CCC Interrogatory #50

Interrogatory

Reference: Exhibit F3/T1/S4

OPG has retained Elenchus to review OPG's Cost Allocation Policies:

a) Please provide the Terms of Reference for the Elenchus Study;
b) Please provide a timeline for the preparation of the Elenchus Study;
c) Please indicate whether Elenchus simply reviewed OPG's approach to cost allocation or was asked to propose alternative approaches;
d) Who initially developed OPG's cost allocation policy?

Response

a) The Scope of Work for the Elenchus Study is provided as Attachment 1.

b) Elenchus was engaged for this study in July 2019. As outlined in Attachment 1, the study initially was scheduled for completion in 2019. Work on the study continued beyond the initially planned completion dates as required to align with the filing date of this application and the timing of the underlying business planning process, including the organizational realignment that took place in the second half of 2020.

c) Elenchus was engaged to review and assess any revisions to OPG's cost allocation methodology and to validate whether OPG has appropriately applied the methodology as accepted by the OEB in previous proceedings, taking into account any organizational changes. Elenchus was not engaged to explicitly identify alternative approaches to the cost allocation methodology.

d) OPG's cost allocation methodology was developed by OPG. The methodology was reviewed by an independent expert in each of 2006, 2010 and 2013, with reports filed in the corresponding OPG payment amounts proceedings. The OEB accepted OPG's cost allocation methodology in all prior payment amounts proceedings (EB-2007-0905, EB-2010-0008, EB-2013-0321 and EB-2016-0152).