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**File No. 339583.000308**

June 12, 2024

**DELIVERED BY ELECTRONIC FILING**

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Dear Ms. Marconi

**Re: EB-2024-0136 – Stakeholder Consultation on the Review of the OEB’s Filing Guidelines for Ontario Power Generation**

Pursuant to a letter dated April 23, 2024, the Ontario Energy Board (the “**Board**”) invited participants from Ontario Power Generation’s (“**OPG**”) last payment amounts proceeding (EB-2020-0290) to provide comments on proposed updates to the Board’s filing guidelines for OPG. CME attended the stakeholder session on May 14, 2024, and has reviewed the Board’s proposed updates. CME generally supports the proposed changes, including the Board’s proposal to ‘evergreen’ the filing requirements, harmonizing the filing requirements with those for distributors and transmitters, and the addition of term over term variances. CME submissions on certain of the proposed changes are set out below.

**Year Over Year Variance Analyses**

The Board’s change “Item #3” as well as the second item for “Feedback sought on specific topics” both center around the necessity and usefulness of year-over-year versus term-over-term variance analyses, for OM&A and other revenue, respectively.

Board Staff indicated that it found “little value” in the year-over-year OM&A variance analysis provided by OPG,<sup>1</sup> and proposes to replace it with a term over term variance analysis, which it used to conduct manually. CME disagrees with Board staff regarding the usefulness of year over year variance analysis. CME acknowledges that a year over year analysis may not, in every case, disclose information which will form part of an intervenor (or OPG’s) final submissions. However, CME submits that the year over year analysis is an important part of OPG’s disclosure to the Board and

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<sup>1</sup> “Review of OPG Filing Guidelines” Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 10.

intervenors. Given the information disparity between the utility and other parties, it is critical that the Board and intervenors be granted insight into OPG's spending, and the changes thereto year after year. This helps intervenors understand more nuanced changes to OPG's spending, which would be undetectable through an analysis of the aggregate term's spending. CME understands that it is not the only intervenor with this position. It seems likely that some, if not all of the year over year variance analysis would be requested by intervenors through the interrogatory process in any event. Accordingly, CME submits that there would be little value in removing the year over year analysis from either "other revenue" or OM&A expenses from the filing guidelines only to have it be requested through the discovery process.

CME supports the inclusion of term over term variance analysis for the same reason. Board Staff has indicated that the calculation of term over term variances was an activity that it has performed manually and verifies its conclusions through information it receives during the interrogatory process.<sup>2</sup> Given that this information will be provided through the discovery process in any event, it will likely be more efficient if OPG simply provides it in its initial application.

### Reporting Thresholds for Capital Projects and OM&A Expenses

Board Staff requested feedback on whether the reporting thresholds for capital projects and OM&A should be updated. The threshold levels were originally set in 2011.<sup>3</sup> OPG is required to file information on the number of projects, average of the projects, and the total costs that will be closed to rate base for projects with a value of less than \$5 million. OPG is required to file a variety of information for projects valued between \$5 million and \$20 million, including, among other things, the name, description, cost, in service date of the projects. For projects over \$20 million, the requirements are the same as those in the \$5-20 million category, except OPG is also required to provide the business case.<sup>4</sup>

For OM&A, OPG is required to breakdown on a work basis, each major item that meets the threshold of the lesser of 1% of total expenses before taxes or \$20 million.<sup>5</sup> The information is required to include details such as a description of the tendering process or explanation of why it was not used, the identity of OPG's counterparty with whom it is transacting, and a summary of the activities transacted.<sup>6</sup>

CME acknowledges that OPG's costs are subject to inflation, and have therefore likely increased since 2011. However, it submits that it is not appropriate to change the threshold values for which OPG is expected to report. The threshold values still appropriately recognize project and OM&A amounts which have a material impact on the payment amounts that Ontarians will be expected to pay. To put it another way, the thresholds still represent an appropriate balance between regulatory efficiency and providing transparent disclosure to the Board and to ratepayers about where their money is going and how it is being spent. Even projects of \$5 million are, in context, significant undertakings whose costs are material. CME submits that those who will be required to pay for these costs deserve to continue to have insight into the nature of the project or OM&A expense to understand where their money is going and how OPG is investing it. As indicated earlier, while intervenors could pursue this

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<sup>2</sup> "Review of OPG Filing Guidelines" Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 11.

<sup>3</sup> "Review of OPG Filing Guidelines" Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 14.

<sup>4</sup> "Review of OPG Filing Guidelines" Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 14.

<sup>5</sup> "Review of OPG Filing Guidelines" Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 15.

<sup>6</sup> "Review of OPG Filing Guidelines" Presentation, EB-2024-0136 Stakeholder Consultation, May 14, 2024, Slide 15.

information through the interrogatory process, CME submits that it is more efficient for OPG simply to provide this information on the basis of the existing thresholds in its application.

Yours very truly

A handwritten signature in blue ink, appearing to read "Scott Pollock". The signature is fluid and cursive, with the first name "Scott" and last name "Pollock" clearly distinguishable.

Scott Pollock

cc. Vincent Caron