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July 25, 2008

**DELIVERED BY E-MAIL & COURIER**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Generation Inc. ("OPG") Application for Approval for payment  
amount increases for Prescribed Generating Facilities  
("Heritage Assets Rates")  
OEB File No. EB-2007-0905**

It has come to AMPCO's attention that the Written Argument submitted in the above noted case contained a mathematical error in Table #5 at paragraph 132 and also in a reference to the incorrect information at paragraph #133. The corrected paragraphs are provided here with significant changes in bold font:

132. The incremental cost of producing power at Pickering A during the period 2005 through 2007 is provided in Table 5. Capitalized costs are included on the grounds that there is a continuing stream of capital expenditures flowing into Pickering A and although the capitalization of expenses where benefits flow over a period of time is appropriate for rates purposes, capitalization of costs does not change the fundamental economics of the decision about whether to continue or stop operations.

Vancouver  
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Toronto  
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Ottawa  
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Montréal  
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Calgary

Table 5 (Corrected)

Pickering A Incremental Cost History and Forecast

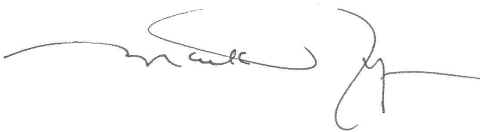
Year	Actual (forecast for '08/09) production (TWh)	Actual PUEC (\$/MWh)	Op Cost (\$M)	Station specific capital costs (\$M)	Common Nuclear Capital (\$M)	Pickering A Share of common assumed @20%	Incremental cost per MWh of PA output
2005	3.6	113.9	410.04	2.7	52.7	10.54	\$117.58
2006	6.4	75.6	483.84	6.8	34.8	6.96	\$77.75
2007	3.6	130.1	468.36	35.4	50.6	10.12	\$142.74
Sum	13.6		1362.24	44.9	138.1	27.62	
						Average	<b>\$105.50</b>
2008	7.1	76	539.6	25.4	58.6	11.72	\$81.23
2009	7.3	77	562.1	5.1	140.8	28.16	\$81.56
Sum	14.4		1101.7	30.5	199.4	39.88	
						Average	\$81.39
Source:	E2-1-1	L2/41 actual, A1/T4/S3 Chart 2 forecast		D2/1/1	D2/1/1		

133. Over the period 2005-2007, the average incremental cost of Pickering A power was **10.6 cents/kWh** -- an amount approximately double both HOEP and the payment amount to OPG under O. Reg. 53/05. Note that this analysis ignores recovery of any historic investment costs and the costs associated with the Pickering 2/3 isolation project.

Please make the above corrections to AMPCO's Written Argument.

Yours very truly,

**BORDEN LADNER GERVAIS LLP**



**J. Mark Rodger**  
JMR/ld

Encl.

Copies to: Adam White, AMPCO President  
Michael A. Penny, OPG counsel  
Parties of Record



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