Board Staff Interrogatory #31

Interrogatory

Reference:
Exhibit B3 / Tab 4 / Schedule 1 / Tables 1-2

Question(s):

a) Please clarify whether the adjustments in column (c) in Table 1 and column (d) in Table 2 at Exhibit B3 / Tab 1 / Schedule 1 are adjustments to the opening balance or whether they occur within the year. If some of the adjustments are to the opening balances and others are within the year, please explain.

Response

a) The reference provided is to Ex. B3-4-1 but the question refers to Ex. B3-1-1. OPG assumes the question was intended to refer to Ex. B3-4-1, Tables 1-2.

The amounts in column (c) for each year in Ex. B3-4-1, Table 1 all follow the mid-year average methodology, consistent with the general approach used for in-service amounts for rate base calculation purposes.[1]

The only amount in column (d) at Ex. B3-4-1, Table 2 is the downward adjustment related to the Darlington Refurbishment Program – Excluding D2O in 2022 at line 18. As described in Note 2 of the table, the adjustment is assigned a 12/12 weighting, which is equivalent to reducing the opening accumulated depreciation and amortization balance in column (a). This is consistent with the intent of the adjustment to limit DRP-related net plant in rate base for projects completed prior to 2022 (other than the D2O Storage Project) to the values approved in EB-2016-0152 as of December 31, 2021. Further details on the downward adjustment can be found in Ex. L-B1-01-Staff-024.

[1] Note 1 at Ex. B3-4-1, Table 1 explains that although the adjustment to accumulated depreciation and amortization at line 21 is in excess of $50M, for simplicity, it was applied the mid-year average approach rather than a monthly weighting because there is a corresponding offsetting adjustment to gross plant (at Ex. B3-3-1, Table 1, line 21, col. (c)) that was also applied the mid-year average approach, with no net impact on rate base.