

By Electronic Filing and By E-mail



November 14, 2008

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
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 (“OPG”)
Lennox Generating Station Reliability Must-Run Agreement
Board File No.: EB-2008-0298
Our File No.: 339583-000025**

We are enclosing CME’s Interrogatories of OPG, Ontario Power Authority (“OPA”), and the Independent Electricity System Operator (“IESO”).

We seek responses from OPG to questions 1, 3 and 5.

We seek a response from OPA to question 2.

We seek responses from the IESO to questions 1 and 4.

Please contact me if any clarification of the information requested in these Interrogatories is required.

Yours very truly

A handwritten signature in black ink, appearing to read 'P. Thompson', with a long horizontal flourish extending to the right.

Peter C.P. Thompson, Q.C.

PCT\slc
enclosure

c. Andrew Barrett (OPG)
Miriam Heinz (OPA)
Carl Burrell (IESO)
Interested Parties EB-2008-0298
Paul Clipsham (CME)
Vince DeRose (BLG)

OTT01\3592939\1

Vancouver
Toronto
Ottawa
Montréal
Calgary

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Ontario Power Generation Inc. for approval, pursuant to Part 1, Paragraph 5.2 of Ontario Power Generation Inc.'s Generation Licence EG-2003-0104, of a Reliability Must-Run Agreement for the Lennox Generating Station facilities between Ontario Power Generation Inc. and the Independent Electricity System Operator.

**Canadian Manufacturers & Exporters (“CME”) Interrogatories
to Ontario Power Generation Inc. (“OPG”),
to Ontario Power Authority (“OPA”), and
to the Independent Electricity System Operator (“IESO”)**

Preamble

CME seeks information from **OPG**, **OPA** and the **IESO** in order to better understand the probable impacts on electricity consumers of an IESO Reliability Must-Run (“RMR”) Contract with respect to OPG’s Lennox Generating Facilities (“Lennox”) for a duration greater than one year.

Interrogatories

1. In its November 10, 2008 letter to the Ontario Energy Board (the “Board”), OPG indicates that the IESO entered into the RMR Agreement for Lennox for a one year period, expiring September 30, 2009, after determining that the absence of such an agreement would put the IESO-controlled grid at undue risk. In the context of this evidence, CME seeks responses from **both OPG and the IESO** to the following questions:
 - (a) Did OPG invite the IESO to sign a RMR agreement having a duration greater than one year? If so, then what were the essential terms and the duration of the longer term RMR agreement OPG was seeking?
 - (b) Would the IESO please provide a detailed description of the facts upon which it relies to support its decision that a one year extension of the RMR agreement to September 30, 2009, is in the best interests of electricity consumers and other stakeholders; and, in particular, why the IESO envisages that an RMR contract with OPG’s Lennox facility beyond September 30, 2009, is either unnecessary or imprudent to commit to at this time.

2. OPG's November 10, 2008 letter indicates that the Integrated Power System Plan ("IPSP"), which OPA filed with the Ontario Energy Board on August 29, 2007, stated OPA would become a buyer of output from Lennox after the IESO's RMR contract with Lennox expires. In the context of this evidence, CME requires the following information **from OPA**:
 - (a) Please advise whether OPA remains committed to buy Lennox output following the expiry of the IESO's RMR contract with Lennox; and, if so, then describe the terms and conditions on which OPA will acquire Lennox output, at that time, which will assure that the interests of electricity consumers are protected.
 - (b) If OPA is not now committed to acquiring Lennox output after the expiry of the IESO's RMR contract with Lennox, then please describe the changes in circumstances that have occurred since the initial IPSP was filed on August 29, 2007, which operate to eliminate Lennox as a "planned resource" after expiry of the IESO's RMR contract with Lennox.
3. In a scenario where the IESO's RMR contract with Lennox expires on September 30, 2009, and OPA makes no contractual commitment to Lennox beyond that date, **will OPG please provide** the following information:
 - (a) A detailed description of the measures that OPG would need to take to enhance the competitiveness of the price at which it offers Lennox output in order for Lennox to survive in the competitive electricity generation market.
4. With respect to the possibility that the Ontario Energy Board may be considering imposing a condition requiring that the IESO's RMR contract with Lennox be for a duration greater than one year, **would the IESO please provide** the following information:
 - (a) Whether its agreement to a one year extension of the RMR contract to September 30, 2009, means that the IESO opposes the imposition of an RMR agreement having a duration of more than one year.
 - (b) A complete description of the flexibility the IESO loses under a RMR contract with Lennox of a term greater than one year.
5. OPG's November 10, 2008 letter to the Board concludes with a submission that a longer term agreement for Lennox would be cost effective, **would OPG please provide** responses to the following:
 - (a) In the context of this statement, is OPG inviting the Board to impose an RMR agreement on the IESO of a duration longer than one year?
 - (b) If so, then please specify the length of contract term which OPG says would be "cost effective".

- (c) Please provide all of the information upon which OPG relies to support its submission that an agreement between the IESO and Lennox, which does not expire on September 30, 2009, would be cost effective.
- (d) In particular, please provide a Table which will show, year by year, the estimated electricity prices and any other information upon which OPG relies to demonstrate that a RMR contract between the IESO and Lennox, for a term greater than one year, will materially benefit electricity consumers compared to the scenario where the IESO's RMR agreement with Lennox terminates September 30, 2009.

OTT01\3592863\1