Board Staff Interrogatory #244

Interrogatory

Reference:
Exhibit F2 / Tab 5 / Schedule 1 / p. 10

Preamble:

OPG provided a discussion of uranium conversion services procurement. OPG stated that its agreement for uranium conversion services for the period 2012-2021 is subject to adjustment for cost (or benefit) sharing if actual cost changes go beyond a threshold. OPG also stated that its Custom IR term forecast assumes no adjustment for cost or benefit sharing.

Question(s):

a) Please clarify how the sharing referenced above figures into to OPG's payment amounts (e.g. how, if at all, does the adjustment for cost (or benefit) sharing flow to ratepayers?

b) Please advise whether the cost (or benefit) sharing threshold has been exceeded at any time between 2012 and 2021.

c) If the response to (b) is yes, please summarize the annual value of adjustment for cost (or benefit) sharing between 2012 and 2021.

Response

a) The adjustment for cost (or benefit) sharing in uranium conversion services has not been included in the projection of fuel costs over the IR term, as this risk is assumed to be borne by the shareholder, and any such forecast of a future cost (or benefit) would be speculative.

b) and c)
The cost (or benefit) sharing threshold has been triggered in six of the last nine years (2012-2020). Two of the years (2015, 2020), OPG experienced an increase in cost, while in four of the years (2012, 2016, 2017, 2019) OPG benefited with a lower cost, as summarized in Chart 1.

Chart 1

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2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
[redacted]								