

Evelyn Wong
Director, Regulatory Affairs

700 University Avenue, Toronto, ON M5G 1X6 416-592-2181

Evelyn.wong@opg.com

BY RESS

June 11, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Marconi:

Re: EB-2024-0136 – Stakeholder Consultation on the Review of OPG Filing Guidelines

Ontario Power Generation Inc. ("OPG") appreciates the opportunity to provide comments on the Ontario Energy Board's ("OEB") proposed update to OPG's filing guidelines (now referred to as filing requirements) ("Filing Requirements"), which outline filing expectations for OPG's payment amount applications under section 78.1 of the *Ontario Energy Board Act*.

OPG agrees with OEB staff that the Filing Requirements are functioning reasonably well, and that updates should be targeted on incremental improvements.

OPG has organized its comments in the same structure as the Filing Requirements. Where OEB staff sought specific feedback, OPG has provided its comments in those particular sections. In conjunction with this letter, OPG is providing as Attachment 1 a detailed mark-up of all proposed changes to the draft Filing Requirements with annotations to explain each change. While this letter explains the more significant changes proposed, OPG respectfully requests that all the changes set out in Attachment 1 be considered, as a number of them are intended to clarify the requirements and to ensure continuity of information to be presented in future applications.

Section 1 Introduction and Overview of Legislative Context

OPG has no concerns with removing specific details in favour of keeping the Filing Requirements evergreen, as drafted by OEB staff. In the same spirit and as OPG believes that it should not be the purpose of the Filing Requirements to prescribe the length of a payment amounts term, OPG recommends removing the second sentence from footnote 1 of this section.

Section 2.5 Structure of Application

OPG's proposals for this section are mainly focused on clarifying the language referencing allocations of total corporate costs. Specifically, OPG has proposed to clarify that not all exhibits are affected by such allocations and where such allocations occur, they may be made directly to each of the nuclear and regulated hydroelectric categories, rather than as a two-step allocation to the prescribed facilities as a whole and then to each of the regulated categories.

Section 2.6 Key Planning Parameters

OPG's comments for this section are focused on the four areas set out below.

International Financial Reporting Standards

OPG does not have concerns with OEB staff's proposed requirement for OPG to provide information on its transition to International Financial Reporting Standards (from US generally accepted accounting principles), when this transition becomes applicable, including the associated references to the OEB's guidance in this regard.

Year-over-Year and Term-over-Term Analysis

OEB staff have proposed to replace the requirement for the detailed year-over-year variance analysis of operating costs with a requirement for a payment amounts term-over-term variance analysis, while retaining the year-over-year analysis for capital costs. Upon consideration of stakeholder session feedback and OPG's own evidentiary needs to support its application, OPG believes that year-over-year variance analysis of operating costs provides value and should be retained. In view of OEB staff's stated needs, OPG does not object to providing both a year-over-year and a term-over-term variance analysis for operating, maintenance and administration ("OM&A") costs (other than Project OM&A as described below).

On the other hand, OPG believes that year-over-year variance analysis has limited value for capital and Project OM&A. Project portfolios are optimized over multiple years and inherently reflect variability in the composition, nature and timing of projects, as well as the shifts that can occur between years of an individual project over its lifespan. Accordingly, it is OPG's view that term-over-term analysis for capital costs and Project OM&A costs is more meaningful in identifying material trends and drivers of variance. Therefore, OPG proposes that the Filing Requirements replace year-over-year variance analysis with term-over-term variance analysis for capital costs and Project OM&A costs.

Minimum Number of Historical Years and Next Hydroelectric Rebasing Application

With respect to the minimum filing requirements for historical years, OPG believes it is reasonable to limit the historic years to no more than five years as a general rule. OPG's view is that five years of historical actual data should be sufficient to determine any trends, that information going back more than five years likely has limited relevance due to the passage of time, and that requiring the filing of more than five years of historic information can result in excessive effort for OPG to maintain this information on a comparable basis (e.g., due to changes in organizational and cost structures over time). OPG believes it should have the flexibility to determine whether information going back more than five years is necessary to support approvals sought in an application, on a case-by-case basis. This is the basis for OPG's proposal to limit the minimum historical information requirement to five years in the Filing Requirements, on an evergreen basis.

In the current circumstance, however, OPG recognizes that its hydroelectric payment amounts have not been rebased since EB-2013-0321. Specifically, in EB-2016-0152, the OEB approved a price-cap index rate-making methodology for OPG's regulated hydroelectric business, with the payment amounts as approved in EB-2013-0321 used as the basis for the going in payment amounts for the 2017-2021 period. In EB-2020-0290, the OEB approved the hydroelectric payment amount for the 2022-2026 period that is equal to the 2021 payment amount, as required by O. Reg. 53/05. As a result, OPG has not filed historic actual information for its regulated hydroelectric business since 2013.

The draft Filing Requirements suggest that OPG would be required to file 12 years of historical and two years of bridge information for the hydroelectric business assuming the application is filed in 2025. However, OPG does not have the necessary data to normalize the 2013-2015 historical actual OM&A costs and compensation and benefits information for the hydroelectric business on a comparable basis with the rest of the application as a result of the number of organizational structure changes over the last decade. Historical hydroelectric OM&A costs and compensation and benefits data prior to 2016 would therefore have little to no value to the proceeding and could not be meaningfully integrated with the rest of the application.

In consideration of these unique circumstances and stakeholder session feedback, for its next hydroelectric rebasing application, OPG proposes to file the following in addition to the requirements for the five most recent historical years:

1. Hydroelectric rate base continuity tables (including gross plant and accumulated depreciation and amortization) and associated capital projects in-service listings back to 2013 on a total regulated hydroelectric basis only, rather than at a more granular level by geographical designation that OPG expects to use to present such information for the five most recent historical years (expected to be 2020-2024) as well as the bridge and forward-test years.¹
2. For other applicable tables and information on compensation and benefits, four additional years of historic actual data on a total regulated hydroelectric basis only (expected to be 2016-2019). Where OPG is unable to file such information, it would explain why this is the case in the application.
3. Due to the age of the data, OPG may not be able to produce sufficiently detailed or meaningful variance analysis associated with the years beyond the five most recent historical years. In OPG's view, such analysis would also be of limited value given the passage of time. As such, for information filed beyond the five most recent historical years, OPG proposes not to be required to provide an analysis of year-over-year, term-over-term or OEB-approved variances in the application.

Attachment 1 includes the above proposals as footnote 3 in Section 2.6.

In OPG's view, its proposal is reasonable and sufficient to ascertain trends, which is the main purpose of including past data in a forward test-year rate application. Historical data beyond the nine years would not reflect the current operational needs and circumstances of OPG's hydroelectric business and, in any

¹ OPG's 54 regulated hydroelectric facilities are managed by geographical designations which have been reorganized multiple times over the last decade. OPG's proposal to file data beyond the five most recent historical years on a total regulated hydroelectric basis stems from the goal of reducing the significant manual effort and assumptions that would be required to normalize historical information to account for these reorganizations, including allocations of operational support group costs. Such normalizations would be needed to ensure a comparable set of data across the full time period that would be presented in the application (consisting of nine historical, two bridge and forward-test years). For clarity, OPG would still normalize the nine historical years for organizational structure changes other than changes in the geographical designations, for example, where functions have transferred between corporate costs and operations support costs. It would also provide a functional breakdown of the costs.

event, as discussed above, limitations on comparable data availability significantly limit the utility of such information. OPG believes its proposed approach will meet the objective of ensuring that its application presents appropriate and sufficient information on a consistent basis, while balancing the amount of the information provided with its relative value and effort to prepare.

Excel Tables

Generally, OPG does not have concerns with the proposed requirement to file MS Excel versions of all pre-filed data tables in the application. However, OPG notes that it filed more than 200 tables in its EB-2020-0290 application and will likely have more tables in future applications, including those necessitated by the expected hydroelectric payment amount rebasing. Given that the tables sometimes represent extracts from internal working files and include content that may be linked to various internal data sources, OPG requests that the Filing Requirements allow for the Excel versions to be filed within 7 calendar days after submission of OPG's pre-filed evidence.

Section 3 Exhibit A Administrative Documents and Application Overview

OEB staff have recommended the addition of a list of requirements to be included in OPG's Administration and Overview as well as Background Financial Information evidence to align with Chapter 2 of the Electricity Distribution Rate Applications. OPG generally accepts this list, with three clarifications.

The proposed Filing Requirements have added that OPG is to provide "a list of relevant company policies and regulations". In addition to this not appearing to be a component of the Electricity Distribution Rate Application filing requirements, OPG finds this language to be overly broad in scope. OPG currently files a summary exhibit explaining its legislative and regulatory framework, and proposes that reference to this exhibit be included instead.

With respect to "a statement identifying and describing any changes to methodologies as used in previous applications," consistent with the limitation as set out in the Natural Gas Filing Requirements for material impact on customers, OPG has included a clarification that it would do so for any material changes.

With respect to "a detailed reconciliation of the financial results shown in the AFS [Audited Financial Statements] with the regulatory financial results filed in the application, including a reconciliation of fixed assets" and the "identification of any deviations that are being proposed between the AFS and the regulatory financial results, including the identification of any prior OEB approvals for such deviations", OPG has proposed revised language to clarify based on its understanding of the intent, using language consistent with Section 3.1, and in light of the fact that the OEB does not necessarily approve such deviations but rather the revenue requirement methodologies.

Section 4 Exhibit B Rate Base

OPG proposes several minor edits in this section to better align the requirements with the historical presentation of OPG's evidence, including: removal of a reference to "accrued deferred earnings, and annual amortization of accrued deferred earnings", which do not apply to OPG; clarifications related to the basis of bridge year forecast information; and removal of a reference to a detailed breakdown of plant accounts in the rate base continuity tables, as such information is instead provided in OPG's evidence at a point in time as part of independent depreciation studies.

Section 5 Exhibit C Capitalization, Cost of Capital and Nuclear Liabilities

All of OPG's proposed edits to this section are for clarity, to align with OEB-approved methodologies or to remove obsolete language. The main changes are highlighted below.

Given the passage of time, OPG believes that references to valuation of OPG's assets are obsolete given that the OEB accepted the valuations of OPG's assets upon them entering OEB jurisdiction, based on the audited financial statements at the time as required by O. Reg. 53/05. In the unlikely event OPG were to propose a change in the valuation methodologies, a requirement to discuss changes would be captured by requirements related to changes in methodologies in Section 3.1. As a result, OPG has proposed several deletions in Section 5.1.

Under Section 5.4, OPG has proposed edits to more accurately describe the information presented in its applications in support of the revenue requirement impacts of the nuclear liabilities pursuant to the OEB-approved methodologies and to ensure comparability of information application over application.

Section 6 Exhibit D Capital Projects

OPG's comments in this section are focused on OEB staff's request for feedback on whether the capital project cost thresholds used to determine the information required to be filed remain appropriate given that they were established in 2011, as well as OPG's proposed adjustments to the variance thresholds. As this section has historically also applied to Project OM&A, OPG has included its proposed changes to Project OM&A requirements in this section. OPG's proposal with respect to term-over-term analysis of capital costs and Project OM&A costs is as discussed under Section 3.1.

OPG believes that the 2011 project thresholds are no longer appropriate and should be adjusted to reflect inflationary increases over the 13 years since they were established. As further discussed below, OPG also believes that the necessary adjustments need not be the same as between capital and OM&A projects, recognizing the inherent differences in the work under each portfolio. To enhance regulatory efficiency in an application the size of OPG's, OPG proposes to increase the thresholds as follows:

Capital Projects	Project OM&A
<ul style="list-style-type: none"> • Tier 1: \$40 million or more • Tier 2: Between \$10 million and \$40 million • Tier 3: Less than \$10 million 	<ul style="list-style-type: none"> • Tier 1: \$30 million or more • Tier 2: Between \$10 million and \$30 million • Tier 3: Less than \$10 million

For capital projects, OPG derived the proposed Tier 1 threshold by escalating the \$20 million threshold from 2011 to the present based on Building Construction Price Indexes.² For Project OM&A, OPG derived the Tier 1 threshold by escalating the \$20 million threshold from 2011 to the present based on the Consumer Price Index ("CPI"). For Project OM&A, OPG used CPI rather than the Building Construction Price Indexes to approximate the proposed change as costs associated with Project OM&A are typically labour rather than for construction/installation of assets. The proposed corresponding increases in the Tier 2 and 3 thresholds are similarly intended to recognize the escalation of costs due to the passage of time. OPG also observes that the Tier 3 threshold would be made consistent with the historical materiality threshold of \$10 million used in OPG's applications generally.

In making this proposal, OPG notes that for nuclear projects alone, the existing thresholds resulted in the filing of 84 capital and project OM&A business cases in the EB-2020-0290 application. This number would

² Statistics Canada. (2024). Building Construction Price Indexes (Table 18-10-0276-01).

likely be significantly higher in the upcoming application given that hydroelectric business cases will be included and the general effects of inflation. As each business case requires an extensive review for confidential information prior to filing, limiting the increase in the number of business cases filed with each application would be consistent with the OEB's comments in Section 2.3 of the Filing Requirements.

OPG believes that the proposed thresholds are appropriate as they maintain the status quo of materiality considered in 2011, and would help to enhance regulatory efficiency and manage resourcing requirements for OPG, OEB staff and intervenors by focusing on the more material projects. OPG notes that while the revision in the thresholds would affect the filing of business cases, it would not reduce the level of summary information provided in OPG's tables for projects over \$10 million.

OPG also believes that there should be adjustments to the variance analysis thresholds for Tier 1 capital projects and OM&A projects. OPG proposes that written explanation of variances be required where the variance is 20% or more of the project budget, which would be a change from the current 10% threshold. OPG makes this proposal for several reasons. First, for execution business cases, which are intended to align with the Association for the Advancement of Cost Engineering (AACE) Class 3 range of estimate, a project estimate is expected to be within an accuracy range of -20/+30%. The ranges are broader for earlier classes of estimates. Therefore, projects with a 20% variance are still reasonably within the range of expected project outcomes. Second, variance analysis for projects with a 20% or greater variance is more consistent with OPG's governance for variance analysis (also at 20%), at which point a superseding business case is required.

Section 8 Exhibit F Operating Costs

OPG's comments for this section are focused on the areas set out below.

Operating, Maintenance & Administration Costs

OPG's main comments in this section pertain to aligning requirements for the breakdown of OM&A costs with historical presentation in OPG's applications, as well as the appropriate threshold for provision of detailed information for purchased services or products expenses. OPG's feedback with respect to OEB staff's proposal for term-over-term analysis of OM&A costs is as discussed under Section 3.1.

The Filing Requirements generically refer to OM&A statements providing a breakdown of OM&A cost items on a work basis using a quantitative threshold. As discussed at the stakeholder session, in practice, OPG's application has consistently presented OM&A cost information using separate OM&A statements for each of Base, Outage and Project OM&A, with a further breakdown by major function, division or other categories, as applicable. For continued comparability in future applications, OPG has proposed amendments to the language to reflect the manner in which its applications have historically been structured.

With respect to the threshold for detailed information for purchased services and products, and consistent with the rationale for the Project OM&A thresholds set out above under Section 6, OPG proposes to modify and increase the threshold from "the lesser of 1% of total expenses before taxes or \$20 million", to \$30 million. The removal of the 1% reference simplifies the rule and makes it more comparable application over application. As discussed in Section 6, OPG believes that this threshold is appropriate as it maintains the status quo of materiality considered in 2011 and would help to enhance regulatory efficiency and manage resourcing requirements for OPG, the OEB staff and intervenors by focusing on the more material items.

Depreciation, Corporate Cost Allocation and Taxes

OPG proposes several minor edits in this section to better align the requirements with other Sections and the historical presentation of OPG's evidence, including: clarification to align proposed language around the categories of assets between the rate base continuity tables in Section 4 and depreciation expense in Section 8.3; clarification that corporate costs are allocated to each of nuclear and regulated hydroelectric categories rather than first to the prescribed facilities as a whole in alignment with the proposed edits in Section 2.5; and clarification that income tax calculations are reconciled from regulatory income rather than financial accounting income.

Section 9 Exhibit G Operating Revenue (to be renamed to Other Revenue)

OEB staff observed that OPG's evidence in this section was organized differently in EB-2020-0290 than in the Filing Requirements. OPG notes that these differences have existed since OPG's first OEB application. As discussed at the stakeholder session, parties agreed that the current evidence structure for this section as reflected in OPG's applications is appropriate, and that it would facilitate comparability application over application to revise the Filing Requirements accordingly. OPG has proposed edits to incorporate this view.

OEB staff also sought feedback on whether year-over-year or term-over-term variance analysis is needed for other revenues. For the same reasons as set out under Section 2.6 for operating costs, OPG believes that year-over-year analysis would be more meaningful. OPG also does not believe that term-over-term analysis is needed in this area.

Section 10 Exhibit H Deferral and Variance Accounts

OEB staff sought feedback on the removal of the list of deferral and variance accounts ("DVA") in keeping the Filing Requirement evergreen. OPG supports this change.

OPG has also proposed to clarify that DVA schedules should be provided only for historical years since the DVA balances are last cleared, in alignment with the practice in OPG's prior applications and the expectation that DVAs are to be cleared on the basis of actual, rather than forecasted, balances. Additionally, OPG proposes to remove the reference to proposals regarding the Nuclear Liability Deferral Account interest rate, as this matter has already been resolved in prior OPG applications.

Should there be any questions regarding these submissions, please do not hesitate to contact me.

Respectfully submitted,



Evelyn Wong

cc: Saba Zadeh, OPG
 Aimee Collier, OPG
 Charles Keizer, Torys LLP



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

Ontario Energy Board

Filing Requirements for Ontario Power Generation Inc.

Setting Payment Amounts for Prescribed Generation Facilities under Section 78.1 of the *Ontario Energy Board Act, 1998*

Commented [A1]: Note for stakeholders: The title is proposed to change from Filing Guidelines to Filing Requirements in order to harmonize this document with current practices (i.e., Transmission and Distribution Filing Requirements).

Commented [A2R1]: OK

**FILING REQUIREMENTS FOR
ONTARIO POWER GENERATION**

Table of Contents

1. Introduction.....	1
1.1 Overview of Legislative Context.....	1
2. General Requirements.....	2
2.1 Introduction.....	2
2.2 Completeness Review.....	2
2.3 Confidential Information.....	4
2.4 Certifications.....	4
2.4.1 Certification Regarding Personal Information.....	4
2.4.2 Certificate of Evidence.....	5
2.4.3 Certification of Deferral and Variance Account Balances.....	5
2.5 Structure of Application.....	5
2.6 Key Planning Parameters.....	6
3. Exhibit A Administrative Documents and Application Overview.....	9
3.1 Administration and Overview.....	9
3.2 Background Financial Information.....	10
4. Exhibit B Rate Base.....	11
4.1 Gross Assets – Property, Plant and Equipment and Intangible Assets.....	12
4.2 Accumulated Depreciation and Amortization.....	12
4.3 Working Capital Calculation.....	12
5. Exhibit C Capitalization, Cost of Capital and Nuclear Liabilities.....	13
5.1 Capital Structure – Amounts & Ratios.....	13
5.2 Component Costs of Debt.....	14
5.3 Calculation of Return on Equity.....	14
5.4 Nuclear Waste Management and Decommissioning Costs.....	14
6. Exhibit D Capital Projects.....	16
6.1 Policies.....	16
6.2 Capital Expenditures.....	16
7. Exhibit E Production Forecast.....	18
8. Exhibit F Operating Costs.....	19
8.1 Benchmarking Studies.....	19
8.2 Operating, Maintenance & Administration Costs.....	19
8.3 Depreciation/Amortization/Depletion.....	21
8.4 Corporate Cost Allocation.....	21
8.5 Taxes.....	21
9. Exhibit G Operating Revenue.....	23
9.1 Energy Revenue.....	23
9.2 Other Revenues.....	23
10. Exhibit H Deferral and Variance Accounts.....	24
11. Exhibit I Determination of Payment Amounts.....	25

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

1. Introduction

This document sets out specific Filing Requirements for purposes of the setting of payment amounts for certain of Ontario Power Generation Inc.'s (OPG's) generation facilities under section 78.1 of the *Ontario Energy Board Act, 1998* (the Act).¹ The generation facilities in question are identified in O. Reg. 53/05 (*Payments Under Section 78.1 of the Act*) and are collectively referred to herein as the "prescribed generation facilities".

1.1 Overview of Legislative Context

Section 78.1 of the Act authorizes the OEB to set payments to be made to OPG with respect to the output of the prescribed generation facilities. Under O. Reg. 53/05, the OEB's authority in that regard commenced on April 1, 2008.

In addition to identifying the prescribed generation facilities, O. Reg. 53/05 generally empowers the OEB to establish the form, methodology, assumptions and calculations to be used in making an order that determines payment amounts for the purpose of section 78.1 of the Act. It also contains rules that must be followed by the OEB in setting those payment amounts.

O. Reg. 53/05 requires that OPG establish certain deferral and variance accounts and that the OEB ensure recovery of the balance in those accounts subject to certain conditions being met; it also requires that the OEB ensure that certain costs, financial commitments or revenue requirement impacts be recovered by OPG.

Commented [A3]: From the perspective of keeping the filing requirements evergreen, the second sentence in the footnote is unnecessary. The second sentence seemingly sets a firm requirement for a CIR application to be five years, whereas setting a payment amounts term is beyond the scope of the Filing Requirements.

Commented [A4]: Note for stakeholders: The list of generation facilities have been removed with the intention of keeping the Filing Requirements evergreen.

Commented [A5R4]: OK

¹ The working assumption reflected in these Filing Requirements is that OPG will be filing a payment amounts application every five years. ~~If the application is filed under the Custom Incentive Rate Setting framework, the application is to include a minimum of five years of information for the prospective payment amounts term.~~

2. General Requirements

2.1 Introduction

In addition to the [Handbook for Utility Rate Applications](#), which outlines the key principles and expectations of the OEB when reviewing an application, these Filing Requirements outline relevant information that is necessary for a complete payment amounts application. These Filing Requirements provide the minimum information that OPG must file for a complete payment amounts application. However, OPG should provide any additional information that is necessary to justify the approvals being sought in the application. If circumstances warrant, the OEB may require OPG to file evidence in addition to what is identified in these Filing Requirements.

A clearly written, accurate and complete application that presents information and data consistently across all exhibits, and clearly demonstrates the appropriateness of the relief sought (e.g., approval or permission) is essential for an effective regulatory review and timely decision making. The OEB's examination of an application and its subsequent decision are based on the evidence filed in that case. A complete and accurate evidentiary record is essential to facilitate an efficient regulatory process and a timely decision.

The material presented is OPG's evidence and the onus is on OPG to prove the need for and the basis for the proposed new payment amounts. The supporting information provided by OPG in its prefiled evidence should be scaled to the request that is being sought.

In determining what evidence to file, OPG should consider what **reasonable** information the OEB and the intervenors are likely to request and provide that information in the prefiled evidence rather than waiting for the request to be made at the hearing. The evidence should be designed to increase the understanding of the parties with the overall objective of reducing the number and scope of interrogatories required. This will ensure a better use of hearing time, and, if required, a more focused and informed cross examination on such evidence.

To the extent that materials are the same or substantially the same as those filed in previous payment amounts applications, OPG should indicate this to improve the efficiency of the review.

2.2 Completeness Review

The filing of a comprehensive application is essential for the development of an

Commented [A6]: Note for stakeholders: Sections 2.1-2.4 have been revised to align with other OEB filing requirements / handbook (Distribution, Transmission, Natural Gas).

Commented [A7R6]: OK

Commented [A8]: "likely to request" captures a broad assortment of potential documentation. OPG believes it is important to limit the requirement to reasonable requests.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

accurate Notice of Hearing and for the timely and effective review of an application. Therefore, before the OEB can begin processing the application, it must conduct a preliminary review to determine if the application is complete. The preliminary review determines if the information provided adheres to these Filing Requirements and provides sufficient information to prepare an accurate Notice of Hearing, and if there is any missing information. According to the OEB's performance standards, the OEB has 14 calendar days to complete this preliminary review.

A filing that includes all documentation detailed in these Filing Requirements will be considered complete for purposes of further processing by the OEB. If the Registrar determines that the application is consistent with these Filing Requirements, the Registrar will issue a letter notifying OPG that the OEB has commenced processing the application.

If there are any information gaps in the application, OEB staff will contact OPG and provide OPG with an opportunity to file the missing information. The timing required for filing the missing information is determined by the type of information that is missing.

If the missing information adversely affects the OEB's ability to prepare the Notice of Hearing or materially affects the OEB's ability to assess the application, OPG will be required to file the missing information within the 14-day preliminary review period. If the information cannot be filed within the 14-day review period, the Registrar will issue an "incomplete letter." This letter will list the information that must be provided before the OEB can commence processing the application.

If the missing information does not adversely affect the OEB's ability to prepare the Notice of Hearing or materially affect the OEB's ability to assess the application, the OEB may commence the proceeding before the missing information is filed. In such applications, the Registrar will generally issue a letter directing OPG to file the missing information by the date of the OEB's first procedural order (refer to OEB [performance standards](#) for details on the timing of the first procedural order), so that the information is available for the preparation of interrogatories by OEB staff and intervenors. If the information cannot be filed by the noted date and the delay could impact the schedule for the case or the OEB's ability to continue processing the application, the OEB may stop the proceeding and place the application in abeyance until the missing information is filed.

The OEB also conducts an error checking process on a best-efforts basis. If any of the errors affect the OEB's ability to prepare the Notice of Hearing, the OEB expects these will be addressed within the preliminary review period. If the errors do not affect the preparation of the Notice of Hearing, the OEB expects any errors to be addressed before the issuance of Procedural Order No.1.

2.3 Confidential Information

The OEB relies on complete disclosure of all relevant material to ensure that its decisions are well-informed. To ensure a transparent and accessible rate review process, OPG should make every effort to file all material publicly and completely. However, the OEB's Rules of Practice and Procedure and the [Practice Direction on Confidential Filings](#) (the Practice Direction) allow OPG and other parties to request that certain evidence be treated as confidential. In the event a party is applying for confidentiality, the Practice Direction sets out the guidelines for filing a request for confidentiality and associated timelines.

OPG should be aware that the OEB is required to devote additional resources to the administration, management and adjudication of requests for confidentiality and confidential filings. OPG must ensure that filings for which they request confidential treatment are both relevant to the proceeding and genuinely in need of confidential treatment. A list of the categories of information that will presumptively be considered confidential is set out in Appendix B of the Practice Direction. To reduce the administrative issues associated with the management of those filings, the OEB expects that OPG will minimize, to the extent possible, requests for confidential information.

2.4 Certifications

If desired, the certifications listed in this section can be completed by a single individual within a single document, as long as the requirements set out below are met (i.e., the Chief Executive Officer, or Chief Financial Officer, or equivalent provide all certifications).

2.4.1 Certification Regarding Personal Information

All parties are reminded of the OEB's rules regarding personal information in any filing they make as part of a proceeding. Parties should consult Rule 9A of the OEB's [Rules of Practice and Procedure](#) (the Rules) (and the Practice Direction, as applicable) regarding how to file documents (including interrogatories) that have personal information in them.

Rule 9A of the OEB's Rules states that "any person filing a document that contains personal information, as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*, of another person who is not a party to the proceeding shall file two versions of the document." There must be one version of the document that is a redacted version of the document from which the personal information has been deleted or stricken, and a second version of the document that is un-redacted (i.e., that includes the personal information) and should be marked "Confidential—Personal Information".

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

The OEB does not expect that personal information would typically need to be filed. However, if OPG is of the opinion that it does need to file personal information as part of its application, the onus is on OPG to ensure that the application and any evidence filed in support of the application does not include any personal information unless it is filed in accordance with Rule 9A of the OEB's Rules (and the Practice Direction).

An application filed with the OEB must include a certification by a senior officer of OPG stating that the application and any evidence filed in support of the application does not include any personal information unless it is filed in accordance with Rule 9A of the OEB's Rules (and the Practice Direction, as applicable).

OPG is required to provide a similar certification when filing interrogatory responses or other evidence as part of a proceeding.

2.4.2 Certificate of Evidence

An application filed with the OEB must include a certification by a senior officer of OPG that the evidence filed is accurate, consistent and complete to the best of their knowledge.

2.4.3 Certification of Deferral and Variance Account Balances

An application filed with the OEB must include a certification by the Chief Executive Officer, or Chief Financial Officer, or equivalent, that OPG has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts, regardless of whether the accounts are proposed for disposition.

2.5 Structure of Application

OPG's payment amounts application should contain the following nine exhibits:

- Exhibit A Administrative Documents and Application Overview
- Exhibit B Rate Base
- Exhibit C Capitalization, Cost of Capital, and Nuclear Liabilities
- Exhibit D Capital Projects
- Exhibit E Production Forecast
- Exhibit F Operating Costs
- Exhibit G ~~Operating-Other~~ Revenue
- Exhibit H Deferral and Variance Accounts
- Exhibit I Determination of Payment Amounts

Commented [A9]: Note for stakeholders: Exhibit titles have been revised based on experience from most recent proceedings.

Commented [A10R9]: OK

Commented [A11]: As discussed below in Section 9.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

Each exhibit, where applicable, should provide the identified data for each category of prescribed generation facility (nuclear and hydroelectric). As applicable, Each exhibit should also explain how allocations have been made from total corporate costs to each category of the prescribed generation facility (nuclear and hydroelectric) as a whole and the non-prescribed generation facilities as a whole. Where allocations are first made to the prescribed generation facilities as a whole, Then from the allocation to the prescribed generation facilities, an exhibit should explain how sub-allocations have been made to each of the nuclear and hydroelectric categories.

Commented [A12]: Not all exhibits are specific to data of a generation facility category.

Excel spreadsheets should be provided as appropriate to the data in question with formulae indicating on-sheet calculations. As a minimum, OPG should file Excel spreadsheets summarizing the production forecast (as noted in section 7), compensation and benefits (as noted in section 8) and a Revenue Requirement Work Form (RRWF). The RRWF will be filed with the application including data and tables to support the payment amounts order for which OPG is seeking approval.

Commented [A13]: The edits in the last two sentences are intended to clarify that 1) the concept of allocations does not apply to all exhibits, 2) in some instances allocations are made directly to each of the facility categories rather than as a two-step allocation to the prescribed facilities as a whole and then to each of the categories.

2.6 Key Planning Parameters

The key planning parameters listed below form the basis of how these Filing Requirements should be applied.

These Filing Requirements are based on a cost of service (single- or multi-) test year application. The OEB does not set out detailed requirements for Custom incentive rate-setting (IR) applications, which are by definition customized. However, these Filing Requirements should be used as a starting point for any Custom IR application by OPG, with additions and modifications as necessary. The filing should be made in accordance with United States Generally Accepted Accounting Principles (US GAAP) until OPG transitions to International Financial Reporting Standards (IFRS).

For IFRS transition guidance, when applicable, OPG should refer to the [Report of the Board: Transition to IFRS dated July 28, 2009](#) (IFRS Report), and subsequent amendments and addendum. While the IFRS Report was directed to electricity and gas distributors, the OEB will consider OPG's transition to IFRS in the context of the policies established in the IFRS Report as well as transitioning away from capitalizing indirect overheads.²

Commented [A14]: Note to stakeholders: A requirement to provide information on OPG's transition to IFRS as well as transitioning from capitalizing indirect overheads has been added.

Commented [A15R14]: OK, but propose a minor clarification that this is a requirement when OPG has plans to transition to IFRS.

In addition, OPG should meet the following requirements in preparing its filing:

- Data for the following years, at a minimum, must be provided:
 - Test Year(s) = prospective year(s)

² EB-2020-0200, Decision and Order, December 21, 2023, pp. 98-99.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

- Bridge Year = current year (or the year immediately preceding the Test Year(s))
- Historic Years = Three most recent historical years (or for as many years as are necessary to provide actuals back to and including the most recent OEB-approved test year(s), but not less than three years and not more than five years)³

- A summary of the main schedules should be presented on one sheet with multi-year data for the Historic Years, the Bridge Year and the Test Year(s)
- Where applicable, Aa detailed variance analysis should also be provided comparing OEB-approved to actual costs and production for each Historic Year and Bridge Year.⁴ The phrase “OEB-approved” in these Filing Requirements refers to the set of data used by the OEB as the basis for approving the most recent payment amounts. This analysis should explain the drivers of the variance and the contribution of each towards the total year-over-year variance
- Cost variance analysis should include a comparison of the total costs for the most recent payment amounts term (i.e., the term sought for approval in the previous payment amounts application) with the total costs for the next payment amounts term (i.e., the term sought for approval in the current payment amounts application) to provide a term-over-term variance analysis. The term-over-term variance analysis should be provided for operating, maintenance and administration (OM&A) costs and capital costs~~all cost categories~~. The term-over-term analysis is not required for production data
- Written evidence should be presented before the data schedules
- With respect to any claimed revenue sufficiency/deficiency, OPG should provide a summary of the drivers of the sufficiency/deficiency for each Test Year, along with how much each driver contributes

³ OPG's hydroelectric base payment amount has not been rebased since EB-2013-0321. For OPG's next application to rebase the hydroelectric base payment amount (expected to be filed in 2025), OPG is also to provide, going back to 2013, hydroelectric rate base continuity tables (including gross plant and accumulated depreciation and amortization) and associated capital projects in-service listings, on a total regulated hydroelectric basis only. For other applicable tables and information on compensation and benefits, OPG is to file a total of nine years of historical actual data (expected to be 2016-2024) for the hydroelectric business, where for the years beyond the five most recent historical years (expected to be 2016-2019), OPG is required to file such information on a total regulated hydroelectric basis only. Where OPG determines that it is unable to file any of this information beyond the five most recent historical years (expected to be 2020-2024), it will clearly set out the reasons as to why this is the case. For information filed beyond the five most recent historical years, OPG is not required to provide variance analysis.

⁴ The requirement for year-over-year variance analysis is excluded for operating, maintenance and administration~~capital~~ costs. See section 8-6 for more details.

Commented [A16]: OPG believes it is reasonable to limit the minimum filing requirements for historic years to five years as a general rule. OPG believes, in general, that five years of historical actual data is sufficient to determine any trends, that information going back beyond five years likely has limited relevance due to the passage of time and changes in the business, and that requiring the filing of any more than five years of historic information can result in significant effort to maintain this information on a comparable basis with Test Period information (due to potential for realignment of organizational/cost structures etc over time). OPG should have the flexibility to determine whether information of more than five years is necessary to justify its requests as part of the prefiled evidence, on a case-by-case basis.

Notwithstanding and without prejudice to this general position, with respect to the specific circumstances of the next hydroelectric rebasing application, OPG accepts the intervenors' interest in information spanning beyond the five years and, with certain limitations, generally proposes to file nine years of historical actuals as further set out in the footnote.

Commented [A17]: Re-inserted this language from the existing filing requirements to allow for alignment with the specific nature and requirements in each exhibit section. This will help keep the evidence comparable application over application.

Commented [A18]: Note to stakeholders: The requirement for a detailed variance analysis has been removed for OM&A costs. OEB staff have not found this information needed for its review of the payment amounts application.

Commented [A19R18]: OPG considered feedback from the stakeholder session as well as its own evidence needs. OPG believes that detailed year over year variance analysis for OM&A has value, whereas capital does not. OPG proposes to do detailed variance analysis, including year over year, for OM&A, and term over term for capital.

Commented [A20]: Minor clarification

Commented [A21]: Note to stakeholders: A requirement has been added to provide term-over-term analysis of costs. In past OPG payment amount applications, OEB staff conducted this analysis manually. This analysis was then verified by OPG through interrogatories. The addition of this requirement is intended to enhance regulatory efficiency.

Commented [A22R21]: OPG has no concerns with filing additional term-over-term variance analysis for OM&A and capital, which is where we believe term-over-term analysis would be meaningful. For other cost categories, OPG does not believe that this analysis would be helpful.

**FILING REQUIREMENTS FOR
ONTARIO POWER GENERATION**

- Any documents are to be provided in bookmarked and text-searchable Adobe PDF format
- Within 7 calendar days of the application being filed, Any-any tables must also be provided in a working Microsoft Excel spreadsheet format where available and practical:-

Commented [A23]: OPG does not have concerns with filing excel versions of all tables in the application. However, OPG notes that it had more than 200 tables in its EB-2020-0290 application and will likely have more going forward. Given the existence of notes to draft and linkages to internal working files, OPG requests that the Filing Guidelines allow for the excel versions to be filed within 7 calendar days after submission of OPG's prefiled evidence.

3. Exhibit A Administrative Documents and Application Overview

The administrative documents identified in this section provide the background and summary to the filing. There are two sections:

- 1) Administration and Overview
- 2) Background Financial Information

The detailed requirements on what should be included for each section are shown below.

3.1 Administration and Overview

- Table of Contents / Exhibit List
- List of relevant statutory provisions (such as any provisions of, or regulations under, the *Ontario Energy Board Act, 1998* or the *Electricity Act, 1998*)
- ~~A list of relevant company policies and regulations~~ Summary of OPG's legislative and regulatory framework
- A list of specific approvals requested and relevant section(s) of the legislation must be provided
- Summary of filing (purpose, need and timing of the filing)
- A primary contact for the application, who may be a person within the OPG other than the primary licence contact. The primary contact's name, address, phone number, and email address must all be provided. The OEB will communicate with this person during the course of the application. Identification of any legal or other representation for the application
- Confirmation of OPG's internet address for purposes of viewing the application and related documents, and any social media accounts (with addresses) used by OPG to communicate with its customers
- A statement of where the notice of hearing should be published and the rationale for why the stated publication(s) is/are appropriate
- A statement as to the form of hearing requested (i.e., written or oral) and an explanation for OPG's preference
- The requested effective date
- A list of OEB directions from any previous OEB Decisions and/or Orders, this includes any commitments made as part of an approved settlement. OPG must clearly indicate how these are being addressed in the current application
- A description of the organizational structure, showing the main units and executive and senior management positions within OPG
- A draft issues list – including preliminary prioritization of primary and secondary

Commented [A24]: Note to stakeholders: The items listed in this section have been revised to align with Chapter 2 of the Distribution Filing Requirements.

Commented [A25]: OPG finds this to be an overly broad scope, and this also does not appear to be a requirement for LDCs. OPG currently files a summary exhibit explaining its legislative and regulatory framework. OPG proposes to continue filing that exhibit, which it believes should address the objective here.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

issues

- Procedural Orders/motions/correspondence
- Relevant maps (or provide link to webpage where maps can be found)
- List of witnesses and their curriculum vitae
- Budget directives and guidelines (capital and operating budgets), including economic assumptions used
- A schedule of overall revenue sufficiency/deficiency that include:
 - Numerical schedules detailing the drivers of the sufficiency/deficiency
 - Complete and detailed references to the data contained in the detailed schedules and tables should be provided so that parties can map the summary cost driver information to the evidence supporting it
 - A detailed narrative of the causes of the sufficiency/deficiency highlighting the significant issues
- An overview of the allocation methodology for assets, costs and revenues to the prescribed and non-prescribed generation facility assets, and to the nuclear- and hydroelectric-specific businesses
- A statement identifying and describing any **material** changes to methodologies as used in previous applications
- A summary or copy of relevant orders from any federal or provincial agency (excluding OEB), Ministerial Directives and Shareholder Directives

Commented [A26]: Minor clarification - Adding a materiality consideration to this requirement given the size of the application, and noting that the comparisons should be application over application (i.e., as compared to the last application, and not an ongoing list of changes across all applications).

3.2 Background Financial Information

- Audited Financial Statements (AFS) approved by OPG's Board of Directors for each of the Historic Years (or provide the webpage address of the location on System for Electronic Document Analysis and Retrieval or Electronic Data Gathering, Analysis, and Retrieval where these audited financial statements can be found)
- AFS should be provided as soon as they are available. If the statements are not available at the time of filing, OPG should provide these as an update during the proceeding
- The most recent four quarterly OPG financial reports
- Rating agency reports for each of the Historic Years and the Bridge Year
- An overview of how the provisions of O. Reg. 53/05 is reflected in the filing compared to data in the AFSs
- A detailed reconciliation of the financial results shown in the AFS with the regulatory financial results filed in the application, including a reconciliation of the fixed assets and the identification of any material changes in the reconciling items used in the previous application. This must include the identification of any deviations that are being proposed between the AFS and the regulatory financial results, including the identification of any prior OEB approvals for such deviations
- The most recent OPG Board of Directors-approved Business Plan for the regulated

Commented [A27]: OPG's proposed changes are to clarify the requirement based on our understanding of the intent, and to align with language in the list under section 3.1. For clarity, the OEB does not necessarily approve "deviations between AFS and the regulatory financial results" per se but rather approves OPG's revenue requirement and any underpinning methodologies, which may in turn be based on financial accounting values. The edits align to the presentation of information in OPG's past applications

**FILING REQUIREMENTS FOR
ONTARIO POWER GENERATION**

components of OPG, including hydroelectric business, and the nuclear business.
Any previous Business Plans that include part of a Test Year should also be filed.

4. Exhibit B Rate Base

A description of the prescribed generation facilities, and of any associated financial assets, should be provided. For nuclear rate base, a separate presentation of asset retirement costs associated with nuclear liability obligations is required.

Commented [A28]: Minor clarification.

Items used in the computations or derived should include opening and closing balances of the net fixed assets, working capital, accumulated depreciation, and changes in working capital, accrued deferred earnings, and annual amortization of accrued deferred earnings.

Commented [A29]: These items do not apply to OPG.

The information presented here should cover three areas:

- 1) A list of gross assets (property, plant and equipment), including capital budgets and intangible assets (e.g., computer software) if any, included in rate base
- 2) Accumulated depreciation and amortization
- 3) Working capital including cash working capital calculation, fuel inventory (for the nuclear business), and materials and supplies

For each of these areas there will be some common statements that should be provided summarizing the rate base. The schedules for rate base should include the Historic Years, the Bridge Year (actuals to date, balance of year as budgeted) and the Test Year(s).

Commented [A30]: Full year budgeted information may be used for Bridge Year, depending on the circumstances

Additional statements that should be provided for 1 and 2 include:

Continuity statements

The continuity statements must provide year-end balances and annual activity, and include directly attributable costs, for example, capitalized borrowing costs.

Commented [A31]: Minor clarification

Summary variance explanation

A written explanation should be provided to identify the drivers to the variance for rate base. This applies to OPG's rate base for the following comparisons:

- OEB-approved vs. actual for each of the Historic Years
- OEB-approved vs. Bridge Year
- Year-over-year analysis over the Historic Years, the Bridge Year and the Test Year(s)

4.1 Gross Assets – Property, Plant and Equipment and Intangible Assets

Continuity statements should be provided as indicated above.

- Required statements and analysis should be broken down by major function or division
- ~~A detailed breakdown should be provided by major plant account for each functionalized plant item~~ for each of the Historic Years, the Bridge Year and the Test Year(s). For the Test Year(s), each plant item should be accompanied by a written description
- Mid-year averages should be provided

4.2 Accumulated Depreciation and Amortization

Continuity statements and a summary variance explanation should be provided as indicated above for each of the Historic Years, the Bridge Year and Test Year(s) by asset account. Continuity statements should be reconcilable to calculated depreciation costs.

4.3 Working Capital Calculation

A working capital calculation should be provided for the each of the Historic Years, the Bridge Year and the Test Year(s). The results should be provided on a single schedule for comparison. The basis for the calculation of cash working capital must be detailed.

Commented [A32]: These edits align to the presentation of OPG's rate base evidence in past applications and to ensure continuity of such information to be presented in future applications. The indicated statements and analysis in this section are provided on a rolled up basis by several major categories in OPG's applications. Doing so by the detailed plant accounts comprising OPG's fixed asset would not be practical. A detailed breakdown of the plant accounts at a point in time is included as part of independent depreciation studies.

5. Exhibit C Capitalization, Cost of Capital and Nuclear Liabilities

OPG should ensure that the total capitalization in the filing ~~(debt, and equity and as applicable a provision for nuclear liabilities)~~ equates to the total rate base.

Commented [A33]: These edits are to more accurately reflect the OEB approved methodology for capitalization of OPG's prescribed nuclear assets

5.1 Capital Structure – Amounts & Ratios

The following elements of the proposed capital structure should be detailed, with the necessary schedules, for each of the Historic Years, the Bridge Year and the Test Year(s):

- Long-term debt
- Short-term/unfunded debt (to equate total capitalization with rate base)
- Preference shares
- Common equity

Justification for the proposed capital structure is required, including an explanation of the following:

- Non-scheduled retirement of debt or preference shares and buy back of common shares
- Long-term debt, preference shares and common share offerings
- The assumptions and methodology used ~~since the establishment of the prescribed generation facility asset classes:~~
 - ~~— to develop prescribed generation facility asset valuations~~
 - to allocate OPG's debt to the prescribed generation facilities as a whole
 - to allocate OPG's debt as between the prescribed nuclear and hydroelectric generation facilities
- A historic accounting of changes to ~~OPG's~~ capital structure including:
 - Non-scheduled retirement of debt or preference shares or buy-back of common shares
 - Issuances of long-term debt, preference shares and common shares
- A discussion of material changes in the ~~proposed~~ capital structure (i.e., increased or decreased equity thickness) of OPG, and the reasons for these changes
- All internal or commissioned reports, studies or analyses, from four years to the date

Commented [A34]: This language appears to be obsolete. The OEB accepted the valuations of OPG's assets upon becoming rate regulated. If OPG were to propose any changes in valuation methodologies for rate-setting purposes, this would be captured by the OEB staff's new language in section 3.1.

Commented [A35]: The deemed capital structure is what is relevant rather than OPG's capital structure.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

of filing, of how to value OPG's assets and how to allocate debt, by business unit or asset class

Commented [A36]: For clarity - same as above.

5.2 Component Costs of Debt

The following should be provided for each of the Historic Years, the Bridge Year and the Test Year(s):

- A calculation of the cost of each item
- A justification of forecast costs by item including key economic assumptions
- Profit or loss on redemption of debt
- Consensus Forecasts – latest interest rate forecast based on a selection of forecasters that are common to utilities (e.g., the major banks and the Bank of Canada)

5.3 Calculation of Return on Equity

Justification for the proposed return on equity is required, including the filing of supporting documentation, e.g., Global Insight reports.

5.4 Nuclear Waste Management and Decommissioning Costs

This section provides a summary of OPG's obligations for nuclear waste management and decommissioning. This exhibit should also provide the funding responsibilities as described in the Ontario Nuclear Funds Agreement.

Any updates or revisions to the Ontario Nuclear Funds Agreement Reference Plan must be summarized and the financial impacts explained in appropriate detail, including a reconciliation with the OEB-approved amounts for the Historic Years and the Bridge Year. If the reconciliation is summarized elsewhere in the application, the reference should be provided in this section.

Commented [A37]: Note for stakeholders: In efforts to keep the Filing Requirements evergreen, reference to specific years have been removed and are kept general.

The information should be disaggregated to present Darlington and Pickering separate from Bruce.

Commented [A38R37]: OK

The information presented should cover the following:

- The revenue requirement treatment and the revenue requirement impact of OPG's liabilities for decommissioning its nuclear stations and nuclear used fuel and low and intermediate level waste management
- The revenue requirement treatment and the revenue requirement impact of OPG's liabilities for decommissioning Bruce

**FILING REQUIREMENTS FOR
ONTARIO POWER GENERATION**

Further, the exhibit should include:

- A summary of net book values of unamortized asset retirement costs for OPG's nuclear stations including Bruce, ~~noting amounts of unamortized asset retirement cost,~~ for the Historic Years, the Bridge Year and the Test Year(s)
- Continuity statements providing year-end balances and annual activity for A-
~~summary of the forecast pre-tax charge in OPG's income statement due to the~~
nuclear liabilities and the segregated funds

Commented [A39]: These edits are to more accurately describe the information presented in OPG's applications in support of the revenue requirement calculations pursuant to OEB approved methodologies, and to ensure comparability of information presented in future applications.

6. Exhibit D Capital Projects

This section provides details on OPG's capital project costs, including OPG's capitalization policy, accounting treatment of capital costs, capital expenditures and capital cost variance analysis. For clarity, this section will also apply to Project OM&A where relevant, namely, information required for Project OM&A and cost variance explanations.

6.1 Policies

OPG's capitalization policy and any changes to that policy should be presented as part of the capital budget evidence.

OPG should provide details on its proposed accounting treatment, including the treatment of costs of funds for capital projects that have a project life cycle greater than one year.

6.2 Capital Expenditures

OPG should provide a summary of capital expenditures for the Historic Years, the Bridge Year and the Test Year(s), including the OEB-approved amounts for the Historic Years and the Bridge Year.

The table below summarizes the information required based on capital project costs.

Table 1: Information Required in Capital Project Summaries

For Capital Projects of	Detail Required
\$420 million or more	<ul style="list-style-type: none"> Name, description, start date, in-service date, and cost for each project Business case for each project Provide actual in-service dates (month and year) for capital projects that closed to rate base in the Historical Years and provide projected in-service dates (month and year) for the Bridge Year and the Test Year(s) Total cost of all projects in this category

Commented [A40]: This note was always in this exhibit following Table 1. Including it at the top for clarity.

Commented [A41]: Note for stakeholders: Seeking feedback on whether these capital project cost thresholds are still appropriate. The thresholds were set in 2011.

Commented [A42R41]: OPG believes that the project thresholds are no longer appropriate given the passage of time, but that the necessary escalations are not the same as between capital and OM&A projects.

For capital projects, based on Building Construction Price Indexes, \$20 million in 2011 would be equivalent to approximately \$40 million today. OPG believes these thresholds are appropriate as they maintain the status quo of materiality considered in 2011 and helps manage regulatory efficiency and better focus on material issues for both OPG and intervenors.

For project OM&A, based on Consumer Price Indices, \$20 million in 2011 would be equivalent to approximately \$30 million today (OPG used CPI rather than Building Construction Price Indexes to approximate this change as costs associated with Project OM&A are typically labour rather than the construction/installation of assets). OPG believes this threshold is appropriate as it maintains the status quo of materiality considered in 2011 and helps manage regulatory efficiency and better focus on material issues for both OPG and intervenors.

Consistent with the above assessment, OPG has also proposed to increase the third tier to \$10 million, while would also be made consistent with the historical materiality threshold of \$10 million used in OPG's applications generally.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

Between \$510 million and \$420 million	<ul style="list-style-type: none">Name, description, start date, in-service date, and cost for each projectProvide actual in-service dates (month and year) for capital projects that closed to rate base in the Historical Years and provide projected in service dates (month and year) for the Bridge Year and the Test Year(s)Total cost of all projects in this category
Less than \$510 million	<ul style="list-style-type: none">Number of projects in this category, total cost of all projects in this category and average cost of the projects in this categoryProvide the total cost related to projects that will close to rate base in the Test Year(s)

OPG should provide an overall summary table of the business cases filed. The summary table should include the title of the business case, date prepared, the project stage, and status of the business case (i.e.g., full, partial, developmental), for the current payment amounts proceeding. Where applicable, the table should also indicate the business case's status in the previous payment amounts proceeding. Note that all of the above is also applicable to Project Operating, Maintenance and Administrative (OM&A) business cases, except Tier 1 is greater than \$30 million and Tier 2 ends at \$30 million.

For capital projects with a project cost of \$240 million or more (\$30 million or more for Project OM&A), OPG should provide a written explanation of variances where the variance is 2040% or more of the project budget.

Variance explanations should be provided for the following comparisons:

- OEB-approved vs. actual for each of the Historic Years
- OEB-approved vs. Bridge Year forecast
- Year-over-yearTerm-over-Term analysis over the Historic Years, the Bridge Year and the Test Year(s)

OPG should provide a summary table for capital projects and Pproject OM&A with a project cost of \$510 million and greater that were projected to go into service or to be completed during the previous payment amounts term. The table should include the project stage as provided in the previous payment amounts application and the current status of the project.

Commented [A43]: Minor clarification.

Commented [A44]: OPG believes that there should be adjustments to the variance analysis thresholds. For capital projects over \$40 million and project OM&A over \$30 million, OPG proposes to provide a written explanation of variance where the variance is 20% or more of the project budget. Firstly, for execution business cases within the Association for the Advancement of Cost Engineering (AACE) class 3 range of estimate, a project estimate is expected to be within an accuracy range of -20/+30%. The ranges are broader for earlier classes of estimate. Therefore, projects with a 20% variance are still within the range of expected project outcomes. Secondly, focusing the variance analysis on projects with a 20% variance is consistent with OPG's governance which requires a superseding business case at that variance threshold.

Commented [A45]: As noted above, OPG believes that year-over-year analysis of project variances is of limited value given the specific nature of each project and the inherent shifts between years of a project's lifespan that can occur. OPG proposes that term-over-term analysis would be more instructive in this instance.

Commented [A46]: Minor clarification.

7. Exhibit E Production Forecast

The production forecast and any normalization methodology should be provided. A description of outage planning processes and production reliability initiatives should also be provided.

The following information should also be included:

- Explanations of causes and assumptions for the production forecast
- Production for the Historic Years, the Bridge Year and the Test Year(s)
- Weather forecasting and hydrological forecasting methodologies
- All data tables used to determine the forecast should be presented in MS Excel spreadsheet format
- Comparison of historical data with the forecast data in regard to forecasting assumptions
- A variance analysis of production should be provided for the following:
 - OEB-approved vs. actual for each of the Historic Years
 - OEB-approved vs. Bridge Year forecast
 - Year-over-year analysis for the Historic Years, the Bridge Year and the Test Year(s)
- All significant economic assumptions and their sources used in the preparation of the production forecast should be included in this section
- Where available/applicable, actual and forecast generation losses due to spill should be filed

Commented [A47]: Minor clarification.

Commented [A48]: Minor clarification.

Commented [A49]: For clarity - Clarifying that this information is filed as necessary, e.g., to support clearance of the SBG Variance Account.

Hydroelectric Incentive Mechanism (HIM)

An analysis of the HIM should be provided. The analysis should include an assessment of the benefits of HIM for ratepayers, the interaction between the mechanism and surplus baseload generation, and an assessment of any changes to the mechanism that the OEB may have approved over time and/or any further changes that OPG may wish to propose.

Commented [A50]: For clarity. The assessment of the HIM benefits captured in the first part of the sentence is necessarily inclusive of any changes to the mechanism previously approved by the OEB that are in effect. The edits are intended to make clear that there is no requirement to provide a separate assessment of each past change that may have been approved at any past point.

8. Exhibit F Operating Costs

8.1 Benchmarking Studies

This exhibit should include benchmarking studies that update studies filed in previous applications or new benchmarking studies. Further, this exhibit should include a consolidation of the benchmarking information so that comparisons are evident, e.g., Total Generating Cost, nuclear capacity factors, and other safety, reliability and value for money measures.

The benchmarking should note whether the basis is a forecast or actual results.

8.2 Operating, Maintenance & Administration Costs

For clarity, Project OM&A business cases and variance analysis should follow the requirements set out in Section 6 above.

Details of the budgets for each of the Historic Years, the Bridge Year and the Test Year(s) should be provided.

The OM&A statements for each year should provide:

- Base, outage and project OM&A separately. Where applicable, the information is to include a breakdown by major functions or divisions and the allocations to each of the prescribed nuclear and hydroelectric businesses. A breakdown on a work basis of each major item that meets the threshold of the lesser of 1% of total expenses before taxes or \$20 million
- Detailed information is to be provided for each expense incurred through the purchase of services or products that meets the threshold of the lesser of 1% of total expenses before taxes or \$230 million. The information is to include, for each such expense:
 - A summary of the tendering process used
 - If a tendering process was not used, an explanation of why that was the case as well as a description of the pricing methodology used
 - The identity of the company transacting with OPG
 - A summary of the nature of the activity transacted

In addition, the annual dollar value, in aggregate, for all such expenses should be provided.

Commented [A51]: Note for stakeholders: Seeking feedback on whether this OM&A project cost threshold is still appropriate. The threshold was set in 2011.

Commented [A52R51]: OPG addressed the Project OM&A threshold above in Section 6.

Commented [A53]: For clarity - no substantive change relative to current OPG evidence. As discussed at the stakeholder session and agreed to with intervenors present, the prior language did not reflect OPG's existing evidence was appropriate. Accordingly, OPG has proposed amendments for alignment with OPG's existing evidence to ensure comparability of OPG's applications continues going forward.

Commented [A54]: OPG proposes to modify and increase the threshold from "the lesser of 1% of total expenses before taxes or \$20 million", to \$30 million. The removal of the 1% rule simplifies the rule and makes it more comparable case over case. Based on Consumer Price Indices, \$20 million in 2011 would be equivalent to approximately \$30 million today. OPG believes this threshold is appropriate as it maintains the status quo of materiality considered in 2011 and helps manage regulatory efficiency for both OPG and intervenors in focusing on material issues in the application.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

- A breakdown of employees by the following groups: number of full-time equivalents (FTEs) including contributions from part time employees; total salaries, wages and benefits; and salaries, wages and benefits charged to OM&A. In addition, the following should also be provided:
 - Total compensation by employee group and average level per group
 - Details of any pay-for-performance or other employee incentive program
 - The status of pension funding and all significant assumptions used in the analysis

Information should be presented in terms of FTEs. In some cases, OPG may choose to provide the information in terms of head count as well as FTEs. The basis for each breakout of compensation data will be specified:

- Head count or FTE
- Yearly average, mid-year or year end

This data should be provided in Excel spreadsheet table format.

- Employee benefit programs, including pensions, and costs charged to O&M should include the following details:
 - Historic actuarial reports
 - Actuarial evidence to support pension and other post-employment benefits (OPEB) expense for the Bridge Year and Test Year(s) including any educational notes or articles issued by the Canadian Institute of Actuaries on methods for determining discount rates used for reporting under Chartered Professional Accountants (CPA) Canada standards
 - CPA Canada guidance, practice notes, etc. that provide information on approaches to selecting discount rates should be filed
 - Discussion and analysis on discount rates used for calculating pensions and OPEB benefit obligations, cost for the year and liabilities
 - A table that summarizes actual accounting expense compared to OEB-approved expense and with amounts actually paid for pensions and OPEBs for the historical years
 - The most recent report filed with Financial Services Regulatory Authority of Ontario
- A variance analysis for OM&A, and components of OM&A (including asset service fees, regulatory affairs costs), should be provided for the following:
 - OEB-approved vs. actual for each of the Historic Years
 - OEB-approved vs. Bridge Year forecast
 - Year-over-year variance analysis

Commented [A55]: Minor clarification. This is not intended to result in any changes to the scope or level of detail of OPG's pension related evidence.

Commented [A56]: As discussed above, OPG can provide both the new term-over-term variance analysis, and also continue to provide year-over-year variance analysis.

FILING REQUIREMENTS FOR ONTARIO POWER GENERATION

- Term-over-term variance analysis (most recent payment amounts application versus the proposed payment amounts application)
- A written explanation is required for any variance greater than or equal to 10% of category expenses

8.3 Depreciation/Amortization/Depletion

This section should include the following:

- An independent depreciation study and summary of changes for depreciation, amortization and depletion by asset group should be provided
- Details of provision for depreciation, amortization and depletion by major asset-group/function or division for each Test Year should be provided, as should comparative data for each of the Historic Years and the Bridge Year, including asset amount and rate of depreciation

Commented [A57]: Minor clarification to align with the proposal for section 4.1 (gross plant). In OPG's past applications, depreciation tables follow the presentation of the rate base schedules given their connectedness. As noted earlier, detailed plant account listing and associated depreciation rates are provided in depreciation studies.

8.4 Corporate Cost Allocation

A summary of the corporate cost allocation should be provided, including information showing the costs incurred at the corporate level, the methodology and assumptions used to allocate these costs to the prescribed and non-prescribed generation facilities and the methodology to allocate these costs to each of the prescribed nuclear and hydroelectric businesses.

Commented [A58]: For clarity. Corporate costs are allocated directly to each of the prescribed nuclear and hydroelectric businesses, not as a two step process.

Details in relation to shared corporate services should include:

- Type of service (IT, office space, etc.) or function/division
- Total annual expense by service or function/division
- Rationale and derivation of cost allocators used for shared costs, for each type of service (square footage/computers/headcount/etc.)
- Any variances for corporate cost allocation for the two most recent years from filing date of the current payment amounts application

Commented [A59]: Minor clarification to align with how OPG's applications present corporate cost information and to ensure comparability in future applications

8.5 Taxes

OPG should file information on its income tax for the Historic Years, the Bridge Year and the Test Year(s) and the detailed calculation supporting the data. The documentation should include copies of the most recent tax returns and notices of assessment, re-assessment and statements of adjustments.

A detailed tax calculation should be provided for each of the Historic Years, the Bridge Year and the Test Year(s), including derivation of interest deducted, capital cost allowance showing differences from depreciation/amortization expense, all other

**FILING REQUIREMENTS FOR
ONTARIO POWER GENERATION**

material differences from regulatory financial statement income, tax rates and payments in lieu of taxes included in deriving the revenue requirement.

Details on the gross revenue tax applicable to the hydroelectric business should be provided either separately or as part of the operating expenses for the hydroelectric business.

Where applicable, All reconciling items should have supporting schedules and calculations.

Commented [A60]: This clarification aligns to the evidence in past applications where some smaller differences are aggregated to help manage information presented.

Commented [A61]: In this exhibit, the starting point for regulatory taxes is regulatory income. Reconciliation between regulatory income and the AFS financial results is captured by the requirements under section 3.2.

Commented [A62]: Currently, OPG is providing supporting schedules and calculations for CCA. This leaves open for other items to have supporting schedules as required.

9. **Exhibit G Operating~~Other~~ Revenue**

~~The revenue forecast, any normalization methodology and sales activities should be provided here.~~ The information presented in this section should include other revenue derived from the use of the prescribed generation facilities as well as from the Bruce nuclear generating stations, broken down by revenue source.

9.1—Energy Revenue

~~This section should include the following:~~

- ~~• Production and energy revenues for the Historic Years, the Bridge Year and the Test Year(s)~~
- ~~• Schedule of production showing volumes, total revenues and unit revenues for each of the Historic Years, the Bridge Year and the Test Year(s)~~

~~9.29.1~~ Other Revenues

Details of other revenue, broken down by revenue source, should be provided. This should include OPG's revenues and costs associated with the Bruce nuclear generating stations

- A variance analysis of other revenues should be provided for the following:
 - OEB-approved vs. actual for each of the Historic Years
 - OEB-approved vs. Bridge Year forecast
 - Year-over-year over the Historic Years, the Bridge Year and the Test Year(s)
- A detailed explanation of how other revenues are attributed to the prescribed generation facilities should be provided

Commented [A63]: Note for stakeholders: Seeking feedback on the organization of this section. The organization of this exhibit is not consistent with how OPG has structured its most recent payment amounts application (2022-2026 term).

In that application, the exhibit solely focused on other revenues. E.g., Bruce, sale of isotopes etc. The broader pieces on operating revenue were rolled into other Exhibits

Commented [A64R63]: As discussed at the stakeholder session with intervenors, parties agreed that the current evidence structure as reflected in OPG's applications is appropriate, and that it would facilitate comparability application over application to revise the Filing Requirements to reflect the structure of OPG's evidence. The proposed edits reflect this shared view.

Commented [A65]: Minor clarification as Bruce facilities are not prescribed.

Commented [A66]: Note for stakeholders: Seeking feedback on whether year-over-year variance analysis is needed and/or term over term for Other Revenue.

Commented [A67R66]: For the same reasons set out above in section 2.7, OPG believes that year-over-year analysis would be more meaningful in this instance. OPG believes no change is needed.

10. Exhibit H Deferral and Variance Accounts

As described in section 1, O. Reg. 53/05 contains a number of provisions regarding the establishment of deferral and variance accounts (DVAs) and the recovery of balances in those accounts. In this section, OPG should include information necessary to enable the OEB to deal with these accounts in the manner contemplated by O. Reg. 53/05, including OPG's proposals regarding the following, as applicable:

- The end date for entries into the DVAs
- Addressing timing differences between the end date for entries into the DVAs and the effective date of the OEB's order
- The number of years over which balances in the DVAs should be recovered (subject to the maximum set out for each in O. Reg. 53/05)
- ~~The interest rate proposed for the nuclear liability deferral account referred to in section 5.2(1) of O. Reg. 53/05~~

For existing DVAs, this exhibit should include:

- A listing and detailed description (including account definition) of all outstanding DVAs - those required by O. Reg. 53/05 as well as those established by the OEB in previous decisions
- Continuity statements listing opening balances, transaction details including recoveries where applicable, interest rates and carrying charges, and closing balances. The schedules should reflect annualized data for the Historic Years and the Bridge Years since the balances were last cleared. ~~Notes Information~~ should be provided for any transactions that are outside the normal course of business for OPG or that otherwise appear to be unusual due to their timing, size, or nature
- A detailed proposal for the disposition of the balances in the DVAs, where applicable.

OPG should also identify any deferral or variance accounts that it may wish to have authorization to establish on and after the date of the OEB's order.

Commented [A68]: Minor clarification as not all of the items would necessarily apply to all account or at all times

Commented [A69]: Cleanup - This has already been resolved in prior applications.

Commented [A70]: Note to stakeholders: The list of DVAs have been removed in efforts to keep the Filing Requirements evergreen.

Commented [A71R70]: OK

Commented [A72]: Edits to clarify that balances are cleared periodically, on an actual basis. Information is therefore not presented on a Bridge Year basis in OPG's application, and Historic Year information goes back to the last OEB approval.

Commented [A73]: Minor clarification as this information in practice may be provided by a combination of notes to the tables and narrative evidence, depending on the nature of the item

11. Exhibit I Determination of Payment Amounts

This exhibit should include the following:

- Calculation of Revenue Deficiency or Sufficiency
 - Determination of regulatory net income
 - Statement of rate base
 - Indicated rate of return
 - Gross and net deficiency or sufficiency in revenue
 - Revenue Requirement Work Form
- Proposed Payment Amounts Schedule and Analysis
 - Proposed payment amounts and revenue adjustments
 - Proposed approach for smoothing payment amounts, if applicable
 - Detailed calculations of revenue under the current payment amounts schedule and the proposed payment amounts schedule
 - Detailed reconciliation of payment amounts revenue and other revenue to the total revenue requirement
 - Analysis of % change in proposed payment amounts vs. current payment amounts
 - Bill impact analysis
- Payment Design (if proposing changes)
 - Analysis of the existing design of payment amounts and whether the design maximized efficient use of the prescribed generation facilities
 - Proposed payment design and rationale
 - Explanation of non-cost factors and their application to payment design
- Payment Implementation

OPG should provide a description of the settlement process with the IESO, including a description of the timelines associated with the requested effective date.

Commented [A74]: Minor clarification.

Commented [A75]: This section is unnecessary unless changes to payment design are contemplated. It would be repetitive application over application otherwise.