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Our File No. 339583-00254

By electronic filing

October 31, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli

**Re: Ontario Power Generation Inc.
Application for 2019 hydroelectric payment amount adjustment and recovery
of deferral and variance account balances
Board File No.: EB-2018-0243**

Please find attached the Interrogatories of Canadian Manufacturers & Exporters (“CME”) to the Applicant, Ontario Power Generation Inc. (“OPG”), in the above-noted proceeding.

Yours very truly

Borden Ladner Gervais LLP

A handwritten signature in blue ink, appearing to read 'Scott Pollock', is written over a light blue horizontal line.

Scott Pollock

c. Saba Zadeh and Mel Hogg (OPG)
Charles Keizer (Torys)
EB-2018-0243 Intervenors
Alex Greco (CME)

OTT01: 9307748: v1

ONTARIO ENERGY BOARD

Ontario Power Generation Inc.

**2019 Annual Hydroelectric Payment Amount Adjustment and
Clearance of Deferral and Variance Account Balances as at December 31, 2017**

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS (“CME”)
TO ONTARIO POWER GENERATION INC. (“OPG”)**

CME # 1

Ref: Exhibit H1, Tab 1, Schedule 1, pages 12 and 13 of 26

At Exhibit H1, Tab 1, Schedule 1, pages 12 and 13, OPG states of the Gross Revenue Charge Variance Account: “As no decision on the GRC reduction has been issued by the Ministry of Natural Resources and Forestry to date, there have been no amounts recorded in the account since its inception.”

- (a) To the best of OPG’s information, what is the current status of the Ministry’s decision on this matter?
- (b) Does OPG anticipate recording any amounts in this account in the near future?

CME # 2

Ref: Exhibit H1, Tab 1, Schedule 1, Attachment 3, page 7 of 11

At Exhibit H1, Tab 1, Schedule 1, page 20 of 26, OPG states: “During 2016 and 2017, OPG continued to incur costs to maintain the license granted by the Canadian Nuclear Safety Commission, which preserves the option of considering Nuclear New Build in the future. For January 1, 2016 through May 31, 2017, these costs were higher than the reference amount of \$0 that reflected the forecasts underpinning the revenue requirement approved in EB-2013-0321. For the remainder of 2017, these costs were lower than the reference amount that reflected the forecasts underpinning the revenue requirement approved in EB-2016-0152, due to lower than budgeted CNSC licensing fees.”

- (a) What was the cause of the variance between the actual spend to maintain the license, and the reference amount of \$0?

CME # 3**Ref: Exhibit H1, Tab 2, Schedule 1, page 3 of 5**

Exhibit H1, Tab 2, Schedule 1, page 3 describes the recovery periods being proposed by OPG. Specifically, OPG states that with regard to the bulk of the accounts: "A three-year recovery period would be consistent with the recovery period for D&V account balances and interim period revenue shortfall approved by the OEB in EB-2016-0152 (i.e., 34 months from March 1, 2018 to December 31, 2020). A three-year recovery period also matches the remaining portion of the current five-year rate-setting term ending on December 31, 2021, reducing complexity in future rate-setting periods by reducing the impact of previously approved D&V account recoveries."

- (a) Did OPG consider any other possible recovery periods, either shorter or longer than the three years proposed in the application?
- (b) If the answer to (a) above is yes, what recovery periods were considered, and why was three years more appropriate than other alternatives?
- (c) If the answer to (a) above is no, why not?
- (d) What consideration did OPG give to rate impacts when determining that three years was the appropriate recovery period for the bulk of the accounts?