Energy Probe Interrogatory #38

Interrogatory

Reference:
Exhibit D2, Tab 2, Schedule 10, Page 1

a) Please confirm that the purpose of this exhibit is to provide support for the request that OEB approve the costs of the D2O Storage Project for inclusion in rate base.

b) Please confirm that the prudence review of the D2O Storage Project will take place in a future proceeding when the Darlington Refurbishment Program is completed and OPG requests disposition of the balance in the CRVA.

Response

a) Confirmed. As stated in Ex. D2-2-10, p. 1 lines 1-6, the purpose of the exhibit is to support OPG's request to incorporate the remaining $494.7M of capital cost for the D2O Storage Project into its rate base. See Ex. H1-1-1, p. 20, lines 5-12 for OPG's requested treatment of the CRVA account balance related to the D2O Storage Project.

b) Not confirmed. As OPG stated in EB-2016-0152, Ex. N2-1-1, page 2:

> The actual revenue requirement impact of the D2O Project will be recorded in the nuclear portion of the Capacity Refurbishment Variance Account ("CRVA") once the project enters into productive service. Such entries into the CRVA will continue to be recorded until the OEB-approved D2O Project in-service amount is reflected in the revenue requirement through a subsequent rate setting process. The OEB will have the opportunity to conduct a prudence review in respect of the D2O Project after it has been completed and placed into service.

In this application, OPG is applying to clear the CRVA balances related to the D2O Storage Project, as discussed at Ex. H1-1-1, p. 20, and include the project's capital cost in rate base. OPG filed extensive evidence on the project to allow the OEB to conduct a prudence review of the amounts OPG seeks to place in-service in respect of the D2O Storage project.