CME Interrogatory #3

Interrogatory

Reference:
Ref: Exhibit A, Tab 2, Schedule 1, p. 24.
At page 24, OPG stated "These customer outcome priorities were presented to senior management within the company in order to help inform business planning decisions."

(a) Please provide any presentations or business planning instructions provided to management and OPG's investment planners showing customer outcome priorities.

(b) How does Innovative understand customer preferences with respect to Charts 4 and 5? For instance, operating in a safe manner is listed as "extremely important" but 4th in the outcome priorities in Chart 5.

Response

a) Attachments 1 and 2 were provided to OPG's senior management in the nuclear and renewable generation businesses, respectively. The business planning instructions provided as Ex. A2-2-1, Attachment 2 also address customer outcome priorities and other findings from the INNOVATIVE customer engagement process.

b) The following response was prepared by INNOVATIVE:

Our questions focus on trying understand the outcomes preferences and priorities of customers. Outcomes can be seen as having two dimensions: hierarchy and direction.

The chart on page 9 of Ex. A2-2-1, Attachment 4 (the June 2019 Final Report) shows the top four outcomes as a hierarchy. Given a choice in the abstract, producing low cost power ranks above safety. At the same time, safety is still seen as very important.[1] When customers choose in the abstract, they give priority to the outcome they are more concerned about. Participants are comfortable with OPG's safety record but more concerned about the size of their bills.

When we focus on specific choices, participants' preferences shift and they tend to give priority to incremental safety gains over incremental cost savings.

[1] Ex. A2-2-1, Attachment 4, p. 8.