



EB-2012-0002

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an application by Ontario
Power Generation Inc. for an order or orders related
to deferral and variance accounts and the adoption
of USGAAP for regulatory accounting purposes.

DECISION AND PROCEDURAL ORDER NO. 1

November 6, 2012

Ontario Power Generation Inc. (“OPG”) filed an application, dated September 24, 2012 with the Ontario Energy Board under section 78.1 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B) seeking approval for an order or orders related to deferral and variance accounts, including disposition of balances as at December 31, 2012, and the adoption of the Generally Accepted Accounting Principles of the United States (“USGAAP”) for regulatory accounting purposes. The Board has assigned the application file number EB-2012-0002.

Intervenors and Cost Eligibility

The Board issued a Notice of Application and Hearing on October 10, 2012. The Board received requests for intervenor status from the Association of Major Power Consumers in Ontario (“AMPCO”), Consumers Council of Canada (“CCC”), Canadian Manufacturers & Exporters (“CME”), Energy Probe Research Foundation (“Energy Probe”), Power Workers’ Union, School Energy Coalition (“SEC”) and Vulnerable Energy Consumers Coalition (“VECC”). The Board approves these intervention requests. A list of parties to the proceeding is attached as Appendix A.

AMPCO, CCC, CME, Energy Probe, SEC and VECC have also applied for cost award eligibility. The Board finds that each of these parties is eligible to apply for an award of costs under the Board's *Practice Direction on Cost Awards*.

Pension and OPEB Cost Variance Account and Rate Rider for Prescribed Nuclear Facilities

OPG is seeking an order continuing the authorization to post entries into the Pension and OPEB Cost Variance Account beyond the current expiration date of December 31, 2012. OPG proposes that this authorization continue until the effective date of the next order establishing new payment amounts. If this request is not decided by December 31, 2012, OPG requests interim authority to continue posting entries into this account pending the Board's decision in this proceeding.

The Board grants interim authority to continue posting entries into the Pension and OPEB Cost Variance Account for the anticipated short period of time between January 1, 2013 and the Board order in the current proceeding.

Since the Board's order will be based on audited account balances that will not be available until February 2013, OPG seeks a declaration that the current nuclear payment rider is interim as of January 1, 2013.

The Board approves the continuation of the current payment rider for the prescribed nuclear facilities and declares the rider interim as of January 1, 2013. As noted in the evidence, OPG will factor the current payment rider for the prescribed nuclear facilities into the determination of the nuclear interim period shortfall rider. The Board notes that the continuation of the rider should assist with rate smoothing.

OPG has proposed that the current payment rider for the prescribed hydroelectric facilities be allowed to expire as the rider is a credit, and its continuation would only increase the hydroelectric interim period shortfall to be recovered. The Board agrees that this approach is reasonable.

Issues List

A draft issues list has been included as Appendix B to this procedural order for comment. After reviewing the submissions of OPG and the parties, the Board will issue a final issues list.

Procedural Matters

The Board is making provision for written interrogatories. With the objective of achieving a more efficient proceeding, the Board is testing a new process in this proceeding. In this new process, Board staff will file interrogatories and OPG will respond to those interrogatories in advance of the intervenor interrogatories. Intervenors are expected to avoid duplicating the interrogatories of Board staff and other intervenors by considering the responses to the Board staff interrogatories and coordinating their interrogatories with other intervenors.

Interrogatories must reference the pre-filed evidence and must be filed by issue. The Board also requires that OPG file the responses to these interrogatories by issue instead of by intervenor. To facilitate the intervenors' review of the responses to their interrogatories, OPG shall group the interrogatory responses for each issue by intervenor within the issue.

The Board will provide for a transcribed Technical Conference that will permit intervenors and Board staff to seek further information from OPG as a result of the interrogatory responses or to seek clarification on the interrogatory responses. The Board is also making provision for a Settlement Conference and an oral hearing for any unsettled issues. A timetable of the events addressed in this procedural order is attached as Appendix C.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. OPG and intervenors shall file submissions on the draft issues list found at Appendix B with the Board and serve them on all parties on or before **November 12, 2012**.

2. OPG may respond to the submissions of intervenors, and intervenors may respond to the submissions of OPG or other intervenors by filing those responses with the Board and serving them on all parties on or before **November 15, 2012**.
3. Board staff seeking information and material from OPG that is in addition to OPG's pre-filed evidence, shall request it by written interrogatories filed with the Board and served on OPG and all intervenors on or before **November 23, 2012**.
4. OPG shall file with the Board responses to the Board staff interrogatories and serve them on the intervenors on or before **December 7, 2012**.
5. Intervenors seeking information from OPG that is in addition to OPG's pre-filed evidence, shall request it by written interrogatories. The interrogatories shall be filed with the Board and served on OPG and all intervenors on or before **December 21, 2012**.
6. OPG shall file with the Board responses to the intervenor interrogatories and serve them on the intervenors on or before **January 9, 2013**.
7. A transcribed Technical Conference shall be convened on **January 23, 2013** starting at 9:30 a.m. The Technical Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto. Parties participating in the Technical Conference are requested to file with the Board, and copy OPG and all other intervenors, by **January 16, 2013** confirmation of the particular issues they seek to address or seek clarification on at the Technical Conference.
8. OPG shall respond to any undertakings given at the Technical Conference on or before **February 1, 2013**.
9. A Settlement Conference shall be convened on **February 11, 2013**, starting at 9:30 a.m., with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto.

10. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than **February 25, 2013**.
11. The Board will sit on **February 28, 2013** at 9:30 a.m. in the Board's hearing room on the 25th Floor at 2300 Yonge Street, Toronto, to review any Settlement Proposal.
12. Should there be any unsettled issues arising from the Settlement Conference, an oral hearing will commence on **March 4, 2013** at 9:30 a.m.

All filings to the Board must quote file number **EB-2012-0002**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Violet Binette at violet.binette@ontarioenergyboard.ca and Board Counsel, Michael Millar at michael.millar@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto, November 6, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

**ONTARIO POWER GENERATION INC.
DEFERRAL AND VARIANCE ACCOUNTS
AND USGAAP**

EB-2012-0002

APPLICANT & LIST OF PARTIES

**Ontario Power Generation Inc.
EB-2012-0002**

APPLICANT & LIST OF INTERVENORS

November 6, 2012

APPLICANT

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APPLICANT & LIST OF INTERVENORS

November 6, 2012

INTERVENORS

Rep. and Address for Service

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APPLICANT & LIST OF INTERVENORS

November 6, 2012

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APPLICANT & LIST OF INTERVENORS

November 6, 2012

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APPLICANT & LIST OF INTERVENORS

November 6, 2012

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Ontario Power Generation Inc.
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APPLICANT & LIST OF INTERVENORS

November 6, 2012

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APPENDIX B

**ONTARIO POWER GENERATION INC.
DEFERRAL AND VARIANCE ACCOUNTS
AND USGAAP**

EB-2012-0002

DRAFT ISSUES LIST

**Ontario Power Generation Inc.
Deferral and Variance Accounts
and USGAAP
EB-2012-0002**

DRAFT ISSUES LIST

DEFERRAL AND VARIANCE ACCOUNTS

1. Is the nature or type of costs recorded in the deferral and variance accounts appropriate?
2. Are the balances for recovery in each of the deferral and variance accounts appropriate?
3. Are the proposed rate riders to dispose of the account balances appropriate?
4. Is the proposed continuation of the Pension and OPEB Cost Variance Account until the effective date of the next payment amounts order appropriate?
5. Is the proposed continuation of other deferral and variance accounts appropriate?

USGAAP FOR REGULATORY PURPOSES

6. Is the request to adopt USGAAP for regulatory accounting, reporting and rate-making purposes appropriate?
7. Is OPG's forecast of accounting differences between CGAAP and USGAAP appropriate?

APPENDIX C

**ONTARIO POWER GENERATION INC.
DEFERRAL AND VARIANCE ACCOUNTS
AND USGAAP**

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TIMETABLE OF EVENTS

Ontario Power Generation Inc.

EB-2012-0002

Procedural Order No. 1 - Timetable of Events

	Event	Date
1.	OPG and intervenor submissions on the draft issues list	November 12, 2012
2.	OPG and intervenor reply submissions on the draft issues list	November 15, 2012
3.	Board staff interrogatories filed	November 23, 2012
4.	Board staff interrogatory responses filed	December 7, 2012
5.	Intervenor interrogatories filed	December 21, 2012
6.	Intervenor interrogatory responses filed	January 9, 2013
7.	Confirmation of issues that will be addressed at the Technical Conference filed	January 16, 2013
8.	Technical Conference	January 23, 2013
9.	Undertakings from Technical Conference filed	February 1, 2013
10.	Settlement Conference	February 11, 2013
11.	Settlement Proposal filed	February 25, 2013
12.	Oral Hearing of Settlement Proposal	February 28, 2013
13.	Oral Hearing of Unsettled Issues	March 4, 2013