Board Staff Interrogatory #01

Interrogatory

a) OEB staff request that OPG fill out Table 1 below to illustrate how OPG proposes to record the nuclear revenue requirement impacts into the proposed Bill 124 variance account. Please revise the table as required.

Table 1: Forecasted Amounts to be Recorded into Proposed Bill 124 Variance Account

Year in which impact pertains to	Year in which OPG plans to record the amount	Amount for Society	Amount for PWU	Total Estimated Amount
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
Total				

b) Using the response from part a) above, please quantify the estimated bill impact to the typical residential consumer, associated with disposition of these amounts.

Response

a) The requested table is provided below with OPG's current approximate estimates of amounts that would be recorded in the proposed variance account (excluding interest) with respect to PWU-represented employees.[1]

No information is available for Society-represented employees as the outcome of the interest arbitration related to the Reopener Provision of the 2022-2023 collective agreement is pending.

[1] Ensuring no duplication with existing deferral and variance accounts.

Table 1: Forecasted Amounts to be Recorded into Proposed Bill 124 Variance Account ($M)

Year in which impact pertains to	Year in which OPG plans to record the amount	Amount for Society	Amount for PWU	Total Estimated Amount
2019	n/a	n/a	n/a	n/a
2020	n/a	n/a	n/a	n/a
2021	n/a	n/a	n/a	n/a
2022	2023	Not available	14	14
2023	2023		48	48
2024	2024		30	30
2025	2025		24	24
2026	2026		14	14
Total			**130**	**130**

b) As noted in the Application, p. 12, "OPG will provide a proposal for the disposition of amounts recorded in the new variance account in a future application." The timing of that future application may influence the balance OPG would seek to recover and the associated bill impact to a typical residential consumer. For simplicity, OPG has assumed the following for purposes of this response:
   - Disposition of the total balance presented in part (a) of this response ($130M) over a three-year period (i.e., $43M per year)
   - All other inputs[2] in the bill impact calculation are consistent with those presented in EB-2020-0290 Payment Amounts Order, App. B, Table 2A for years 2022-2024

Based on these assumptions as applied in the EB-2020-0290 Payment Amounts Order, the hypothetical bill impact of the balance presented in part (a) on a typical residential consumer monthly bill would be approximately $0.08/month or 0.07%.

[2] The other inputs are Typical Residential Consumer Consumption, Typical Residential Consumer Bill, and Forecast of 2022 Provincial Demand.