the public record because they would allow disclosure of information that relates to the unregulated hydroelectric business. OPG consistently treats this information on the unregulated hydroelectric business as confidential financial information because it is commercially sensitive. For the hydroelectric development projects, public release of information on costs and schedules for the work may influence suppliers' bids and ultimately increase the cost for the work. For the unregulated facilities that are offering into the IESO-administered markets, public release of information regarding costs may influence other market participants' bids and offers to the competitive disadvantage of OPG.

The redacted portions of the Nuclear Refurbishment, Projects and Support 2010 – 2014 Business Plan at Exhibit D2-2-1, Attachment 1, should be protected as confidential and not placed on the public record because they include information that is commercially sensitive, including contingencies and costs for contracted or purchased work or materials. This information should not be on the public record because if OPG's budgets for work, even on a preliminary basis, are available they may affect suppliers' bids for the work and ultimately increase the cost for the work.

Disclosure of the redacted portions of Hydroelectric and Nuclear Refurbishment business plans to the public and to any persons who do not acknowledge the information to be confidential and undertake to keep it confidential and to use it exclusively for their duties in respect of OPG's payment amounts application, would prejudice OPG's competitive position and significantly interfere with its negotiations in a variety of aspects of its business.

Reasons for Confidential Treatment of the Business Case Summaries

The Regulated Hydroelectric business case summaries at Exhibit D1-1-2 and the Nuclear business case summaries at Exhibit D2-1-2 and Exhibit F2-3-3, with redactions, have been assembled and filed as Volume 4 of OPG's pre-filed evidence. An additional BCS relating to Darlington refurbishment is filed as Exhibit D2-2-1, Attachment 1.

The redacted portions of the BCSs should be protected as confidential and not placed on the public record because they include commercially sensitive information including contingencies, costs for contracted or purchased work or materials, margins for commercial products or services, or aggregate information that would allow determination of commercially sensitive information.

Disclosure of the redacted portions of BCSs that include OPG commercially sensitive information would prejudice OPG's competitive position and significantly interfere with its negotiations and existing relationships in a variety of aspects of its business.

Respectfully submitted,

[Original signed by]

Barbara Reuber
Director, Ontario Regulatory Affairs

Attach

cc: Charles Keizer (Tory's)
Carlton D. Mathias

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Ontario

BY EMAIL

August 5, 2010

Carlton D. Mathias
Senior Counsel, Law Division
Ontario Power Generation Inc.
700 University Avenue, H18A24
Toronto ON M5G 1X6

Dear Mr. Mathias:

Re: Ontario Power Generation Inc.
2011-2012 Payment Amounts for Prescribed Generation Facilities
Board File Number EB-2010-0008

This will acknowledge that the Board received a fully unredacted version of the Hydroelectric 2010-2014 Business Plan on July 26, 2010 pursuant to Procedural Order No. 3. The Board has compared the Business Plan filed on July 26, 2010 with that filed on July 2, 2010. Both documents were filed in confidence.

The Board has reviewed the Business Plans and is satisfied that the redactions in the July 2, 2010 version of the Business Plan relate solely to OPG's unregulated hydroelectric facilities.

The Board is returning the fully unredacted Business Plan to OPG with this correspondence.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

CC: Barbara Reuber, OPG
Charles Keizer, Torys
All parties to EB-2010-0008