

Board Staff Interrogatory #124

Ref: ExhN1-1-1-pages 4-11

Issue Number: 6.8

Issue: Are the 2014 and 2015 human resource related costs (wages, salaries, benefits, incentive payments, FTEs and pension costs) appropriate?

Interrogatory

Please provide a table that shows separately the OPEB and SPP accounting amounts before capitalization to capital projects, the amounts actually recovered from ratepayers, the amounts paid to retirees and the net excess amount of recoveries from 2007 through 2013. Please project these values for the test period 2014-2015.

Response

For 2008 - 2013, the chart below provides the regulated portion of OPG's total actual other post retirement benefits ("OPRB") and SPP accounting costs before capitalization to capital projects and such costs recoverable from ratepayers (including applicable variance account additions), actual benefit payments under these plans, and the requested difference.¹ For 2014 and 2015, all amounts are as reflected in the Impact Statement (Ex. N1-1-1).

For 2007, the same actual information as above is provided. OPG does not know the specific amounts assumed by the Province in respect of the OPRB and SPP costs in the setting of the interim payment amounts in effect prior to April 1, 2008.

¹ As the question is in relation to amounts paid to retirees, OPG provides information on OPEB excluding the long-term disability benefit plan, which is otherwise known as OPRB.

Chart 1
OPRB and SPP Amounts²

<i>\$M</i>	2007	2008 ³	2009	2010	2011	2012	2013	2014	2015
Actual/Projected Costs	165.6	157.9	120.4	136.1	175.6	203.0	231.3	213.4	217.5
Recoverable Costs	N/A	119.2	162.5	161.0 ⁴	173.2 ⁵	203.0	231.3	213.4	217.5
Actual/Projected Benefit Payments	38.5	44.2	43.1	43.4	48.4	57.9	61.2	63.8	69.6
Recoverable Costs Less Actual/Projected Benefit Payments	N/A	75.0	119.4	117.6	124.8	145.1	170.1	149.6	147.9

² Amounts for 2007-2013 exclude those for the newly regulated hydroelectric assets; amounts for 2014 and 2015 include them. Amounts for all years do not include those related to the Nuclear Waste Management Organization.

³ Amount for recoverable costs represents 9/12 of the annual amount, as the EB-2007-0905 payment amounts came into effect on April 1, 2008. Amounts for actual costs and benefit payments are for the full year.

⁴ Represents 12/21 of the sum of 2008 and 2009 amounts, as the EB-2007-0905 payment amounts became effective April 1, 2008 and applied throughout 2010.

⁵ Represents 2/21 of the sum of 2008 and 2009 amounts, plus 10/12 of the 2011 amount, as the EB-2010-0008 payment amounts were effective March 1, 2011