Board Staff Interrogatory #20

Interrogatory

Reference:
Exhibit A2 / Tab 2 / Schedule 1 / p. 10

Preamble:

OPG noted that when presenting information that requires direct continuity of balances from 2020 (e.g. rate base values), OPG used the 2020 current forecast information from the 2020-2026 Business Plan, rather than the restated budget.
Question(s):

a) Please provide a list of the costs that are based on the 2020 current forecast information.

b) Please provide the timing of when the 2020 current forecast information became available and explain the nature of the updates that are included in the 2020 current forecast information (relative to the restated budget).

Response

a) The following is a list of costs that were based on the 2020 forecast in the pre-filed evidence:
   - Exhibit B: Capital in-service additions, fuel inventory and materials and supplies inventory as part of rate base continuities
   - Exhibit C: Debt issues and nuclear liabilities continuities
   - Exhibit D: Capital expenditures and in-service additions
   - Exhibit F: Pickering extension enabling OM&A, Pickering Optimized Shutdown OM&A, Depreciation, Pension and OPEB, Darlington Refurbishment OM&A and New Nuclear OM&A
   - Exhibit G: Cost components of Bruce Lease net revenues tied to nuclear liabilities

b) The 2020 forecast was derived in late third quarter of 2020 in conjunction with the finalization of the Amended 2020-2026 Business Plan, which forms the basis of the 2021-2026 information in this application. The 2020 forecast was included in the business plan in addition to the 2020 budget (as restated for COVID-19 impacts), representing a more current view of projections for the year. This forecast generally formed the starting point for the 2021-2026 projections in the plan that involved year-over-year continuity of balances and lifecycle costs. For example, depreciation

expense for 2021 onwards in the business plan was based on year-end 2020 fixed asset balances in the forecast, rather than the budget. Similarly, expenditure projections for in-progress projects for 2021 onwards were developed based on forecasted activity for the remainder of 2020 (rather than budgeted activity).