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BY EMAIL and RESS

February 5, 2016
Our File No. 20150374

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0374 –OPG Nuclear Accounting Order

We are counsel for the School Energy Coalition. Pursuant to Procedural Order #1 in this matter, OPG has on February 3rd filed a draft accounting order with explanatory comments.

SEC believes that the Board and the parties would benefit if the following additional information were added to that filing:

1. Estimated entries based on the extensions effective December 31, 2015, including all related calculations, all using existing information. If, during 2016, some of the assumptions and other components of the calculations may change, that should be made clear. Even in that case, this initial cut at the calculations will show the Board and the parties the full nature and extent of the expected entries, which are likely to be substantial.
2. Further detail on any additional possible or probable changes/entries that could arise in 2016 and beyond, based on current forecasts and construction schedules. If there are no such changes or entries, then that information would also be useful. It is not clear to SEC from the Application whether changes (for example in cost of



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capital or income tax rates, or further changes in useful lives) after December 31, 2015 could have any impact on the entries to the account.

3. Clear specification of the baselines for each of the components of the calculations. There are two types of depreciation, plus return on two types of rate base, related income tax expense and shield, and used fuel/waste management costs. What is proposed to be recorded is the delta from the amounts currently in rates, and therefore it is important that the Board and the parties be very clear on the baseline against which that delta will be calculated. A detailed compendium of baseline amounts for each component, together with the underlying assumptions driving each baseline in the revenue requirement (useful lives, interest and ROE rates, income tax rates, etc.) would be valuable to the Board.

SEC is conscious that the calculations of adjustments to depreciation, asset retirement costs, and fuel/waste costs, have been complex and difficult in the past. We are hopeful that, if this additional information is filed, future analysis of the balance in this account will be simplified and less contentious.

We are asking for this information at this time, as part of the initial filing by OPG, because it would appear to us that, if discovery is required, it will be required with respect to this information as well. We therefore request that OPG provide this additional information as soon as it can, and in any case in advance of discovery, and that the Board so order.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.

Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties