

INTERROGTORIES FROM THE CONSUMERS COUNCIL OF CANADA

FOR ONTARIO POWER GENERATION INC.

RE: EB-2014-0370 – DEFERRAL AND VARIANCE ACCOUNT CLEARANCES

A-CCC-1

(Ex. A1/T1/S2/p. 2) OPG is seeking approval of payment riders effective July 1, 2015 of \$3.55/MWh for the output of its Hydroelectric facilities and \$15.57/MWh for the output of its Nuclear facilities. Please provide a schedule setting out the approved base payment amounts and approved rider amounts for each year since 2008. Does OPG expect its rate riders to be generally of the same magnitude as those set out in this Application for 2015 and beyond? If not, does OPG see the rate riders increasing or decreasing over time?

H1-CCC-2

(Ex. H1/T1/S1/p. 7)

Please provide a detailed explanation as to how the amounts in the Hydroelectric Surplus Baseload Generation Variance Account are calculated.

H1-CCC-3

(EX. H1/T1/S1/p. 9)

With respect to the Tax Loss Variance Account what is the rationale for transferring the remaining balances to the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account and the Nuclear Deferral and Variance Over/Under Recovery Variance Account? Why is OPG not proposing to clear those amounts?

H1-CCC-4

(H1/T1/S1/p. 10)

The evidence indicates that the Capacity Refurbishment Variance Account was established to record variances between the actual capital and non-capital costs incurred to increase the output of, refurbish or add operating capacity to a prescribed facility and those costs reflected in the approved revenue requirement. With respect to the Niagara Tunnel Project, if OPG is seeking recovery of all of the capital costs associated with the project, do ratepayers get the benefit of all the increased revenues associated with these costs? If not, why not? What are the increased revenues in each year associated with the Niagara Tunnel Project?

H1-CCC-5

(Ex. H1/T1/S2/p. 4)

Please explain the extent to which OPG can control the amount of ancillary services net revenue it receives. Does OPG have incentives in place to increase ancillary service revenues? If not, why not? Please explain the nature of the “newly

negotiated contract with the IESO”, and the reason why this contract has resulted in higher regulation service revenues.

H1-CCC-6

(Ex. H1/T1/S2/p. 21)

Please explain why the proposed amortization of the Pickering Life Extension Depreciation Variance Account is to 2016.

H1-CCC-7

(Ex. H1/T1/S2/Table 1)

With respect to the 2012 to 2014 Variance Accounts, which record interest and which do not. For those that do not record interest please explain why.

H1-CCC-8

(H1/T2/S1/p. 1)

With respect to the Pension and OPEB Cash Versus Accrual Differential Deferral Account and the Pension and OPEB Cash Payment Variance Account OPG is proposing to deal with these in a future proceeding. What process does OPG expect to follow with respect to these accounts? What is the estimated customer impact associated with the clearance of these accounts?