SUMMARY OF OEB DIRECTIVES AND UNDERTAKINGS FROM PREVIOUS PROCEEDINGS

This schedule sets out OEB directives to OPG from previous proceedings with reference to where the corresponding evidence may be found in this proceeding. In this case, applicable directives arise from the OEB's decisions on OPG's application for Recovery of Deferral and Variance Account Balances effective January 1, 2019 (EB-2018-0243) and the prior application for payment amounts (EB-2016-0152). The applicable directives from these proceedings are set out in Charts 1 and 2, respectively.

Additionally, Chart 3 provides a continuing OEB directive related to accounting changes impacting the calculation of OPG's nuclear liabilities, and changes to the end-of-life-dates of prescribed nuclear facilities for depreciation and amortization purposes, last confirmed in EB-2016-0152.

Chart 1

Directives from the *Decision and Payment Amounts Order* on OPG's Application for 2019 Hydroelectric Payment Amount Adjustment and Recovery of Deferral and Variance Account Balances effective January 1, 2019 (EB-2018-0243)

Decision Chapter/ Section	Pg. No.	OEB Decision / Directive	Reference Exhibit In OPG Evidence
3	4	The parties agreed that the recovery of the registered pension plan costs and related income tax, which together total $55.1 million for the regulated hydroelectric facilities and $354.6 million for the nuclear facilities, will be deferred to OPG's next rebasing application. The intervenors accepted the Deferred Pension Amount and agreed that any future positions taken by them with respect to these amounts shall be limited to the appropriate period of recovery of these amounts.	Ex. H1-2-1, Table 1 Ex. H1-2-1, Table 2
3	4	OPG committed to preparing a forward-looking study to assess the management of its generating facilities in relation to surplus baseload generation conditions in consultation with the Independent Electricity System Operator. The study is to be filed with OPG's next rebasing application.	Ex. A1-11-1, Att. 1

Chart 2

Directives from the *Decision and Order* on OPG's Application for payment amounts for the period from January 1, 2017 to December 31, 2021 (EB-2016-0152)

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
5	**Nuclear Facilities**			
5.2	19	Nuclear Operations Capital and Rate Base	The OEB directs OPG to file an independent audit of its nuclear P&M organization including adherence to best practices, measures and reporting regarding cost and schedule performance, and implementation of lessons learned. The audit report will be filed with OPG's next cost-based application.	Ex. D2-1-1, Att. 2
5.2	22	Nuclear Operations Capital and Rate Base	For future proceedings, the OEB directs OPG to file, at a minimum, the costs for each major capital project based on the first execution business case and the final proposed amount for which OPG is seeking approval. The information provided should be sufficiently detailed as to adequately highlight both the total cost and the related in-service amount.	Ex. D2-1-3, Tables 1a-1d
5.4	52	Nuclear Benchmarking	The OEB expects OPG to file a review from ScottMadden regarding OPG's nuclear benchmarking methodologies with its next cost based application.	Ex. F2-1-1, Att. 4 and Att. 5
5.8	72	Corporate and Centrally Held Costs	The OEB expects OPG to file an updated benchmarking study of corporate costs with its next cost based application. […] In addition to its usual evidence on corporate support costs, OPG shall file nuclear corporate support information by station for the historical and test period in the next cost based application.	Ex. F3-1-1, Att. 1, and Ex. F3-1-1 Tables 3a and 3b

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
5.9	84	Compensation	The OEB expects compensation benchmarking with the next cost based application. The benchmarking shall include a detailed overtime analysis. The OEB also expects a staffing benchmarking study that will incorporate contractor FTEs following the Goodnight methodology. In addition, OPG shall file pension and OPEB evidence that clearly sets out the elements included and excluded in its determination of employer:employee contribution ratios.	Ex. F4-3-1, Att. 2 Ex.F2-1-1, Att. 6 Ex. F4-3-1, section 5.0
5.11	88	SR&ED ITCS	The rate-setting methodologies for the hydroelectric and nuclear businesses beyond 2021 are not certain. OPG's next application should consider the utilization of SR&ED ITCs and explain its proposal. However, the OEB notes that the majority of SR&ED ITCs are earned by nuclear.	Ex. F4-2-1, section 3.4
5.13	97	Nuclear Liabilities	OPG should provide a jurisdictional study of cost recovery methodologies for nuclear liabilities with its next cost based nuclear payment amounts application… The study should also include an examination of cost recovery for short term and long term nuclear liabilities as it relates specifically to OPG's assets.	Ex. C2-1-1, Att. 2
8	**Methodologies for Setting Payment Amounts**			
8.1.4	128	Productivity Factor	The OEB expects that OPG and other stakeholders will take into account the OEB's concerns about the approaches and limitations of the experts' analyses on the record in this proceeding. Improvements in methodology and data, and translation of the results of the studies as to how they more directly translate to rate-setting would provide more useful and convincing information on which OPG could make its next proposal and the OEB would make its determination for subsequent [hydroelectric] IRM plans.	N/A

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
8.2.1	136	Customer Engagement	OPG intends to develop a formal customer engagement process during the IR period that may provide insight into customers' preferences with respect to OPG priorities and plans. The OEB expects that process to inform OPG's next application.	Ex. A2-2-1, section 6.0 Ex. A2-2-1, Att. 4 & 5
10	**Reporting and Record Keeping**			
10.1	146	General Reporting	OPG shall file a proposal for a detailed scorecard as part of its next cost based application. OPG shall refer to the performance scorecard guidance in the Rate Handbook.	Ex. A1-3-2, section 3 Ex. A1-3-2, Att. 1 & 2

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Chart 3

Directives from the *Payment Amounts Order* on OPG's Application for payment amounts for the period from January 1, 2017 to December 31, 2021 (EB-2016-0152)

Page No.	OEB Decision / Directive	Reference Exhibit in OPG Evidence
13	OPG shall file an accounting order application with the OEB and provide notice to intervenors of record in EB-2016-0152 if: i. OPG proposes an accounting change impacting the calculation of its nuclear liabilities, other than as a result of an Ontario Nuclear Funds Agreement Reference Plan update, which results in a material revenue requirement impact for the prescribed facilities; or ii. OPG proposes to change the end-of-life dates of its prescribed nuclear facilities for depreciation and amortization purposes that results in a material non-asset retirement cost revenue requirement impact. An accounting order application shall only be required if the revenue requirement impact is neither reflected in current or proposed payment amounts nor recorded in an authorized deferral or variance account and the annualized revenue requirement impact for the prescribed facilities is $10 million or greater.	Ex. A1-2-1 Ex. H1-1-1, section 6.2

ATTACHMENTS

Attachment 1: Surplus Baseload Generation Study