



By Electronic Filing and By E-mail

August 11, 2008

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

Dear Ms Walli,

**Ontario Power Generation Inc. ("OPG")**

**Board File No.: EB-2007-0905**

**Our File No.: 339583-000001**

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ONTARIO ENERGY BOARD

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EB-2007-0905

O.E.B. BOARD SECRETARY	
File No:	Sub File: 16
Panel	2K/CC/BR
Licensing	RB
Other	DC
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There is a typographical error in paragraph 207 of the Written Argument of Canadian Manufacturers & Exporters ("CME") which we wish to correct.

The word "not" is missing in this paragraph which purports to paraphrase the submissions of AMPCO with respect to OPG's nuclear Fixed Charge Proposal. The phrase which reads "... that 25% of the nuclear revenue requirement be recovered in a fixed charge." should read "... that 25% of the nuclear revenue requirement **not** be recovered in a fixed charge."

We apologize for failing to include this typographical error in the letter of corrections we previously sent on July 22, 2008. We will provide Mr. Batul Rahimtoola with an electronic version of corrected page 66 of CME's Written Argument so that this correction can be made to the Board's copies of CME's Written Argument.

Yours very truly,

Peter C.P. Thompson, Q.C.

PCT\slc  
enclosure

- c. Interested Parties EB-2007-0905  
Donna Campbell and Batul Rahimtoola (OEB)  
Paul Clipsham (CME)  
Vince DeRose & Nadia Effendi (Borden Ladner Gervais)

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\$60M per annum more in interest on Deferral Accounts compared to the other utilities the Board regulates.

204. In the absence of a demonstration by OPG that the funds recorded in that account are being supported by long term debt, we can see no justification for a higher rate of interest on amounts in the Pickering A Return to Service ("PARTS") deferral account. As far as we are aware, there is no evidence from OPG to demonstrate that it has incurred long term debt obligations to support the expenditures recorded in the parts deferral account. In these circumstances, the Board's prescribed interest rate policy should continue to apply to this deferral account and to all other deferral and variance accounts the Board approves for OPG.

**E. Risk Reduction Impact of Deferral Accounts**

205. As already noted, if the Board broadens the deferral and variance account coverage that forms part of the rate regime the Government established for OPG, then the currently approved equity ratio of 45% should be reduced.

**X. PAYMENT AMOUNTS**

**A. Hydro-Electric Incentive Payment Structure**

206. We support AMPCO's detailed submissions with respect to OPG's hydro-electric incentive payment proposal and we understand that Energy Probe will be making similar submissions with respect to this topic. We adopt and support these submissions and have nothing further to add.

**B. Nuclear Fixed Charge Proposal**

207. We support AMPCO's detailed submissions in support of the proposition that 25% of the nuclear revenue requirement **not** be recovered in a fixed charge.