Board Staff Interrogatory #24

Interrogatory

Reference:
Exhibit B1 / Tab 1 / Schedule 1 / p. 2 / Footnote 1

Preamble:

Footnote 1 states that the $84.5 million amount is calculated as: Exhibit B3 / Tab 3 / Schedule 1 / Table 2 / Column (c) / Line 2 less Exhibit B3 / Tab 4 / Schedule 1 / Table 2 / Column (d) / Line 18.

OEB staff was unable to reproduce the $84.5 million value based on the citations provided in Footnote 1.
Question(s):

a) Please provide a table that shows how the $84.5 million value was derived and includes the numbers used in the derivation. Where applicable, please include citations to applicable tables and cells elsewhere in the application.

Response

The calculation in Footnote 1 referenced in the preamble results in an amount of $96.1M. The net adjustment was derived as the adjustment of $134.6M to gross plant at Ex. B3-3-1, Table 2, line 2, col. (c), less the adjustment of $38.5M to accumulated depreciation and amortization at Ex. B3-4-1, Table 2, line 18, col. (d). The reference to $84.5M at Ex. B1-1-1, p. 2, line 9 is in error.

In the course of preparing this response, OPG discovered an error in the calculation of the accumulated depreciation and amortization adjustment presented at Ex. B3-4-1, Table 2, line 18, col. (d). The correct amount is $36.3M, versus $38.5M. The corresponding correct amount of the net adjustment is $98.3M, versus $96.1M, as shown in Chart 1 below.

Chart 1: DRP-Related Downward Adjustment to Rate Base ($M)

Line No		Note	Gross Plant	Accumulated Depreciation	Net Plant
			(a)	(b)	(c)
1	DRP Amounts per EB-2016-0152 PAO	1	5,472.2	400.9	5,071.3
2	DRP Amounts per EB-2020-0290 (excluding D2O)	2	5,592.2	434.3	5,158.0
3	DRP-related Adjustment (line 1 - line 2)		(120.0)	(33.3)	(86.7)
4	D2O Amounts per EB-2020-0290	3	14.6	3.0	11.6
5	Adjustment (line 3 - line 4)		(134.6)	(36.3)	(98.3)

1	Col. (a) is from EB-2016-0152 PAO, Table 9, col. (e), line 42. Col. (b) is from EB-2016-0152 PAO, Table 10, col. (d), line 42.
2	Col. (a) is from Ex. B3-3-1, Table 1, col. (e), line 42. Col. (b) is from Ex. B3-4-1, Table 2, col. (e), line 10.
3	Col. (a) is from Ex. B3-3-1, Table 1, col. (a), line 3. Col. (b) is accumulated depreciation for the D2O storage project.

OPG will correct the downward adjustment as described above in preparing the draft payment amounts order.