Energy Probe Interrogatory #73

Interrogatory

Reference:
Exhibit I1, Tab 3, Schedule 1, Table 1, Smoothed Payment Amounts WAPA

a) Please prove a Table similar to Chart 1 that shows the Base revenue requirement and the calculated smoothed increases for 2021-2026 expressed based on customer consumption levels of 500, 700. 1000 KWh per month.

b) Please confirm the Hydroelectric Payment Amount is remains at $43.88/MWh from 2021-2026.

c) If the Nuclear NPF and/or Hydraulic HPF Production differs from forecast, please discuss how this is addressed.

Response

a) Ex. I1-1-2, Table 1 provides the bill impact for a residential customer with a consumption level of 700 kWh as a "typical bill". OPG is able to estimate the annualized residential customer impacts by largely relying on the OEB's Bill Calculator,[1] which provides a sample bill calculation for each distributor within the province using Time of Use rates that OPG then averages to arrive at a typical bill value. The tool provides, as a default, off-peak, mid-peak and on-peak usage for a 700kWh residential customer, which is necessary to perform the bill calculation. OPG does not have this information for 500kWh or 1000kWh customers and so is unable to perform the bill calculations requested for these consumption levels.

b) Confirmed.

c) OPG earns regulated revenues at approved payment amounts on a variable basis. If OPG generates more electricity than anticipated, it will realize higher revenues than forecasted. If OPG is unable to achieve the approved production forecast, it will earn less revenue than anticipated. Additionally, for regulated hydroelectric facilities, the financial impact of differences in production due to variances in water flows from forecasts underpinning the payment amounts is recorded in the Hydroelectric Water Conditions Variance Account (Ex. H1-1-1, Section 5.1) and due to surplus baseload generation conditions in the Hydroelectric Surplus Baseload Generation Variance Account (Ex. H1-1-1, Section 5.4).

[1] The OEB's Bill Calculator can be found at the following link: https://www.oeb.ca/rates-and-your-bill/bill-calculator