Board Staff Interrogatory #204

Interrogatory

Reference:
Exhibit F2 / Tab 1 / Schedule 1 / Attachment 4 / p. 7
Exhibit A1 / Tab 3 / Schedule 1 / pp. 6-7

Preamble:

OPG provided a table highlighting the cost attribution scenarios used for the various category of costs. OPG noted that the cost attribution scenarios are based on OPG's 2017 organizational structure. OPG underwent a major corporate realignment in 2020.

Question(s):

a) Please discuss whether this organizational change impacts the manner in which the normalization methodology will be applied in 2020. Please describe in detail.

Response

a) The interrogatory references the various cost attribution scenarios by which ScottMadden's total generating cost per megawatt-hour ("TGC/MWh") normalization methodology identifies how each type of cost should be removed from normalized TGC/MWh for the purposes of normalizing Darlington for refurbishment. OPG's organizational realignment did not impact the manner in which ScottMadden's normalization methodology for refurbishment has been applied to 2020 normalized TGC/MWh results. ScottMadden's refurbishment normalization methodology did not change as the nature of the costs being attributed to the Darlington units undergoing refurbishment did not change and the methods for attributing such costs to the nuclear business under OPG's cost allocation methodology did not change materially in 2020 (Ex. F3-1-4, Attachment 1, pp. 20-24).