

INTERROGATORIES FOR ONTARIO POWER GENERATION

RE: DEFERRAL AND VARIANCE ACCOUNTS

FROM THE CONSUMERS COUNCIL OF CANADA

EB-2012-0002

ISSUE 1. Is the nature or type of amounts recorded in the deferral and variance accounts appropriate?

1. What is the proposed timing of the evidence update?

Ex. A2/T1/S1

2. Please explain in the context of this application, if OPG is changing the way it records amounts in any of the accounts relative to the approaches approved by the Board in previous applications. If, so please explain the nature of the change(s) and the rationale(s).

Ex.A2/T1/S1

3. Please set out OPG's current proposals to seek approval of new payment amounts. As discussed at the Stakeholder session on August 28, 2012, does OPG still intend to file separate and staged applications for nuclear and hydroelectric? If so, what is the proposed timing for those applications?

Ex. H1/T1/S1/p. 6

4. Does the Income and Other Taxes Variance Account record impacts associated with all changes to the tax rates or rules, assessments or re-assessments, new tax policies and court decisions? If not, why not? If not, what has been excluded?

Issue 2. Are the balances for recovery in each of the deferral and variance accounts appropriate?

Ex. A2/T1/S1/p. 1 and H1/T1/S1/p. 11

5. OPG is planning to defer clearance of the Hydro Electric Incentive Mechanism Variance Account and the Hydroelectric Surplus Baseload Generation Variance Account because the studies that the OEB ordered remain underway. When will the studies be completed? Please explain how these studies can potentially impact the balances in these accounts?

Ex. H1/T1/S1/p. 8

6. The evidence states that the December 31, 2012 balance in the Impact for USGAAP Deferral Account is projected to be \$59.3 million with \$2.7 million attributed to regulated hydroelectric

and \$56.7 million attributed to nuclear "based on the attribution of the underlying financial impacts." Please explain, specifically, how the attribution was determined?

Issue 3. Are the proposed rate riders and disposition periods to dispose of the account balances appropriate?

Ex. H1/T2/S1/p. 2

7. The evidence states that, "As this is not a complete cost of service application with a future test period, OPG will not calculate riders on the basis of a future production forecast." Has OPG prepared a nuclear and hydroelectric production forecast for 2013, 2014 and 2015? If so, please provide.

Ex. A2/T1/S1/p. 2

8. OPG plans to recover all balances over a two year period with the exception of the Pension and OPEB Cost Variance Account and the Bruce Lease Net Revenues Account. The latter two accounts are to be recovered over four years. Please set out all of the recovery options OPG considered and explain why those options were rejected.

Issue 5. Is the proposed continuation of other deferral and variance accounts appropriate?

Ex. H1/T3/S1

9. The evidence sets out a summary of the continuing deferral and variance accounts and the basis for making entries into those accounts after December 31, 2012. Please describe any changes made relative to what has been previously approved by the OEB with respect to making entries.

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