IESO SETTLEMENT PROCESS

1.0 PURPOSE

This evidence provides a description of the IESO settlement process used for OPG's regulated generation facilities.

2.0 DESCRIPTION OF SETTLEMENT PROCESS

The general IESO settlement process is described in Chapter Nine of the Ontario Market Rules. OPG understands that in order for revised payment amounts and riders to be implemented on the first of a given month, a final rate order establishing the new payment amounts and riders would have to be issued by the 20th of the second month prior to the implementation month. This timing is necessary for the IESO to update their systems and perform the settlement without retroactive adjustment. For example, for implementation on March 1st, the rate order would have to be issued in January, before the 20th.

OPG expects that retroactive adjustment will be used for the months prior to the implementation date back to the effective date of new payment amounts and riders. For example, assuming a rate order on January 20th, retroactive adjustment would be used for the months of January and February, with unadjusted implementation for the month of March and beyond.

The timelines for implementation are based on general rate structure changes reflecting OPG's prior applications. The changes to the rate structure proposed in this application may allow for a shorter lead time for implementation.