

STAKEHOLDER CONSULTATIONS

1.0 Purpose

The purpose of this evidence is to provide a description of the stakeholder consultations that OPG held on its application prior to filing it with the OEB.

2.0 Background

In advance of its application to the OEB for the payment amounts for its regulated facilities, OPG held stakeholder consultation sessions. The following provides an outline of the stakeholder consultation plan including the consultation goal, principles, objectives, process, participants, and participant funding.

2.1 Goal and Principles

The goal of the consultations was to share information about OPG's regulated facilities and to discuss issues related to the application for new payment amounts. In support of this goal, the following principles were applied to the stakeholder consultation:

- OPG entered into the consultation process in good faith with a view to facilitating and streamlining future OEB proceedings related to the application.
- OPG considered all stakeholder comments while retaining control over the process for developing its application.
- All consultations were carried out on a without-prejudice basis.
- A neutral third party facilitator documented and reported on the discussions.

2.2 Objectives

The main objectives of the consultation were to:

- Inform stakeholders about OPG's regulated facilities and its application for new payment amounts.
- Provide stakeholders with an opportunity to identify concerns regarding OPG's draft application.
- Assist OPG in identifying possible ways to respond throughout the process to the issues raised.

1

2 **2.3 Consultation Process**

3 OPG held two stakeholder consultation sessions on a non-confidential, without-prejudice
4 basis. The first session, held on November 2, 2007, focused on the nuclear and
5 hydroelectric businesses and the regulatory process. The second session, held on
6 November 8, 2007, focused on rate base, cost of capital, compensation and benefits,
7 corporate allocations and the design and determination of the payment amounts. A copy of
8 each day's agenda is provided in Appendix A. Copies of the presentations provided to
9 stakeholders and a list of the stakeholders that attended the sessions are posted on OPG's
10 website at: <http://www.opg.com/about/reg/stakeholder.asp>.

11

12 Participants were invited from key stakeholder groups. Specifically, OPG invited active
13 intervenors from previous energy proceedings, energy and environmental associations,
14 major industrial customers, and transmitters. OPG contacted stakeholders who participated
15 in the OEB consultation on the form of regulation of OPG (EB-2006-0064) and other
16 stakeholders who it believed would have a material interest in the application. The
17 stakeholder invitation letter and a list of the invited participants are provided in Appendix B.
18 Funding was offered to participants who qualified for funding under the funding guidelines,
19 which are provided in Appendix C. The funding guidelines were based upon the Ontario
20 Energy Board's Practice Direction on Cost Awards (October 2005) document.

21

22 Mr. J. Todd of Elenchus Research Associates was retained to provide third party facilitation
23 and reporting on the consultation sessions. The facilitation role included assistance in
24 identifying issues for discussion, exploring stakeholder views, and documenting the sessions.
25 Elenchus Research Associates prepared meeting notes that documented discussions and
26 stakeholder comments and feedback received during this process. Participants were also
27 asked to review a draft of the notes and identify any gaps or omissions. OPG posted the
28 meeting notes at <http://www.opg.com/about/reg/stakeholder.asp>.

29

30 **3.0 Aboriginal Information Plan**

1 While it is not expected that OPG's application for payment amounts for its regulated facilities
2 will impact aboriginal or treaty rights, OPG developed a plan to inform the Aboriginal
3 communities located in proximity to Pickering Generating Station, Darlington Generating
4 Station, Bruce Nuclear Waste Storage Facility, R.H. Saunders Generating Station and Sir
5 Adam Beck Generating Station, of OPG's application.
6
7 OPG sent a letter to each Aboriginal community located near the facilities listed above
8 informing them of OPG's application and offering to provide additional information if
9 requested. A copy of the information letter and a list of Aboriginal community contact are
10 provided in Appendix D. The Chiefs of Ontario was copied on all correspondence. To date,
11 OPG has not received any responses or requests for further information.

- 1 Appendix A: Agendas for Stakeholder Sessions #1 and #2
- 2
- 3 Appendix B: Stakeholder Invitation Letter and List of the Invited Participants
- 4
- 5 Appendix C: Funding Guidelines
- 6
- 7 Appendix D: Aboriginal Information letter and Aboriginal Community Contact List

Stakeholder Meeting #1

OPG Regulated Facilities Payment Amounts

**Metropolitan Hotel
Toronto Ballroom, 2nd Floor
108 Chestnut Street, Toronto**

November 2, 2007

| AGENDA | | |
|--------------------|---|---|
| Date / Time | Topic | Presenter |
| 8:00 – 8:30 | Arrival and Coffee | |
| 8:30 – 8:40 | Welcome and Introductions | Andrew Barrett VP, Regulatory Affairs and Corporate Strategy |
| 8:40 – 8:50 | Agenda and Facilitation | John Todd Elenchus Research Assoc.- Facilitator |
| 8:50 – 9:30 | Application Overview | Barb Reuber Director, Ontario Regulatory Affairs |
| 9:30 – 10:15 | Hydroelectric Business Overview | John Murphy EVP, Hydro |
| 10:15 – 10:30 | Break | |
| 10:30 – 11:15 | Nuclear Business Overview | Tom Mitchell Chief Nuclear Officer |
| 11:15 – 11:45 | Production Forecast Hydroelectric Summary | Mario Mazza Director, Business Support and Regulatory Affairs |
| 11:45 – 12:45 | Lunch | |
| 12:45 – 1:30 | Hydroelectric OM&A Costs | Mario Mazza Director, Business Support and Regulatory Affairs |
| 1:30 – 2:15 | Nuclear Base OM&A Costs and Projects | Paul Pasquet Deputy Site VP, Pickering B |
| 2:15 – 2:45 | Nuclear Production Forecast | Mike Allen Director, Work Management Pickering B |
| 2:45 – 3:00 | Break | |
| 3:00 – 5:00 | Stakeholder Issues / Discussion/Wrap-up | Facilitator |
| 5:00 | Adjourn | |

Stakeholder Meeting #2
OPG Regulated Facilities Payment Amounts

Metropolitan Hotel
Toronto Ballroom, 2nd Floor
108 Chestnut Street, Toronto

November 8, 2007

| AGENDA | | |
|--------------------|---|--|
| Date / Time | Topic | Presenter |
| 8:00 – 8:30 | Arrival and Coffee | |
| 8:30 – 8:45 | Welcome and Agenda | John Todd Elenchus Research Assoc.- Facilitator |
| 8:45 – 9:15 | Compensation and Benefits | Lorraine Irvine VP, Compensation and Benefits |
| 9:15 – 10:00 | Corporate OM&A, Allocations, Depreciation, and Taxes | Robin Heard VP, Controller |
| 10:00 – 10:15 | Break | |
| 10:15 – 11:00 | Rate Base and Cost of Capital | Fred Long VP, Financial Planning |
| 11:00 – 11:30 | Design of Payment Amounts: Hydroelectric | Ken Lacivita Director, Trading & Origination |
| 11:30 – 12:00 | Design of Payment Amounts: Nuclear | David Halperin Director, Financial and Business Planning |
| 12:00 – 1:00 | Lunch | |
| 1:00 – 1:45 | Determination of Payment Amounts | David Halperin Director, Financial and Business Planning |
| 1:45 – 2:15 | Deferral and Variance Accounts | Andrew Barrett VP, Regulatory Affairs & Corporate Strategy |
| 2:15 – 2:30 | Break | |
| 2:30 – 5:00 | Stakeholder Discussion/Wrap-up | Facilitator |
| 5:00 | Adjourn | |

**OPG Stakeholder Consultation:
OEB Application for Payment Amounts for Regulated Facilities**

Mailing List

Mr. Adam White
President
AMPCO
372 Bay Street, Suite 1702
Toronto, Ontario M5H 2W9

Mr. David Butters
President
APPo
25 Adelaide Street East, Suite 1602
Toronto, Ontario M5C 3A1

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Chairman and CEO
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181 Bay Street (Brookfield Place), Suite
300
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Vice President, Power Marketing
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Toronto, Ontario M2J 5C2

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ECNG LP
#400-5575 North Service Road
Burlington, Ontario L7L 6M1

Mr. Charlie Macaluso
President and CEO
Electricity Distributors Association
3700 Steeles Avenue West, Suite 1100
Vaughan, Ontario L4L 8K8

Mr. Patrick Hoey
Director, Regulatory Affairs
Enbridge Gas Distribution Inc.
500 Consumers Road
North York, Ontario M2J 1P8

Mr. Lawrence Soloman
Energy Probe
225 Brunswick Avenue
Toronto, Ontario M5S 2M6

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Vice President, Commercial & Regulatory
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EPCOR Utilities Inc.
200 University Avenue, Suite 1301
Toronto, Ontario M5H 3C6

Mr. Terry Rees
Executive Director
**Federation of Ontario Cottagers'
Association**
#18-156 Duncan Mill Road
Toronto, Ontario M3B 3N2

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Green Energy Coalition
72 Regal Road
Toronto, Ontario M6H 2K1

Ms. Susan Frank
Vice President & Chief Regulatory Officer
Hydro One Networks Inc.
483 Bay Street, 8th Floor, South Tower
Toronto, Ontario M5G 2P5

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Independent Electric System Operator
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Toronto, Ontario M5A 2X4

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Senior Policy Analyst
Ontario Chamber of Commerce
180 Dundas Street West, Suite 505
Toronto, Ontario M5G 1Z8

Mr. Allan Fogwill
Applications Director
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Mr. Gord Potter
Sr. Vice President Regulatory Affairs
Ontario Energy Savings L.P.
6345 Dixie Road, Suite 200
Mississauga, Ontario L5T 2E6

Mr. Geri Kamenz
President
Ontario Federation of Agriculture
100 Stone Road West
Guelph, Ontario N1G 5L3

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Regulatory Coordinator
Ontario Power Authority
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Mr. Jack Gibbons
Pollution Probe Foundation
625 Church Street, Suite 402
Toronto, Ontario M4Y 2G1

Mr. Bob Menard
Staff Officer, President's Office
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario M4P 1K2

Mr. Dan McDermott
Chapter Director
Sierra Club of Canada (Ontario Chapter)
24 Mercer Street
Toronto, Ontario M4V 1H3

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Toronto Board of Trade
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Mr. Mike Packer
Director, Regulatory Affairs
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50 Keil Drive North
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Mr. Bob Williams
Co-ordinator
School Energy Coalition
Ontario Education Services Corp.
c/o Ontario Public School Boards'
Association
439 University Avenue, 18th Floor
Toronto, Ontario M5G 1Y8

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Staff Officer
Society of Energy Professionals
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Toronto, Ontario M4W 3R4

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Mr. Michael Buonaguro
Counsel
Vulnerable Energy Consumers Coalition
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto, Ontario M5C 2X8

October 11, 2007

VIA COURIER

Sample Stakeholder Invitation Letter

Dear Stakeholder:

**Ontario Power Generation Stakeholder Consultation:
OEB Application for Payment Amounts for Regulated Facilities**

In February 2005, the Ontario government announced a framework for regulating and pricing the output of OPG's nuclear and baseload hydroelectric generating facilities. As of April 1, 2008, the Ontario Energy Board (OEB) will have the authority to determine payment amounts for the output from OPG's regulated facilities. OPG is preparing an application to the OEB for the payment amounts for its regulated facilities. OPG is planning to file its application in November 2007.

In advance of this application, OPG is conducting stakeholder consultations. The purpose of this letter is to invite you to participate in the stakeholder consultation process.

The goal of the consultations is to share information about OPG's regulated facilities and to discuss issues related to the application for new payment amounts. The main objectives of the consultation are to:

- Inform stakeholders about the issues critical to OPG's regulated facilities and its application for new payment amounts;
- Provide a preview of the draft application;
- Provide stakeholders with an opportunity to identify concerns regarding OPG's draft application;
- Assist OPG in identifying possible ways to address the concerns of stakeholders.

OPG is contacting stakeholders who participated in the OEB consultation regarding regulation of OPG and other stakeholders who have a material interest in the application.

The stakeholder process will consist of three one day discussion sessions during October. The topics and dates for the three sessions are as follows:

Session 1 – October 30, 2007: OPG business strategy and key issues;

Session 2 – November 2, 2007: Nuclear and Regulated Hydroelectric costs and production;

Session 3 – November 8, 2007: Design and determination of payment amounts.

The first session is an education session about OPG and its regulated operations. It will be held on October 30, 2007 at the Metropolitan Hotel at 108 Chestnut Street in Toronto, from 8:30 AM to 4:30 p.m. and will cover such topics as:

- OPG's regulated facilities
- Application overview
- Financial summary
- Business strategy and key issues

The final agenda and presentation materials for each session will be forwarded to participants in advance of the sessions. In addition, all presentation materials will be posted on OPG's web-site.

OPG will provide funding for participation in the consultations to eligible participants. A copy of the funding guidelines is attached for your information.

If you have any questions or would like to discuss OPG's stakeholdering or application process, please contact OPG's Case Manager, Ms. Barbara Reuber at 416-592-5419. Please confirm your attendance for each session by contacting Debbie Curley by email at debbie.curley@opg.com or by phone at 416-592-2712 by October 15, 2007.

Sincerely,

Andrew Barrett
Vice President
Regulatory Affairs & Corporate Strategy

OPG Stakeholder Consultation Application for Payment Amounts for Regulated Facilities

Participant Funding Guidelines

To facilitate dialogue with its stakeholders, Ontario Power Generation (OPG) will provide funding to assist qualifying stakeholders to participate in its stakeholder consultation process related to its application to the Ontario Energy Board (OEB) for payment amounts for regulated facilities. The funding criteria that will be used are based on the OEB's most recent Practice Direction on Cost Awards. The following provides eligibility guidelines and a description of the funding process.

Eligibility

- The determination of whether a party is eligible for funding will be at the sole discretion of OPG.
- Funding is limited to not-for-profit organizations whose interests are affected by the application such as public interest organizations and environmental organizations.
- Individuals and organizations with a direct commercial or business interest in the application are not eligible for funding. This includes, but may not be limited to, transmitters, wholesalers, generators, distributors, retailers and marketers, or organizations representing these interests.
- Municipal or provincial government staff or representatives are not eligible for funding.
- Parties with similar interests are encouraged to combine their participation.
- Funding will be provided only to stakeholders participating in the discussion sessions.

Process for Funding and Eligible expenses

- To allow timely processing of requests, it is suggested that stakeholders seeking funding apply to OPG at least 7 days prior to the first session. Stakeholders should indicate in writing that they will be participating and include a statement justifying their eligibility.

Parties should submit their request for financial support to:

Ms. Barbara Reuber, Case Manager
Ontario Power Generation
700 University Ave. H18-G2,
Toronto, ON M5G 1X6
Fax: 416-592-8519

- OPG will notify the party prior to the session if their funding application is accepted.
- Funding will be provided for meeting preparation and attendance for one person based on rates outlined in the OEB's Cost Award Tariff.
- Preparation time is not to exceed an amount equal to the meeting time. Preparation time is only allowed if the stakeholder attends the session.
- Out of pocket travel expenses will be allowed including reasonable meals and accommodation only if the participant's place of business is greater than 100 km from the meeting site. Receipts must be submitted for all meals, accommodations and travel with the exception of mileage for personal automobile.
- Reasonable disbursements, such as postage, photocopying, etc., are eligible expenses.
- Eligible participants must submit an OPG disbursement claim sheet form complete with receipts, no later than 30 days after the final session.

Aboriginal Community Contact List

First Nations and Aboriginal organizations whom may have a current and/or historic interest in the areas around the Pickering and Darlington Nuclear facilities, the Beck and Saunders GS areas, and in the areas around the Bruce NGS include:

- Chief James Marsden
Alderville First Nation
PO Box 46, R.R. #4,
Roseneath, ON K0K 2X0
- Chief Donna Big Canoe
Chippewas of Georgina Island First Nation
R.R. 2, PO Box 12,
Sutton West, ON L0E 1R0
- Chief Keith Knott
Curve Lake First Nation
22 Winookeeda Road
Curve Lake, ON K0L 1R0
- Chief Laurie Carr
Hiawatha First Nation
RR 2, 123 Paudash Street,
Keene, ON K0L 2G0
- Chief Tracy Gauthier
Mississauga's of Scugog Island First Nation
22521 Island Road,
Port Perry, ON L9L 1B6
- Chief Bryan LaForme
Mississaugas of the New Credit
R. R. #6, 2789 Mississauga Rd.
Hagersville, ON NOA 1HO
- Mr. Tony Belcourt
President
Métis Nation of Ontario
500 Old St. Patrick St
Ottawa, ON, K1N 9G4
- Chief Kris Nahrgang
Kawartha Nishnawbe First Nation
Box 1432
Lakefield, ON, K0L 2H0

- Mr. Michael McGuire
President
Ontario Métis Aboriginal Association
452 Albert Street, 2nd Floor
Sault Ste. Marie, ON P6A 2J8
- Mr. Rob Pilon,
President
The Oshawa Métis Council
1288 Ritson Road North
Suite # 356
Oshawa , ON L1G 8B2
- Grand Chief Max “One-Onti” Gros-Louis
Huron Wendat First Nation
255 Place Chef Michel Laveau
Wendake, Quebec G0A 4V0
- Chief Ralph Akiwenzie
Chippewas of Nawash Unceded First Nation
R.R. 5,
Warton, ON N0H 2T0
- Chief Randall Kahgee Jr.
Saugeen First Nations
R.R. #1
Southampton, ON N0H 2L0
- Chief Dave General
Six Nations of the Grand River
P.O. Box 5000
Ohsweken, ON NOA 1M0
- Grand Chief Timothy Thompson
Mohawks of Akwesasne
PO BOX 579,
Cornwall, ON K6H 5T3

A copy of the information letter will be provided to the Chiefs of Ontario.

- Ms. Lori Jacobs
Executive Director
Chiefs of Ontario
111 Peter Street, Suite 804
Toronto, ON M5V 2H1

October 23, 2007

Sample Letter to the Aboriginal Community

Dear Chief,

Filed: 2007-11-30
EB-2007-0905
Exhibit A1-7-1
Appendix D
(Aboriginal Information Letter)

Payment Amounts for OPG's Regulated Facilities

In February 2005, the Ontario government announced a framework for regulating and pricing the output of OPG's nuclear and baseload hydroelectric generating facilities. As of April 1, 2008, the Ontario Energy Board (OEB) will have the authority to determine payment amounts for the output from these facilities. Accordingly, OPG is preparing an application to the OEB for an order approving payment amounts for its regulated hydroelectric and nuclear facilities.

The regulated hydroelectric facilities are:

- Sir Adam Beck I,
- Sir Adam Beck II,
- Sir Adam Beck Pump Generating Station,
- De Cew Falls I,
- De Cew Falls II, and
- R.H. Saunders.

The nuclear generating facilities are:

- Pickering A,
- Pickering B, and
- Darlington.

OPG plans to file its application in late November 2007. The payment amounts set by the Ontario Energy Board must be sufficient to cover the cost of owning, operating, maintaining and developing the regulated facilities so that they can continue to fulfill their essential role in Ontario's electricity system and provide the greatest benefit to the people of Ontario. The current payment amounts are established by regulation at \$33/megawatt hour for the output of the regulated hydroelectric facilities and \$49.50/ megawatt hour for the output of the nuclear facilities.

OPG's application to the OEB is concerned with payment amounts for OPG's regulated facilities only. Any ongoing consultation in relation to other specific projects related to the above-noted stations will continue in accordance with our legal obligations.

As these regulated facilities may be near your community, OPG would be pleased to provide you with further information with respect to the OEB application upon request. If you have any concerns associated with the application or perceive any potential impact on your aboriginal or treaty rights, an OPG representative would be happy to meet with you to discuss them. If you have any questions or concerns, please contact OPG's Case Manager, Ms. Barbara Reuber at 416-592-5419 by November 9, 2007.

Sincerely,

Andrew Barrett
Vice President
Regulatory Affairs & Corporate Strategy

cc: Chiefs of Ontario