



**SOCIETY of  
UNITED PROFESSIONALS**  
IFPTE 160

25<sup>th</sup> June, 2024

Michelle Johnston  
President  
Society of United Professionals, IFPTE 160  
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**VIA Email and RESS Filing**

Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

**Re: EB-2024-0136**  
**Stakeholder Consultation on the Review of the OEB's Filing Guidelines for**  
**Ontario Power Generation Inc. (OPG)**  
**Submissions of the Society of United Professionals**

Dear Ms. Marconi,

Further to the OEB's letter of May 15, 2024 on the above subject proceeding, please find attached the Society of United Professionals' (SUP) Submissions, providing additional comments on the initial written comments provided by parties on June 11, 2024.

Sincerely,

*Sam Reid*  
*Acting for*

Michelle Johnston  
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Society of United Professionals, IFPTE 160  
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Copy by email: interested parties



**SOCIETY *of*  
UNITED PROFESSIONALS**  
IFPTE 160

**Society of United Professionals'  
SUBMISSIONS ON INITIAL FEEEDBACK**

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Stakeholder Consultation on the Review of the OEB's Filing Guidelines for  
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## **EB-2024-0136- Society of United Professionals' (SUP) Submissions**

SUP has reviewed the comments provided on June 11, 2024 by OPG and assorted intervenors (i.e. AMPCO, CCC, CME, Energy Probe, LPMA and SEC) on the filing guidelines provided in Appendices A and B to the OEB letter of April 23, 2024 as well as OEB staff's presentation at the May 14, 2024 Stakeholder Consultation meeting on this matter. Further to the OEB's letter of May 15, 2024 on this proceeding, these submissions provide SUP's comments on the initial feedback provided by parties on June 11, 2024.

### **Item 1: Threshold for capital projects & OM&A expenses**

OPG and LPMA both propose adjustments to the threshold for capital projects and OM&A expenses. To ignore the impact of inflation on thresholds which were set in 2011, as some parties propose, is inappropriate as this results in micromanagement of OPG in 2025, and beyond, in constant dollar terms. Consequently, SUP supports OPG's proposal to adjust the 2011 thresholds using the appropriate escalation indices as outlined in their letter of June 11, 2023 pp5,6. Using Statistics Canada's 2024 Building Construction Price Indexes (Table 18-10-0276-01) to adjust the 2011 thresholds for capital projects is eminently sensible as it results in an improved degree of regulatory efficiency. This is also the case with OPG's proposal to use the Consumer Price Index ("CPI") to adjust 2011 Project OM&A expenses thresholds.

SUP's view is that similar adjustments should be made to all dollar value variance analysis and materiality thresholds established in 2011 for Capital and OM&A projects as well as all cost categories, including capital expenditures and Deferral and Variance Accounts, and revenues. Again, the end result of such adjustments to materiality thresholds will be an improved degree of regulatory efficiency in 2025 and beyond.

SUP is not supportive of OPG's proposal to increase any percentage variance thresholds for written variance explanations for Tier 1 Capital and OM&A projects (OPG letter of June 11, 2023 p6), or for that matter, going forward, any cost categories, including capital expenditures and Deferral and Variance Accounts, and revenues. OPG's justification for doubling the percentage variance thresholds for written variance explanations for Tier 1 projects (from 10% to 20%) really comes down to the accuracy range for Tier 1 project estimates are very broad. However, that significant range in Tier 1 project estimates [-20 /+30% as per the Association for the Advancement of Cost Engineering (AACE) Class 3 range of estimate] is the very justification for not changing the variance analysis threshold.

Further to this specific matter of dollar thresholds for expenses (be they Capital and OM&A projects as well as all cost categories, including capital expenditures and Deferral and Variance Accounts, and revenues) including variance analyses for such, the OEB should consider examining the impact of inflation on these every ten years as a minimum, but ideally every five years due to continued expectations of higher

inflation in this decade. Like this review of OPG filing requirements, this should be done at least a year before the next five year rebasing is expected to be submitted.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED ON THIS  
25th DAY OF JUNE, 2024**