VECC Interrogatory #36

Interrogatory

Reference:
Exhibit G2-01-01, Table 1, G2-01-02, Table 2a

a) Please confirm that 2019 actuals are meant to be redacted.
b) During the 2017-2021 period, other than for the year 2019, OPG has underestimated Other Revenues. Please explain what changes the Utility has made to its forecasting methodologies to more accurately estimate other revenues?

Response

a) The 2019 actual non-energy revenues were not meant to be redacted. See Ex. L-A1-02-Staff-002 for unredacted 2019 and 2020 actual non-energy revenues.

b) OPG provided an appropriate forecast of nuclear other revenues in EB-2016-0152, in line with the underpinning business plan. Actual non-energy revenues were higher than OEB-approved amounts in 2017, 2018 and 2020, were less in 2019, and are forecast to be higher in 2021. Detailed explanations of variances can be found at Ex. G2-1-2.

The main area of increased revenues compared to OEB-approved amounts was heavy water sales and processing. Heavy water sales are estimated to be zero in the future as the sales pool has zero inventory of non-tritiated heavy water available for sale (Ex. G2-1-1), and therefore no forecasting methodology change is necessary nor applicable.

OPG has not changed its forecasting methodology for heavy water processing for the IR term as it continues to reflect the best available information at the time that the forecast is set. Actual heavy water processing revenues are mainly impacted by the timing of the tritium removal facility's ("TRF") production schedule, which may change over the five-year IR term after the plan has been finalized based on operational factors and outage requirements (Ex. G2-1-1, p. 1). For example, TRF availability resulted in lower heavy water processing revenue in 2018 and 2019 compared to OEB-approved amounts (Ex. G2-1-2, p. 4), followed by increased heavy water processing revenue in 2020 compared to OEB-approved (as noted at Ex. L-A1-02-Staff-002).