

August 31, 2016

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0152 – Ontario Power Generation Inc. – Application for Approval of 2017-2021 Payment Amounts

In its Procedural Order No. 1, dated August 12, 2016, the Ontario Energy Board (“OEB”) invited submissions from parties on confidentiality issues and the draft issues list. The Consumers Council of Canada (“Council”) has no submissions regarding the confidentiality issues. With respect to the draft issues list we have the following brief submissions.

This represents the first Ontario Power Generation Inc. (“OPG”) Application that includes proposals for Incentive Regulation (“IR”). OPG’s approach to IR is different for the nuclear and hydroelectric businesses. The draft issues list includes as Issue 11.1, “Has OPG responded appropriately to the OEB direction on establishing incentive regulation?” The Council submits that the issue for this proceeding should be broader than simply considering whether OPG has responded appropriately to the OEB’s direction on incentive regulation. The OEB must consider whether the proposals to establish incentive regulation models for both the nuclear and hydroelectric businesses are appropriate and fair to ratepayers, not simply whether they have complied with the OEB’s direction. Although they may be subsumed in the issue as it is currently worded, we see value in dealing with the two issues separately, both in the hearing and in argument. The Council submits that Issue 11.1 should be replaced with the following two new issues:

- Is OPG’s approach to IR for establishing the hydroelectric payment amounts appropriate?
- Is OPG’s approach to IR for establishing the nuclear payment amounts appropriate?

From the Council’s perspective these two issues should capture all of the components included in each of the IR proposals.

With respect to Issue 6.5, which relates to the Pickering extended operations, the Council submits that the issue should be broader than what is currently proposed. Issue 6.5, as currently drafted states, “Are the test period expenditures related to extended operations for Pickering appropriate?” The Council submits that all of OPG’s proposals regarding the extended operations for the Pickering facilities should be considered by the OEB. The Council submits that Issue 6.4 should be replaced with the following:

- Are OPG’s proposals related to the extended operations for Pickering and the impacts on the payment amounts appropriate?

OPG has proposed as Issue 9.6, “Are the deferral and variance accounts that OPG proposes to establish appropriate?” The Council submits that this issue should be broadened to include potential proposals

from either the intervenors, Board Staff or the OEB with respect to new accounts. The Council submits that Issue 9.6 should be reworded in the following way:

- Should any newly proposed deferral and variance accounts be approved by the OEB?

Issue 10.1 states, “Are the proposed reporting and record keeping requirements appropriate?” The Council submits that parties may want to propose reporting requirements specific to the Darlington Refurbishment Project. Accordingly the Council proposes the following new issue:

- What are the appropriate reporting requirements specific to the Darlington Nuclear Refurbishment Project?

Issue 11.3 states, “Is OPG’s proposal for smoothing nuclear payment amounts consistent with O. Reg. 53/05?” The Council submits that this is an important issue, but there is also a broader issue as to whether the rate-smoothing proposals are appropriate and in the public interest. This goes beyond being consistent with the relevant regulations. The Council proposes the following issue to be added under Section 11:

- Are OPG’s rate-smoothing proposals appropriate and in the public interest?

The Council has no further submissions on the draft issues list.

Yours truly,

Julie E. Girvan

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CC: All Intervenors
OPG, Regulatory Affairs
Charles Keizer, Torys
Crawford Smith, Torys