OPG

EB-2016-0152

OEB Staff Compendium

Panel 6

THIRD IMPACT STATEMENT

1.0 PURPOSE

The purpose of this exhibit is to reflect the impact of material changes made to the regulation governing the rate smoothing proposal in this application. This evidence sets out a revised rate smoothing proposal in accordance with O. Reg. 53/05 (the "Regulation") as amended on March 2, 2017.[1] The regulatory changes impact the rate smoothing evidence (section 2 of Ex. A1-3-3), with consequential impacts on OPG's deferral and variance accounts (Ex. H1-1-1), Revenue Requirement Work Form (Ex. I1-1-1, Attachment 1), consumer impact evidence (Ex. I1-1-2) and Nuclear Payment Amounts (Ex. I1-3-1).

Consistent with the previously filed Impact Statements (Ex. N1-1-1 and Ex. N2-1-1), OPG has consolidated the relevant updates to its evidence in this exhibit.

2.0 OVERVIEW OF REVISED RATE SMOOTHING PROPOSAL

Before the amendments, the Regulation required smoothing the annual changes in OPG's <u>nuclear payment amounts</u>.[2] Under the amended Regulation, the objective of rate smoothing is to make more stable the <u>total OPG weighted average payment amounts</u> ("WAPA")[3] during the deferral period[4] by adjusting the nuclear payment amounts within the WAPA. So, while nuclear payment amounts continue to be the aspect of OPG's rates that is adjusted under the amended Regulation, the objective of those adjustments is now to produce a more stable change in the total OPG WAPA. These adjustments to the nuclear payment amounts ultimately determine the annual amounts of nuclear revenue requirement to be deferred and recorded in the rate smoothing deferral account ("RSDA") established pursuant to the Regulation.

[1] A copy of the amended Regulation is provided as Attachment 1 to this schedule.
[2] As described in Ex. A1-3-3, Section 2.0.
[3] The WAPA includes both hydroelectric and nuclear payment amounts and payment riders. Section 0.1(1) of the amended O. Reg. 53/05 prescribes how WAPA is to be calculated.
[4] As defined in s. 0.1(1) of O. Reg. 53/05, the deferral period is "the period beginning on January 1, 2017, and ending when the Darlington Refurbishment Project ends".

Under the amended Regulation, rate smoothing continues to be directed at managing the annual impact on customers during the deferral period. Absent smoothing, the rate impact and volatility in the 2017-2021 period are driven by reduced production as Darlington units are taken out of service to be refurbished, partially offset by production at the Pickering generating station in 2021 due to the plan to extend operations, and costs associated with the Darlington Refurbishment Program. The amended Regulation changes the method by which nuclear revenue requirement is distributed throughout the deferral period. Relative to OPG's original proposal (Ex. A1-3-3, section 2.0), rate smoothing based on WAPA will result in a more stable year-over-year change in customers' bills, which OPG believes will benefit customers.

Section 3.0 of this schedule provides a detailed description of the changes in the amended Regulation. Section 4.0 provides changes to the rate smoothing considerations discussed in Ex. A1-3-3, section 2.3. Section 5.0 describes the inputs into the calculation of the WAPA and the customer bill impact calculation.

Section 6.0 sets out OPG's proposal and alternatives considered. OPG proposes that the average annual change in WAPA during the 2017 to 2021 period be 2.5% (the "smoothed rate"), which would result in a cumulative deferred revenue requirement of approximately $1B in that period.[5] This proposal would result in an average annual increase of $0.65 on the typical residential customer's monthly bill during the 2017 to 2021 period, compared to the average annual increase of $1.05 proposed under the previous revision of the Regulation.

Section 7.0 discusses implementation of rate smoothing, and Section 8.0 provides an update to certain interrogatories and undertakings to reflect the revised rate smoothing proposal. Section 9.0 updates the Approvals OPG is seeking, as reflected in the updated version of Ex. A1-2-2 that OPG has filed.

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[5] Annual deferred amounts are provided in Chart 4. The deferred amount excludes interest of approximately $0.12B based on OPG's annual long-term debt rates as discussed in Ex. C1-1-2.

Step	Action	Basis in O. Reg. 53/05
1	Establish the RSDA	s. 5.5(1)
2	Approve annual nuclear revenue requirements for five year term, absent any deferral	s. 5.5(1)(a) s. 6(2)12(ii) s. 6(2)12(iii)
3	Approve required WAPA inputs for each year	
4	Determine the annual change in the WAPA, applying considerations listed in sections 4.0 and 6.0 of this evidence (including impact on customer bills) to assess options with a view to making more stable the year-over-year changes in the WAPA over each calculation period ("Smoothed WAPA Rate")	s. 0.1(1) s. 6(2)12(i)
5	Using the Smoothed WAPA Rate determined in Step 4 and the inputs approved in Step 3, determine the annual NPA	s. 0.1(1)
6	Determine annual deferred amount to be recorded in RSDA for each year of the five year term [Step 2 - (NPA x NPF)]	s. 5.5(1)(b) s. 6(2)12(i)

4.0 RATE SMOOTHING CONSIDERATIONS

In section 2.3 of Ex. A1-3-3, OPG identified and defined the six considerations that informed its rate smoothing proposal:

<u>FINANCIAL PERFORMANCE</u>

1. Financial Viability

<u>CUSTOMER FOCUS</u>

2. Rate Stability
3. Long-term Perspective
4. Post-Recovery Transition
5. Intergenerational Equity
6. Customer Bill Impact

Chart 3: Proposed and Alternative Rate Smoothing Scenarios

	Original 11% Proposal[1]	A	B (Proposed)	C	D	E
2017-2021 Average Annual Change in WAPA	**4.3%**	2.0%	**2.5%**	3.0%	3.5%	4.0%
2022-2026 Average Annual Change in WAPA[2]	**6.9%**	8.3%	**7.0%**	5.7%	4.3%	3.0%
2027-2036 Average Annual Change in WAPA[2]	**(1.9)%**	(1.5)%	**(1.0)%**	(0.3)%	0.5%	1.2%
Peak RSDA Balance ($B)	**$3.3**	$3.2	**$2.9**	$3.0	$3.2	$3.4
Total Interest ($B)	**$1.4**	$1.4	**$1.4**	$1.4	$1.4	$1.4
Interest Cost / Deferred Revenue Ratio	**0.5**	0.5	**0.5**	0.5	0.5	0.4
FFO Interest Coverage > = 3 (2017-2021) / (2022-2026)	**3.6 / 5.3**	4.5 / 5.0	**4.6 / 5.4**	4.6 / 5.8	4.7 / 6.2	4.8 / 6.7
DEBT to EBITDA < = 5.5 (2017-2021) / (2022-2026)	**6.2 / 5.3**	5.9 / 5.3	**5.9 / 5.2**	5.8 / 5.0	5.8 / 4.9	5.7 / 4.7
Nuclear Payment Amount Transition Impact ($/MWh)	**($4.3)**	$1.0	**($3.7)**	($9.3)	($16.8)	($22.7)
Average Annual Bill Impact (2017-2021) in %	**0.7%**	0.3%	**0.4%**	0.5%	0.6%	0.7%
Average Annual Bill Impact (2017-2021) in $	**$1.05**	$0.51	**$0.65**	$0.79	$0.93	$1.07
Average Annual Bill Impact (2017-2036) in %[2]	**0.3%**	0.3%	**0.3%**	0.4%	0.4%	0.4%
Average Annual Bill Impact (2017-2036) in $[2]	**$0.43**	$0.43	**$0.47**	$0.53	$0.60	$0.65

Notes

[1] Updated to reflect changes to Nuclear revenue requirement in Ex. N1-1-1 and Ex. N2-1-1. Nuclear Payment Amount smoothing is inherently more volatile than smoothing based on WAPA. This is primarily due to the impact that year-over-year production differences have on the annual WAPA, as well as the expiry of higher payment riders in effect during 2016. The average year-over-year change in the WAPA shown for the Original 11% Proposal is therefore not directly comparable with the more consistent year-over-year change in the period in the smoothing scenarios under the amended Regulation.

[2] Calculated assuming that hydroelectric payment amounts continue to escalate at 1.5% per year throughout the 2017-2036 period pursuant to the price-cap as proposed in Ex. I1-2-1 Table 1 and no payment riders beyond those proposed in this application.

Based on its assessment of the alternatives above, using the considerations described in section 4.0 above, OPG proposes an average annual WAPA increase of 2.5% per year during the 2017-2021 period. This rate of increase would result in an average year-over-year increase of approximately $0.65 on the typical residential customer's monthly bill during the 2017-2021 period. The methodology by which OPG calculated customer bill impacts in Chart 3 is provided in Section 5.2 above.

OPG has calculated the nuclear payment amount (NPA) required to arrive at a 2.5% increase in WAPA in Ex. N3-1-1 Table 3.

OPG applied the following rationales to evaluate each option for each of the assessment considerations:

Financial Viability (Leverage and Cash Flow Impacts): Higher values for the FFO Adjusted Interest Coverage ratio and lower values for the Debt to EBITDA credit metric reduce financial risk to OPG. OPG's assessment was based on at least one of the two metrics cited above being within threshold at all times during each of the two 5-year deferral periods (i.e., 2017 to 2021 and 2022 to 2026). All scenarios in Chart 3 meet this threshold.

Rate Stability: All of the scenarios in Chart 3 result in a constant year-over-year change in WAPA within the two halves of the deferral period and within the recovery period. In each scenario, the year-over-year change in WAPA varies between the two halves of the deferral period, and again at the beginning of the recovery period. Lower variances at each of these points are better.

Long-Term Perspective: The assessment was based on the size of the average year-over-year change in WAPA during the recovery period (closer to 0 per cent is better).

Post-Recovery Transition: The assessment was based on the size of the change in the nuclear payment amount at the end of the recovery period (smaller is better) to the forecast post-transition payment amount of approximately $120/MWh.

Intergenerational Equity: The assessment was based on the ratio of total interest costs to total amounts deferred (total interest / total amounts deferred). A lower ratio implies a lower cost of deferring revenue under that alternative.

Intergenerational equity involves striking a balance between the benefits of deferring revenue and the costs of the deferral; therefore OPG's assessment placed value on a ratio that best reflects this balance (i.e., neither the highest nor the lowest ratio).

Customer Bill Impact: Each scenario was assessed based on the resulting average year-over-year change in a typical residential customer's monthly bill, both in the 2017-2021 period and over the full deferral and recovery periods.

In OPG's assessment, Scenario B results in the best overall balance based on the application of the above considerations. While Scenarios A, B, and C each perform well on several considerations, Scenario B best balances the considerations outlined above. Scenario A has the steepest rate change in the recovery period and the least stable WAPA in 2022 and 2027, and although Scenario C produces a smaller change in WAPA between the two halves of the deferral period, it also produces less optimal results than Scenario B in terms of bill impact and the transition rate. Scenario B also produces the lowest peak RSDA balance. Overall, Scenario B best addresses the considerations and reflects the best overall proposal.

Relative to OPG's proposal under the previous version of the Regulation, the main benefit of the revised proposal is a significantly lower average annual bill impact in the 2017-2021 period. Under the previous proposal, the annual average of year-over-year increases in customers' monthly bills over the period was forecast at approximately $1.05, as opposed to a less variable $0.65 under the revised proposal.

Under the revised proposal, OPG expects that the rate of change in the company's WAPA will be different between the first and second halves of the deferral period. However the average annual rate of change in WAPA is expected to be consistent within each five-year period, meaning that the proposal would result in a consistent rate of increase during the deferral period (except for the transition between 2021 and 2022) and a consistent average annual decrease in WAPA during the recovery period.

OPG's proposal results in deferring the collection of approximately $1B in revenue in the 2017 to 2021 period, as reflected in Chart 4 below. This is approximately $0.4B less than OPG proposed to defer under the previous proposal (after adjustments to account for the reduced nuclear revenue requirement in the previous impact statements). The nuclear payment amounts have been updated based on the level of deferred recovery associated with this proposal.

Chart 4: OPG Proposed Deferred Revenue Requirement

	2017	2018	2019	2020	2021	Total
Proposed Revenue Requirement ($M)	$ 3,161	$ 3,186	$ 3,273	$ 3,783	$ 3,398	$ 3,617
Forecast Production (TWh)	38.10	38.47	39.03	37.36	35.38	26.01
Smoothed Rate ($/MWh)	$ 76.39	$ 78.60	$ 84.83	$ 88.21	$ 92.02	N/A
Smoothed Revenue ($M)	$ 2,910	$ 3,024	$ 3,311	$ 3,295	$ 3,256	$ 15,796
Deferred Revenue Requirement ($M)	$ 251	$ 162	$ (38)	$ 488	$ 142	$ 1,005

7.0 IMPLEMENTATION

The specific revenue requirement deferral amounts proposed in section 6.0 are produced by adjusting the approved nuclear payment amounts to achieve the desired annual rate of change in the total WAPA. The OEB's findings on the proposed nuclear revenue requirements, nuclear production forecast, hydroelectric and nuclear payment riders and the hydroelectric IRM formula will necessarily impact the 2017-2021 NPA, the annual deferred nuclear revenue requirement, and the resulting WAPA.

Nuclear rate smoothing is unique in terms of the magnitude of the proposed deferred amounts, and the number of interrelated decisions required. To the extent the OEB's decision changes the rate smoothing inputs, it may be expedient for the OEB to make a decision on the nuclear revenue requirements and the inputs (steps 2 and 3 of the chart in section 3.1 above), and withhold its final decision on the "outputs" (i.e., the annual change in WAPA, the resulting nuclear payment amount, and the amount to be deferred in the RSDA) until the Payment Amount Order approval process (steps 4, 5 and 6).

If the OEB defers its determination of the outputs to the Payment Amount Order approval process, OPG could apply the OEB's findings on the inputs and the considerations listed in sections 4.0 and 6.0 at that time. OPG could provide requested options for the NPA, the annual nuclear deferred revenue requirement and the resulting WAPA in the same format and level of detail as Chart 3.

8.0 UPDATED TABLES, INTERROGATORY RESPONSES AND UNDERTAKINGS

This schedule includes revised version of three tables from Exhibit I, updated as necessary to be consistent with the changes to the Regulation and OPG's proposal:

- **Table 1**: Annualized Residential Consumer Impact (updated Ex. I1-1-2 Table 1)
- **Table 2**: Computation of Percent Change in Payment Amounts (updated Ex. I1-1-2 Table 2)
- **Table 3**: Payment Amounts and Riders – Nuclear (updated Ex. I1-3-1 Table 1)

Given the late stage of the proceeding in which the Regulation was amended, and in order to facilitate an efficient and timely hearing process, OPG has identified certain interrogatories and technical conference undertakings seeking quantitative analyses related to the rate smoothing proposal, and has provided updated responses to these questions in Attachment 2 to this schedule.

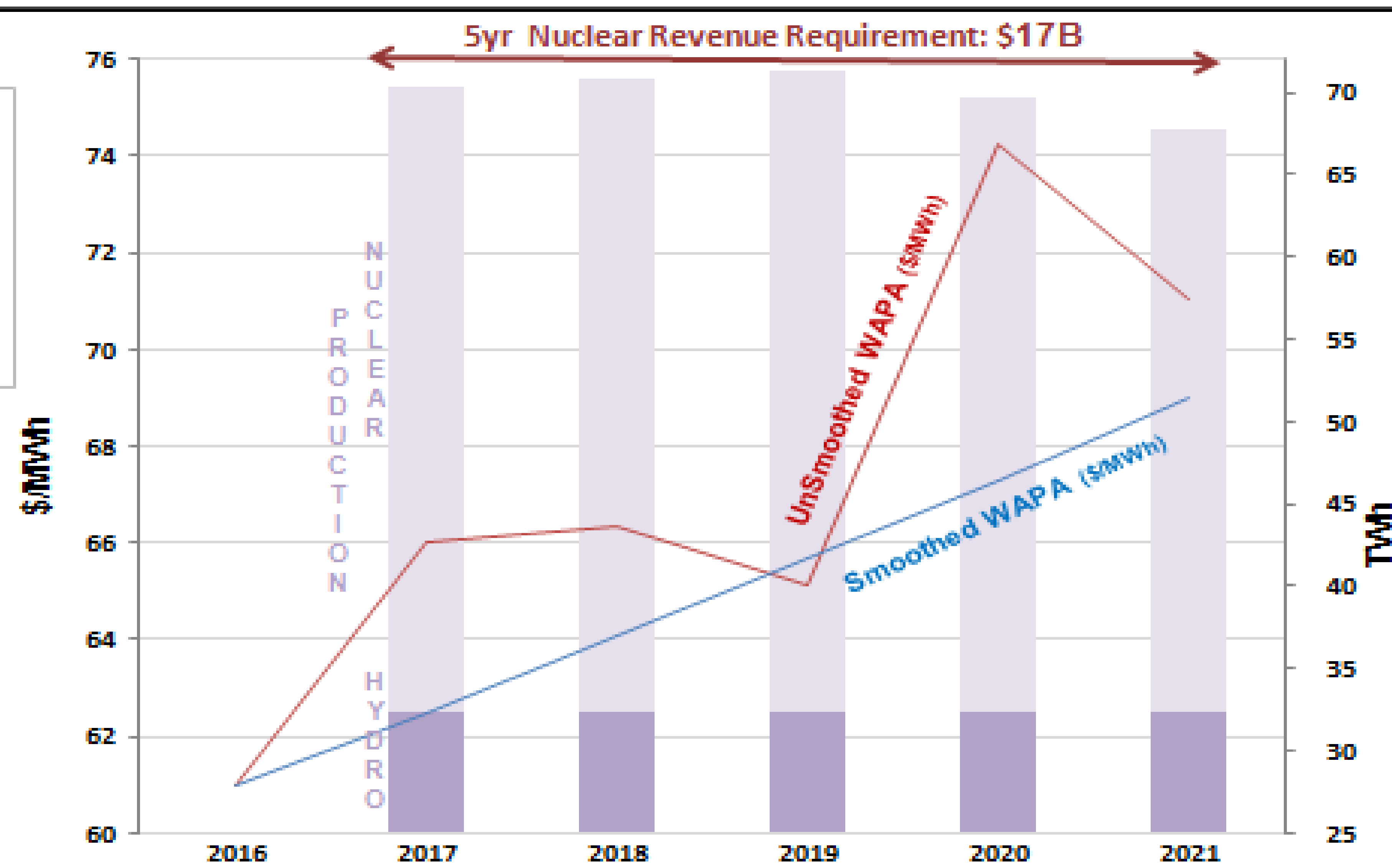
Attachment 3 is an updated Revenue Requirement Work Form ("RRWF") originally filed as Ex. I1-1-1, Attachment 1. The revised RRWF has been adjusted to reflect the customer bill impact changes resulting from the revised smoothing proposal. Updated rows are marked. OPG has also filed a live Excel version of the revised RRWF.

9.0 SUMMARY OF CHANGES IN APPROVALS SOUGHT

The items identified in this Impact Statement result in amendments to the following approvals sought by OPG in this Application for the IR period: (i) payment amounts for the nuclear facilities, and (ii) the portion of the annual nuclear revenue requirements deferred under rate smoothing during the 2017 to 2021 period.

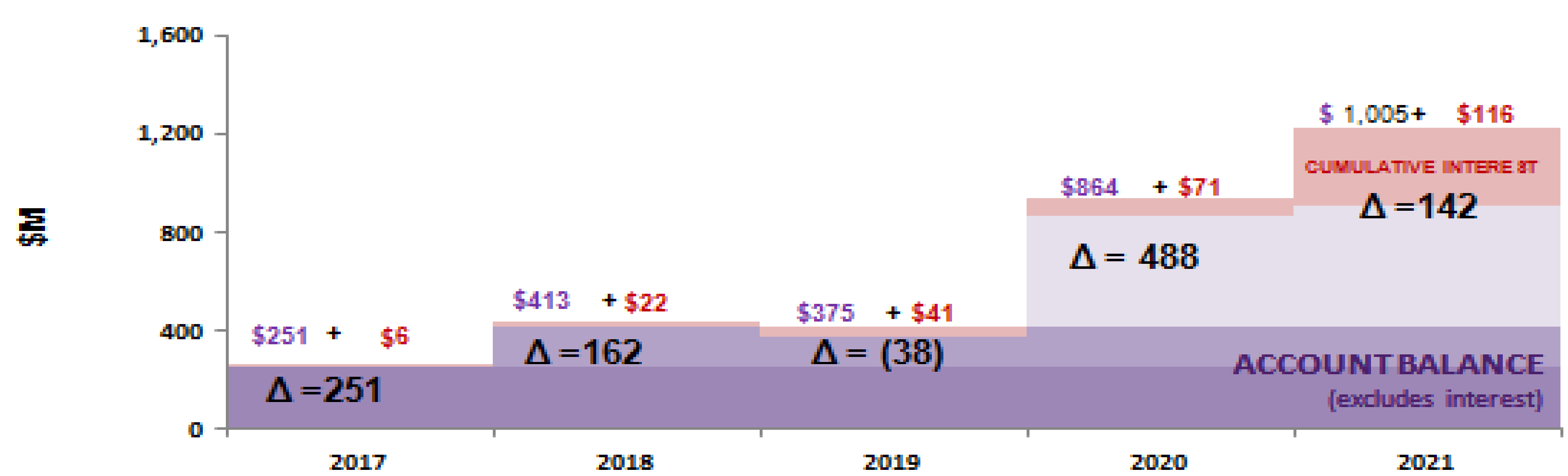
Numbers may not add due to rounding.

WAPA Smoothing Analysis 2017-2021



	2016	2017	2018	2019	2020	2021
1) Proposed Nuclear Production (TWh)		38.1	38.5	39.0	37.4	35.4
2) OEB Approved Hydroelectric Production (TWh)		32.3	32.3	32.3	32.3	32.3
3) Unsmoothed WAPA ($/MWh)	60.97	66.03	66.33	65.14	74.24	71.06
4) Smoothed WAPA ($/MWh)	60.97	62.50	64.06	65.66	67.30	68.98

Rate Smoothing Proposal 2017-2021 Account



	2017	2018	2019	2020	2021
1) Proposed Nuclear Production (TWh)	38.1	38.5	39.0	37.4	35.4
3) Unconstrained Nuclear Rate ($/MWh)	82.98	82.81	83.87	101.28	96.03
4) Nuclear Rate (Under WAPA) ($/MWh)	76.39	78.60	84.83	88.21	92.02
4) Deferred Amount ($M)	251	162	(38)	488	142
5) Est. Interest Expense ($M)	6	16	19	30	45
6) Accumulated Interest ($M)	6	22	41	71	116



EB-2016-0152
Nuclear Rate Smoothing

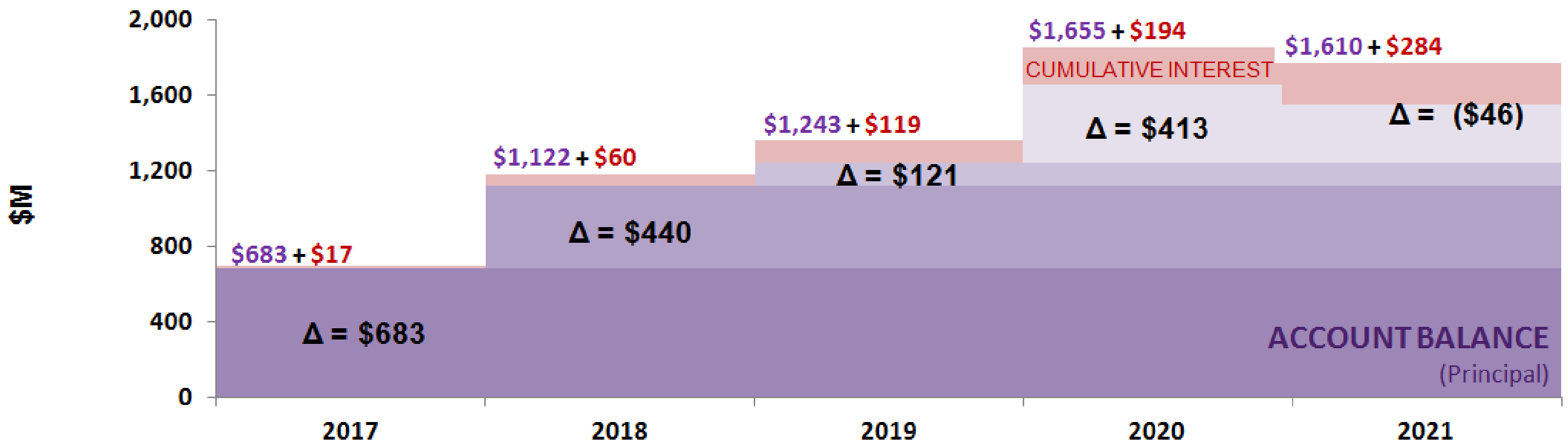
Untranscribed Technical Conference
September 23, 2016

Chris Fralick
Vice President, Regulatory Affairs
Randy Pugh
Director, Regulatory Affairs

ONTARIO POWER GENERATION

Mechanics of OPG's Rate Smoothing Proposal

Rate Smoothing Deferral Account 2017-2021



	2017	2018	2019	2020	2021
1) Proposed Production (TWh)	38.1	38.5	39.0	37.4	35.4
2) Unsmoothed Rates ($/MWh)	83.73	84.48	84.17	101.05	98.62
3) Smoothed Rate ($/MWh)	65.81	73.05	81.09	90.01	99.91
4) Annual Deferred Amt ($M)	683	440	121	413	(46)
5) Cumulative Deferred Amt ($M)	683	1,122	1,243	1,655	1,610
6) Est. Interest Expense ($M)	17	43	59	75	90
7) Est. Cumulative Interest ($M)	17	60	119	194	284

ONTARIO POWER GENERATION

recovered on a straight line basis over a period not to exceed three years, to the extent that the Board is satisfied that revenue requirement impacts are accurately recorded in the account, based on the following items, as reflected in the audited financial statements approved by the board of directors of Ontario Power Generation Inc.,

i. return on rate base,

ii. depreciation expense,

iii. income and capital taxes, and

iv. fuel expense.

7.1 The Board shall ensure the balance recorded in the variance account established under subsection 5.4 (1) is recovered on a straight line basis over a period not to exceed three years, to the extent the Board is satisfied that,

i. the costs were prudently incurred, and

ii. the financial commitments were prudently made.

8. The Board shall ensure that Ontario Power Generation Inc. recovers the revenue requirement impact of its nuclear decommissioning liability arising from the current approved reference plan.

9. The Board shall ensure that Ontario Power Generation Inc. recovers all the costs it incurs with respect to the Bruce Nuclear Generating Stations.

10. If Ontario Power Generation Inc.'s revenues earned with respect to any lease of the Bruce Nuclear Generating Stations exceed the costs Ontario Power Generation Inc. incurs with respect to those Stations, the excess shall be applied to reduce the amount of the payments required under subsection 78.1 (1) of the Act with respect to output from the nuclear generation facilities referred to in paragraphs 3, 4 and 5 of section 2.

11. In making its first order under section 78.1 of the Act in respect of Ontario Power Generation Inc. that is effective on or after July 1, 2014, the following rules apply:

i. The order shall provide for the payment of amounts with respect to output that is generated at a generation facility referred to in paragraph 6 of section 2 during the period from July 1, 2014 to the day before the effective date of the order.

ii. The Board shall accept the values for the assets and liabilities of the generation facilities referred to in paragraph 6 of section 2 as set out in Ontario Power Generation Inc.'s most recently audited financial statements that were approved by the board of directors before the making of that order. This includes values relating to the income tax effects of timing differences and the revenue requirement impact of accounting and tax policy decisions reflected in those financial statements.

12. For the purposes of section 78.1 of the Act, in setting payment amounts for the nuclear facilities during the deferral period,

i. the Board shall determine the portion of the Board-approved revenue requirement for the nuclear facilities for each year that is to be recorded in the deferral account established under subsection 5.5 (1), with a view to making more stable the year-over-year changes in the OPG weighted average payment amount over each calculation period,

ii. the Board shall determine the approved revenue requirements referred to in subsection 5.5 (1) and the amount of the approved revenue requirements to be deferred under subparagraph i on a five-year basis for the first 10 years of the deferral period and, thereafter, on such periodic basis as the Board determines,

iii. for greater certainty, the Board's determination of Ontario Power Generation Inc.'s approved revenue requirement for the nuclear facilities shall not be restricted by the yearly changes in payment amounts in subparagraph i,

iv. the Board shall ensure that Ontario Power Generation Inc. recovers the balance recorded in the deferral account established under subsection 5.5 (1), and the Board shall authorize recovery of the balance on a straight line basis over a period not to exceed 10 years commencing at the end of the deferral period, and

v. the Board shall accept the need for the Darlington Refurbishment Project in light of the Plan of the Ministry of Energy known as the 2013 Long-Term Energy Plan and the related policy of the Minister endorsing the need for nuclear refurbishment. O. Reg. 23/07, s. 4; O. Reg. 27/08, s. 2; O. Reg. 312/13, s. 4; O. Reg. 353/15, s. 3; O. Reg. 57/17, s. 2.

7. OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS REGULATION). O. Reg. 53/05, s. 7.

SCHEDULE

1. Abitibi Canyon.
2. Alexander.
3. Aquasabon.
4. Arnprior.
5. Auburn.
6. Barrett Chute.
7. Big Chute.
8. Big Eddy.
9. Bingham Chute.
10. Calabogie.
11. Cameron Falls.
12. Caribou Falls.
13. Chats Falls.
14. Chenaux.
15. Coniston.
16. Crystal Falls.
17. Des Joachims.
18. Elliott Chute.
19. Eugenia Falls.
20. Frankford.
21. Hagues Reach.

Ontario Energy Board

Commission de l’énergie de l’Ontario

Handbook
for
Utility Rate Applications

October 13, 2016

costs through conservation, and better understand the value of distribution services. It is also a fairer way to recover the costs of providing electricity distribution service.[26]

Rate Mitigation

The OEB expects utilities to mitigate bill impacts through the pacing and prioritizing of investments and activities. For electricity distributors, the OEB has a policy requiring the filing of a mitigation plan when the total bill impact is 10% or more for any customer class. The OEB expects all other utilities to propose mitigation plans, or explain why a plan is not required, when their proposals result in material impacts to customers[27].

Rate-setting Policies for Consolidations

On March 26, 2015 the OEB issued its *Report of the Board: Rate-Making Associated with Distributor Consolidation*. To encourage consolidations, the OEB established a policy that consolidating entities could defer rebasing for up 10 years. For electricity distributors deferring rebasing beyond five years, an earnings sharing mechanism (ESM) is required above ±300 basis points. The ESM is designed to protect customers and ensure that they share in any increased benefits from consolidation during the deferred rebasing period.

Under the ESM, excess earnings are shared with consumers on a 50:50 basis for all earnings that are more than 300 basis points above the consolidated entity's annual ROE. Earnings will be assessed each year once audited financial results are available and excess earnings beyond 300 basis points will be shared with customers annually. No evidence is required in support of an ESM that follows the form set out in the OEB's reports.

To encourage consolidation, the OEB also extended the availability of the ICM for consolidating distributors that are on Annual IR Index, thereby providing consolidating distributors with the ability to finance capital investments during the deferral period without being required to rebase earlier than planned.

On January 19, 2016 the OEB issued the *Handbook to Electricity Distributor and Transmitter Consolidations* (the MAADs Handbook). The MAADs Handbook provides

[26] *Board Policy: A New Distribution Rate Design for Residential Electricity Customers*, April 2, 2015.
[27] The OEB's August 14, 2014 Decision on the quarterly rate adjustment mechanism process for natural gas distributors (EB-2014-0199), determined that advance notification to customers would be required going forward and a mitigation plan must be filed if a 25% or greater change is anticipated on the commodity portion of a typical residential system supply customer's bill.

OPG EB-2016-0152 - Rate Smoothing

As proposed by OPG

	Exh N3 - Mar 8, 2017	2016	2017	2018	2019	2020	2021	Ave/Total
1	Hydroelectric Payment Amount ($/MWh)	40.72	41.71	42.33	42.97	43.61	44.27	
2	Hydroelectric Rider ($/MWh)	3.83	1.44	1.44				
3	Hydroelectric Production (TWh)	33.0	33.0	33.0	33.0	33.0	33.0	
4	Nuclear Revenue Requirement ($M)		3161.4	3185.7	3273.2	3783.5	3397.8	
5	Nuclear Production Forecast (TWh)	46.80	38.10	38.47	39.03	37.36	35.38	
6	Unsmoothed Nuclear Payment Amount ($/MWh)	59.29	82.98	82.81	83.86	101.27	96.04	
7	Smoothed Nuclear Payment Amount ($/MWh)	59.29	76.39	78.60	84.83	88.21	92.02	
8	%Change in Smoothed Nuclear Payments		29%	3%	8%	4%	4%	
9	Nuclear Rider ($/MWh)	13.01	2.85	2.85				
10	WAPA (lines 1,2,3,5,7,9) ($/MWh)	60.97	62.49	64.06	65.66	67.30	68.98	
11	Deferred Amount ($M)		251	162	-38	488	142	1005
12	Carrying Charges ($M)		6	16	19	30	45	116
13	Total Bill Impact ($/month)		0.62	0.64	0.66	0.66	0.66	0.65

Source: RRWF, lines 11-12 Exh N3-11.6-1 Attachment 2 Table 18, WAPA formula as per O. Reg. 53/05

No Smoothing (as calculated by OEB staff)

	Exh N3 - Unsmoothed Scenario	2016	2017	2018	2019	2020	2021	Ave/Total
14	Hydroelectric Payment Amount ($/MWh)	40.72	41.71	42.33	42.97	43.61	44.27	
15	Hydroelectric Rider ($/MWh)	3.83	1.44	1.44				
16	Hydroelectric Production (TWh)	33.0	33.0	33.0	33.0	33.0	33.0	
17	Nuclear Revenue Requirement ($M)		3161.4	3185.7	3273.2	3783.5	3397.8	
18	Nuclear Production Forecast (TWh)	46.80	38.10	38.47	39.03	37.36	35.38	
19	Unsmoothed Nuclear Payment Amount ($/MWh)	59.29	82.98	82.81	83.86	101.27	96.04	
20	Smoothed Nuclear Payment Amount ($/MWh)	59.29	82.98	82.81	83.86	101.27	96.04	
21	%Change in Smoothed Nuclear Payments		40%	0%	1%	21%	-5%	
22	Nuclear Rider ($/MWh)	13.01	2.85	2.85				
23	WAPA (lines 14,15,16,18,20,22) ($/MWh)	60.97	66.03	66.33	65.14	74.24	71.06	
24	Deferred Amount ($M)		0	0	0	0	0	0
25	Carrying Charges ($M)		0	0	0	0	0	0
26	Total Bill Impact ($/month)		2.06	0.13	-0.49	3.67	-1.25	0.82

Lines 14-19 from table above, Lines 20-26 calculated by OEB staff, WAPA formula as per O. Reg. 53/05

Ontario

Ontario’ s Fair Hydro Plan

Find out how much you will save on your monthly electricity bill, and learn more about programs and tax credits to help lower your bill.

What’ s new

Starting this summer, electricity bills will be reduced by 25% on average for households across Ontario. Many small businesses and farms will also benefit from this cut.

And bills won’t increase beyond the rate of inflation for at least four years.

People who live in eligible rural communities and those with low incomes will see even more reductions to their electricity bills.

Taken together, these changes will deliver the single-largest reduction to electricity rates in Ontario’s history.

Get more discounts on your bill

Ontario Electricity Support Program (OESP) (https://ontarioelectricitysupport.ca/?lang=en/)

Now available to even more low income, electricity consumers, **apply online (https://ontarioelectricitysupport.ca/SelfAssessment)** and you could receive $360-$425 off per year on your bills, through the OESP.

If you have other unique electricity requirements, including electric heating, a medical device that uses a lot of electricity or you’re a First Nation, Inuit or Métis customer, you could receive an extra $45-$75 off per year on your bills.

Affordability Fund

This fund will help eligible customers who don’t qualify for existing, low income electricity programs.

It will also help low income customers pay for energy-efficiency improvements in their homes, which will help reduce electricity bills.

Details about the fund and information on how to apply will be communicated to eligible customers in the coming months.

First Nations On-Reserve Delivery Credit

We are removing the delivery charge for all on-reserve First Nations residential customers, who will automatically receive the credit on their electricity bills.

The credit is a result of a partnership between the Ontario Energy Board, First Nations, including remote communities, distributors and consumer groups such as the Low Income Energy Network (http://www.lowincomeenergy.ca/).