

ED Interrogatory #27

Issue Number: 6.5

Issue: Are the test period expenditures related to extended operations for Pickering appropriate?

Interrogatory

Reference:

Reference: Ex. F2, Tab 2, Schedule 3, Attachment 2, p. 16-18

- (a) Please provide the detailed data and electronic spreadsheets underlying OPG's economic assessment of Pickering Continued Operations, including its assessment of the system economic value. The economic assessment appears at pages 12 to 14 of OPG's business case (using the numbering at the bottom right corner).
- (b) As part of its assessment of the system economic value of continuing to operate Pickering until 2022/2014, did OPG consider the possibility of a contract for Quebec power as the primary source of replacement power for Pickering?
- (c) Please redo OPG's system economic value analysis based on the assumption that replacement power is sourced primarily from an electricity import agreement with Quebec.

Response

- (a) OPG assumes that the requested information relates to Pickering Extended Operations per Ex. F2-3-3 and not to Pickering Continued Operations.

Refer to Ex. L-6.5-1 Staff-125 and Ex. L-6.5-1 Staff-126 for the production, cost data and major assumptions used in the economic assessment as well as Attachment 1 for the detailed data.

Attachment 2 (provided only as an electronic spreadsheet) contains a spreadsheet that allows parties to modify assumptions about the Pickering costs that underlie OPG's economic assessment as presented in the Pickering Extended Operations Business Case.¹ This spreadsheet is provided pursuant to OPG's proposal in its Reply to Motions to address ED's request in part (a) of this interrogatory for electronic spreadsheets underlying OPG's economic assessment.

¹ Ex. F2-2-3, Attachment 2, pp. 16-18.

1 As OPG explained in its Reply to Motions (para. 49), this spreadsheet incorporates
2 output from OPG's proprietary production model, but the system benefit data is
3 hardcoded such that it does not allow parties to run alternative resource scenarios. It will,
4 however, allow parties to modify assumptions about the costs of the project.

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6 The spreadsheet contains formulae and acronyms which are familiar to users trained in
7 the spreadsheet, but which may not be properly understood by others. Because of the
8 complexity of the spreadsheets, OPG cannot warrant the accuracy of the results obtained
9 by any manipulation of the spreadsheets conducted by third parties.

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11 (b) OPG's economic assessment did not consider a contract with Quebec Power as a
12 primary source of replacement power for Pickering.

13
14 (c) OPG declines to provide the requested information on the basis of relevance. This
15 interrogatory seeks information on the costs of hypothetical alternatives to Pickering
16 Extended Operations. Such information is not relevant to deciding any issue on the
17 approved Issues List in this application. An investigation into alternatives to Pickering
18 Extended Operations is not within scope of the Issue 6.5. In rejecting attempts to broaden
19 Issue 6.5, the OEB clearly stated that this issue is intended to address "consideration of
20 the test period expenditures for Pickering Extended Operations." (Decision on Issues List,
21 September 23, 2016, page 7). Moreover, OPG does not have the information necessary
22 to perform the requested analysis and any attempt to develop this information would be
23 speculative, depending entirely on assumptions about the cost and characteristics of a
24 hypothetical future import agreement between the Provinces of Quebec and Ontario. See
25 Ex. L-6.5-7 ED-40.