Board Staff Interrogatory #25

Interrogatory

Reference:
Exhibit B1 / Tab 1 / Schedule 1 / p. 3

Preamble:

OPG stated that by 2021, the non-DRP net plant rate base is projected to be $558.1 million higher than the OEB-approved amount, primarily due to cumulatively higher non-DRP capital in-service additions for the Darlington NGS.

Question(s):

a) Please provide a table that compares OEB-approved in-service amounts to actual in-service amounts between 2016 and 2021, distinguishing between DRP and non-DRP values.

b) With reference to the table requested in (a) above, please clarify how the $558.1 million variance by 2021 was derived.

c) Please confirm whether "by 2021" in the above quote means the end of 2021 or end of 2020. Please also confirm whether the $558.1 million is included in the opening 2021 or 2022 rate base amount.

Response

a) The requested table is provided as Chart 1 below. The 2021 information shown is the budgeted amount, and the 2016 information shown is the amount reflected in the rate base values approved in the EB-2016-0152 Payment Amounts Order (there is no "OEB-approved" value for 2016).

Chart 1:
Comparison of In-Service Amounts, 2016-2021

Line No	Year	OEB-Approved			Actual/Budgeted			Differences		
		DRP	Non-DRP	Total	DRP	Non-DRP	Total	DRP	Non-DRP	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2016	350.4	295.3	645.7	324.4	295.3	619.7	(26.0)	-	(26.0)
2	2017	8.5	452.9	461.4	305.9	472.3	778.2	297.4	19.4	316.8
3	2018	8.9	334.9	343.8	34.5	423.6	458.0	25.6	88.6	114.2
4	2019	-	353.7	353.7	336.9	368.2	705.1	336.9	14.5	351.4
5	2020	4,809.2	224.4	5,033.7	4,787.4	333.1	5,120.4	(21.9)	108.7	86.8
6	2021	0.4	166.3	166.8	8.6	390.6	399.2	8.2	224.2	232.4

Note:
2016 OEB-approved in-service amounts per EB-2016-0152, Ex. J21.1, Att. 2, Table 4, lines 22-26.
2017 to 2021 OEB-approved in-service amounts (cols. (a)-(c)) per EB-2016-0152 PAO, App. A, Table 9, col. (b).
2016 to 2019 actual and 2021 budgeted in-service amounts (cols. (d)-(f)) per Ex. B3-3-1, Table 1, col. (b). 2020 actual in-service amounts per Ex. L-0-X-Staff-002.

b) The $558.1M amount cited in the preamble is the variance in the 2021 net plant rate base, excluding the Darlington Refurbishment Program ("DRP") and asset retirement costs. The derivation of the amount is presented in Chart 2 below.

Chart 2:
2021 Net Plant Rate Base (EB-2016-0152 Approved vs. EB-2020-0290 Projected)

Line No		Gross Plant	Accumulated Depreciation	Net Plant
		(a)	(b)	(c)
	EB-2016-0152 Approved:[1]			
1	**Nuclear - Excluding Asset Retirement Costs**	10,787.9	3,953.1	6,834.8
2	**Darlington Refurbishment Program**	5,472.0	317.5	5,154.5
3	**Non-DRP Total**	5,315.9	3,635.6	1,680.2
	EB-2020-0290 Projected:[2]			
4	**Nuclear - Excluding Asset Retirement Costs**	11,628.4	3,672.4	7,956.0
5	**Darlington Refurbishment Program - Excluding D2O**	5,587.9	341.2	5,246.7
6	**Heavy Water Storage Facility (D2O)**	509.3	38.4	470.9
7	**Non-DRP Total** (line 4 - line 5 - line 6)	5,531.1	3,292.7	2,238.4
8	**Difference** (line 7 - line 3)	215.2	(342.9)	558.1

Notes

1 Col. (a) is from EB-2016-0152 PAO, App. A, Table 9, col. (f). Col. (b) is from EB-2016-0152 PAO, App. A, Table 10, col. (e).

2 Col. (a) is from Ex. B3-1-1, Table 1, col. (g). Col. (b) is from Ex. B3-1-1, Table 1, col. (h).

c) "By 2021" refers to the net plant rate base for 2021 as determined using the rate base methodology described at Ex. B1-1-1, Section 3.1.2. Thus, the net plant rate base for 2021 is projected to be $558.1M higher than the OEB-approved amount.