



August 31, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Re: EB-2016-0152 Ontario Power Generation Inc. (OPG) 2017-2021 Payment Amounts Application  
AMPCO Comments on Draft Issues List

Dear Ms. Walli:

In accordance with Procedural Order No. 1 dated August 12, 2016, attached please AMPCO's comments on the Draft Issues List in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark Passi".

Mark Passi  
Chair, Board of Directors  
Association of Major Power Consumers in Ontario

Copy to: OPG

**Ontario Power Generation Inc.  
2017-2021 Payment Amounts for  
Prescribed Generating Facilities  
EB-2016-0152  
AMPCO's Comments on Draft Issues List (Non-Prioritized)**

## **1. GENERAL**

AMPCO proposes that Issue 1.2 be reworded as follows to expand the scope to cover the business planning assumptions that support all aspects of the application.

***1.2 Are OPG's economic and business planning assumptions appropriate for 2017 to 2021?***

## **2. RATE BASE**

AMPCO supports Board Staff's changes to Issue 2.<sup>1</sup> AMPCO agrees that the rate base issues should have a structure that is parallel to the capital projects issues (discussed below).

## **4. CAPITAL PROJECTS**

AMPCO agrees with Board Staff's submissions<sup>2</sup> that a structure parallel to in-service additions is appropriate for capital expenditures so that capital expenditures excluding the Darlington Refurbishment Project (DRP) are considered separately from the capital expenditures for DRP. AMPCO supports the revisions to the issues under Capital Projects as proposed by Board Staff.

AMPCO also proposes that additional Issues related to the DRP be added to the Issues List as follows:

***4.6 Does OPG's DRP strategy align appropriately with the Government of Ontario's Long Term Energy Plan?***

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<sup>1</sup> Board Staff Submission on Draft Issues List dated August 31, 2016 Page 2

<sup>2</sup> Board Staff Submission on Draft Issues List dated August 31, 2016 Page 1

## 6. OPERATING COSTS

AMPCO supports the proposed revisions to Issue 6.1 and Issue 6.2 provided by Board Staff<sup>3</sup>, i.e. for consistency, the first issue proposed under operating costs should exclude DRP to be consistent with the Capital Projects section, but also to be consistent with issue 6.4, and Issue 6.2 should include reference to benchmarking methodology.

### Corporate Costs

AMPCO proposes a revision to Issue 6.6 as follows:

*6.6 Are the test period human resource related costs for the nuclear facilities (wages, salaries, benefits, incentive payments, FTEs and pension costs) **and resource optimization strategies** appropriate?*

The 2013 Auditor General noted that OPG should decrease overtime costs and arrange staff schedules in a more cost-beneficial way. AMPCO submits OPGs proposed resource plan has a significant impact on costs and is an important consideration in this application. OPG staff labour is a significant contributor to OM&A costs.

## 8. NUCLEAR WASTE MANAGEMENT AND DECOMMISSIONING LIABILITIES

Consistent with previously approved issues lists for OPG proceedings<sup>4</sup>, AMPCO submits the following Issue should be added to the Issues List:

*8.1 Is the revenue requirement methodology for recovering nuclear liabilities in relation to nuclear waste management and decommissioning costs appropriate? If not, what alternative methodology should be considered.*

8.2 Is the revenue requirement impact of the nuclear liabilities appropriately determined?

## 9. DEFERRAL AND VARIANCE ACCOUNTS

AMPCO supports Board Staff's submissions to Issue 9 as follows, with one exception to Issue 9.7 noted below:

9.1 Are the nature or type of costs, as well as the methodologies for recording costs in the deferral and variance accounts appropriate?

9.6 Is the rate smoothing deferral account related to the Darlington Refurbishment Program that OPG proposes to establish appropriate?

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<sup>3</sup> Board Staff Submission on Draft Issues List dated August 31, 2016 Page 2

<sup>4</sup> EB-2013-0321

*9.7 Are any other new deferral or variance accounts that OPG **or other parties propose** to establish appropriate?*

AMPCO submits new deferral or variance accounts proposed by intervenors or Board Staff should also be considered under this issue.

## **10.REPORTING AND RECORD KEEPING REQUIREMENTS**

AMPCO supports Board Staffs comments with respect to Issue 10.

## **11.METHODOLOGIES FOR SETTING PAYMENT AMOUNTS**

AMPCO supports Board Staffs comments with respect to Issue 11.