AMPCO Interrogatory #178

Interrogatory

Reference: Exhibit H1 Tab 1 Schedule 1 Page 38

The 2021 Overearnings Variance Account was established by the OEB in EB-2020-0248. The account will record any actual regulated earnings achieved by OPG's regulated business in 2021 that are more than 300 basis points above the OEB-approved return on equity ("ROE") as reflected in OPG's payment amounts in effect for 2021. In the event that OPG's 2021 regulated ROE does not exceed 300 basis points over the OEB-approved ROE, no entry is to be made to the account. The variance account applies only to the 2021 year.

Ref: C1 T1 S1 Table 8

The Return on Equity (ROE) for 2019 is 15.72%.
Each year, OPG is required to file an analysis of the actual annual regulatory return, after tax on rate base, both dollars and percentages, for the combined regulated business (i.e., both hydroelectric and nuclear). This analysis includes a comparison of the regulated business' achieved ROE against the approved ROE included in the payment amounts. OPG proposes that this reporting requirement continue to be the basis for determining if its actual ROE is outside the +/-300 basis point trigger established by the RRF for determining whether a regulatory review may be initiated.
Please provide the report filed with the OEB for 2019.

Response

See Attachment 1.