ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998;

AND IN THE MATTER OF an Application by Ontario Power Generation Inc. for an order or orders approving payment amounts for prescribed generating facilities commencing January 1, 2014.

APPLICATION

1. The applicant, Ontario Power Generation Inc. (“OPG”) is a corporation, incorporated under the Ontario Business Corporations Act, with its head office in the City of Toronto. The principal business of OPG is the generation and sale of electricity in Ontario.

2. In this Application, OPG applies to the Ontario Energy Board (“OEB”) pursuant to section 78.1 of the Ontario Energy Board Act, 1998, for an order or orders approving the payment amounts and payment riders for generating facilities prescribed under Ontario Regulation 53/05 (“O. Reg. 53/05”), as amended, of the Act for the period from January 1, 2014 through December 31, 2015, and for the period from July 1, 2014 through December 31, 2015 for generating facilities proposed to be prescribed under O. Reg. 53/05, or for such other period determined to be appropriate by the OEB.

3. OPG also seeks an order of the OEB declaring the current payment amounts interim effective January 1, 2014 for the currently prescribed hydroelectric and nuclear facilities and July 1, 2014 for the hydroelectric facilities proposed to be prescribed, if the order or orders approving the payment amounts are not implemented by January 1, 2014 for the currently prescribed hydroelectric and nuclear facilities or July 1, 2014, for the hydroelectric facilities proposed to be prescribed.

4. For the purposes of section 6 (1) of O. Reg. 53/05, OPG requests that the OEB use a forecast cost of service methodology to approve payment amounts for the test period
January 1, 2014 to December 31, 2015 as established in EB-2006-0064, “A Regulatory
Methodology for Setting Payment Amounts for the Prescribed Generation Assets of
Generation.”

5. OPG is seeking approval for disposition of the balances as of December 31, 2013 in
certain of its deferral and variance accounts. The recovery of approved balances would
be via separate payment riders for the nuclear and regulated hydroelectric accounts.
OPG is also seeking an order continuing deferral and variance accounts during the test
period.

6. To achieve the revenue requirement and disposition of the balances in the deferral and
variance accounts, OPG is seeking payment amounts and riders as follows:

- Effective January 1, 2014 for the previously regulated hydroelectric facilities,
$44.20/MWh for the average hourly net energy production (MWh) from the previously
regulated facilities in any given month (the “hourly volume”) for each hour of that
month. Production over the hourly volume will receive the market price from the
Independent Electricity System Operator (“IESO”)-administered energy market,
adjusted as described at Ex. E1-2-1. Where production from the previously regulated
hydroelectric facilities is less than the hourly volume, OPG’s revenues will be adjusted
by the difference between the hourly volume and the actual net energy production at
the market price from the IESO-administered market adjusted as described at Ex. E1-
2-1.

- Effective July 1, 2014 for the proposed to be prescribed (hereafter referred to as
“newly regulated”) hydroelectric facilities, $47.08/MWh for the average hourly net
energy production (MWh) from the newly regulated facilities in any given month (the
“hourly volume”) for each hour of that month. Production over the hourly volume will
receive the market price from the Independent Electricity System Operator (“IESO”)-
administered energy market adjusted as described at Ex. E1-2-1. Where production
from the newly regulated hydroelectric facilities is less than the hourly volume, OPG’s
revenues will be adjusted by the difference between the hourly volume and the actual net energy production at the market price from the IESO-administered market adjusted as described at Ex. E1-2-1.

- Approval for recovery of audited balances in certain of the previously regulated hydroelectric variance accounts, currently projected to be $120.1M and beginning January 1, 2015, a disposition at a rate of $3.11/MWh for the output from the previously regulated hydroelectric facilities.

- Effective January 1, 2014 for the nuclear facilities, a payment amount of $66.99/MWh.

- Approval for recovery of audited balances in certain of the nuclear variance and deferral accounts, currently projected to be $73.1M, and beginning January 1, 2015, a disposition at a rate of $1.52/MWh, for the output from the nuclear facilities.

7. The Application will be supported by written and oral evidence. The written evidence filed by OPG may be supplemented or amended from time to time by OPG prior to the OEB’s final decision on the Application.

8. OPG further applies to the OEB pursuant to the provisions of the Act and the OEB Rules of Practice and Procedure for such orders and directions as may be necessary in relation to the Application and the proper conduct of this proceeding.

9. The persons affected by this Application are all electricity consumers in Ontario. It is impractical to set out the names and addresses of the consumers because they are too numerous.

10. OPG requests that copies of all documents filed with the OEB by each party to this Application along with copies of all comments filed with the OEB in accordance with Rule
24 of the OEB Rules of Practice and Procedure be served on the applicant and the applicant's counsel as follows:

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Dated at Toronto, Ontario, this 27th day of September, 2013.

Ontario Power Generation Inc.

[Original signed by]

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Charles Keizer

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