CCC Interrogatory #54

Interrogatory

Reference: Exhibit H1/ T/1/S1/ p. 40

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account

OPG proposes the deferral account because it anticipates that there will be future changes to the Pickering station EOL dates, for financial accounting purposes in accordance with US GAAP, once necessary criteria are met. In particular, this includes the accounting EOL date for Pickering Units 5-8, which is expected to be reassessed in the future when further technical work and the status of the CNSC's approval process are considered to provide sufficient high confidence, for depreciation purposes, with respect to the planned operation of the units beyond the current EOL date of December 31, 2024.

a) Please confirm that EOL dates assumed for all Pickering units for the purposes of setting all the related revenue requirement elements in the application, including forecast production.
b) Please confirm that the proposed deferral account only captures changes in the revenue requirement impact arising from changes to nuclear liabilities and depreciation and amortization expense resulting from changes to the Pickering station EOL dates for OPG's prescribed nuclear facilities, and that there are no existing or proposed deferral accounts that capture any other impacts resulting from changes in the EOL dates for any of the Pickering units including forecast production.

Response

a) Refer to Ex. L-F2-01-Staff-209.

b) OPG confirms that the proposed Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account would only capture changes in the revenue requirement impact arising from changes to nuclear liabilities and depreciation and amortization expense resulting from changes to the Pickering station EOL dates for OPG's prescribed nuclear facilities.

   OPG further confirms that there are no existing or proposed deferral accounts that would capture any other impacts resulting from changes in the Pickering station EOL dates including forecast production, with the exception of the Nuclear Liability Deferral Account that would capture the revenue requirement impact of changes in nuclear

liabilities arising from an approved ONFA reference plan, which may include changes related to Pickering station EOL dates. As noted at Ex. H1-1-1, p. 29, footnote 48, any additions to the Nuclear Liability Deferral Account and the proposed Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account would be calculated such that there is no duplication across the accounts.[1]

[1] Additionally, the Fitness for Duty Deferral Account captures OPG's costs related to implementing the CNSC Fitness for Duty program and the level of these costs may be impacted by any changes to Pickering shutdown dates. However, these costs are not included in the proposed revenue requirements and are being recorded in full in the deferral account for future review and disposition.