

**SEC Interrogatory #1****Interrogatory**

*Ref.: Pg. 4-5; the proposal to continue amortization and recovery of OEB-approved balances:* please confirm that OPG proposal in this application with respect to the five accounts listed on pg. 4 (Ancillary Services Net Revenue Variance Account- Nuclear, Transmission Outages and Restrictions Variance Account, Pickering A Return to Service Deferral Account, Nuclear Liability Deferral Account, and Nuclear Development Deferral Account, Transition) is to carry on the existing respective payment riders in order to clear the balances as they existed in these accounts as of December 31, 2007, and that no new entries, other than interest, have been recorded in these accounts since then.

**Response**

OPG confirms that its proposal is to continue Nuclear Payment Rider A in order to clear the December 31, 2007 balances in these accounts.

With the exception of the Ancillary Services Net Revenue Variance Account – Nuclear, no entries, other than monthly interest and amortization/recovery, have been recorded in these five accounts since March 31, 2008. For the period January 1, 2008 through March 31, 2008, OPG recorded entries to these five accounts as permitted by O. Reg. 53/05 and OPG will seek clearance of these amounts in its next payment amounts application.

The EB-2007-0905 Payment Amounts Order continued three of these five accounts (Ancillary Services Net Revenue Variance Account - Nuclear, Pickering A Return to Service Deferral Account, and Nuclear Liability Deferral Account) effective April 1, 2008. New entries, other than monthly interest and amortization/recovery, have only been recorded in the Ancillary Services Net Revenue Variance Account - Nuclear account since April 1, 2008. OPG will seek clearance of these new entries in its next payment amount application.

**SEC Interrogatory #2**

**Interrogatory**

*Pg. 6; Nuclear Variance and Deferral Over/Under Recovery Variance Account:* OPG states that its proposal regarding the creation of the Nuclear Variance and Deferral Over/Under Recovery Variance Account is consistent with the Payment Amounts decision. Since no variance account was created at that time to deal with the possibility of over/under recovery, please explain how the Payment Amounts Decision dealt with that possibility.

**Response**

See response to Board Staff Interrogatory #4.

### **SEC Interrogatory #3**

#### **Interrogatory**

*Pg. 7; OPG's proposal to continue to record entries in various variance accounts on the basis of variance between 2010 actual and the OEB-approved forecasts for the 2008/09 test years: please confirm that the Payment Amounts approved by the Board in the Payment Amounts Decision, including all production forecasts and expenses underpinning those Payment Amounts, will remain unchanged. That is, the only impact of this application is with respect to the entries recorded in the various variance accounts.*

#### **Response**

OPG confirms that the Payment Amounts approved by the Board remain unchanged and that this Application relates only to:

- Continued amortization of the approved December 31, 2007 balances in the nuclear variance and deferral accounts and the continuation of the Nuclear Payment Rider A to allow recovery of these balances;
- Establishment of a Nuclear Variance and Deferral Over/Under Recovery Variance Account; and
- The basis upon which entries will be recorded in the various variance accounts after December 31, 2009.

**SEC Interrogatory #4****Interrogatory**

OPG's Nuclear OM&A costs in the Payment Amounts proceeding included Project OM&A in the amount of \$144.6 million in 2008 and \$137.1 million in 2009 [see pg. 19 of Payment Amounts Decision]. Please state whether any of these costs will be continuing into 2010.

**Response**

OPG will have nuclear project OM&A costs in 2010, as it does in every year.

Of the \$144.6 million in 2008 and \$137.1 million in 2009 cited in the question, only \$5.1 million is associated with any of the variance or deferral accounts that are the subject of this Application. The \$5.1 million relates to Pickering B refurbishment (see Table 2-5, page 37, EB-2007-0905 Decision with Reasons) and is included in the test period forecast for the Capacity Refurbishment Variance Account. The \$5.1 million is not forecast to continue in 2010. OPG has proposed that the Capacity Refurbishment Variance Account reconcile actual costs in 2010 against the approved test period forecast to ensure customers receive the benefit of any costs that do not continue in 2010.