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ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an Application by Ontario Power Generation Inc. for an order or orders approving payment amounts for prescribed generating facilities commencing January 1, 2017.

APPLICATION

1. The applicant, Ontario Power Generation Inc. (“OPG”) is a corporation, incorporated under the *Ontario Business Corporations Act*, with its head office in the City of Toronto. The principal business of OPG is the generation and sale of electricity in Ontario.
2. In this Application, OPG applies to the Ontario Energy Board (“OEB”) pursuant to section 78.1 of the *Ontario Energy Board Act, 1998* (the “Act”), for an order or orders approving a payment amount for hydroelectric generating facilities (the “regulated hydroelectric facilities”) prescribed under Ontario Regulation 53/05 of the Act, as amended, (“O. Reg. 53/05”) for the period from January 1, 2017 through December 31, 2017 and a payment rider for the regulated hydroelectric facilities for the period from January 1, 2017 through December 31, 2018.
3. Pursuant to section 78.1 of the *Ontario Energy Board Act, 1998*, OPG also seeks an order or orders approving payment amounts for nuclear generating facilities (the “nuclear facilities”) prescribed under O. Reg. 53/05 for the period from January 1, 2017 through December 31, 2021 and a payment rider for the nuclear facilities for the period from January 1, 2017 through December 31, 2018.
4. OPG seeks an order declaring the current payment amounts interim effective January 1, 2017 for the regulated hydroelectric and nuclear facilities, if the order or orders approving

- 1 the payment amounts are not implemented by January 1, 2017 for the regulated
2 hydroelectric and nuclear facilities.
3
- 4 5. For the purposes of section 6 (1) of O. Reg. 53/05, OPG requests that the OEB use the
5 price-cap index methodology proposed in Ex. A1-3-2 for setting payment amounts for the
6 prescribed hydroelectric generating facilities in the period from January 1, 2017 through
7 December 31, 2021.
8
- 9 6. For the purposes of section 6 (1) of O. Reg. 53/05, OPG requests that the OEB use the
10 methodology proposed in Ex. A1-3-2 to approve annual revenue requirements for the
11 nuclear facilities for the period January 1, 2017 to December 31, 2021, and the rate
12 smoothing methodology proposed in Ex. A1-3-3 to approve payment amounts for the
13 nuclear facilities for the period January 1, 2017 to December 31, 2021.
14
- 15 7. OPG seeks approval of the cost of capital presented in Ex. C1-1-1.
16
- 17 8. OPG seeks approval for disposition of the audited balances in all of its deferral and
18 variance accounts as of December 31, 2015, except the Pension & OPEB Cash Versus
19 Accrual Differential Deferral Account. Clearance of that account is subject to the
20 completion of the generic proceeding on pension and OPEB costs (EB-2015-0040).
21
- 22 9. OPG seeks an order continuing established deferral and variance accounts as set out in
23 Ex. H1-1-1.
24
- 25 10. OPG seeks an order establishing certain new deferral and variance accounts presented
26 in Ex. H1-1-1.
27
- 28 11. Pursuant to section 78.1 of the Act, and pursuant to sections 5.5 and 6 (2) of O. Reg.
29 53/05, OPG requests that the OEB approve OPG's nuclear rate smoothing proposal as
30 set out in Ex. A1-3-3, including the establishment of a deferral account and the portion of

1 the OEB-approved nuclear revenue requirement that is to be recorded in that deferral
2 account for January 1, 2017 to December 31, 2021.

3
4 12. OPG seeks approval of a mid-term production review in the first half of 2019 (i.e., prior to
5 July 1, 2019) for:

- 6 • an update of the nuclear production forecast and consequential updates to nuclear
7 fuel costs for the final two-and-a-half years of the five-year application period (July 1,
8 2019 to December 31, 2021); and
- 9 • disposal of applicable audited deferral and variance account balances as well as any
10 remaining unamortized portions of previously approved amounts with recovery period
11 extending beyond December 31, 2018.

12
13 13. To achieve the nuclear revenue requirements and disposition of the nuclear and
14 hydroelectric balances in the deferral and variance accounts, and consistent with the
15 price-cap index methodology for prescribed hydroelectric facilities, OPG is seeking
16 payment amounts and riders as follows:

- 17 • Effective January 1, 2017, \$41.71/MWh for the average hourly net energy production
18 (MWh) from the regulated hydroelectric facilities in any given month (the "hourly
19 volume") for each hour of that month. Where production is over or under the hourly
20 volume, regulated hydroelectric incentive revenue payments will be consistent with
21 the OEB's Payment Amounts Order for EB-2013-0321.
- 22
23 • Approval for recovery of December 31, 2015 audited balances in the regulated
24 hydroelectric deferral and variance accounts, except the Pension & OPEB Cash
25 Versus Accrual Differential Deferral Account, of \$211.3M and a disposition at a rate of
26 \$1.44/MWh for the output from the regulated hydroelectric facilities for the period
27 January 1, 2017 to December 31, 2018.

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- 1 • Approval of the following payment amounts for the nuclear facilities:

Effective Date	Payment Amount
January 1, 2017	\$65.81/MWh
January 1, 2018	\$73.05/MWh
January 1, 2019	\$81.09/MWh
January 1, 2020	\$90.01/MWh
January 1, 2021	\$99.91/MWh

2

- 3 • Approval for recovery of December 31, 2015 audited balances in the nuclear deferral
4 and variance accounts, except the Pension & OPEB Cash Versus Accrual Differential
5 Deferral Account, of \$1,162.4M and a disposition at a rate of \$2.85/MWh for the
6 output from the nuclear facilities for the period January 1, 2017 to December 31,
7 2018.

8

- 9 14. The Application will be supported by written and oral evidence. The written evidence filed
10 by OPG may be supplemented or amended from time to time by OPG prior to the OEB's
11 final decision on the Application.

12

- 13 15. OPG further applies to the OEB pursuant to the provisions of the Act and the OEB Rules
14 of Practice and Procedure for such orders and directions as may be necessary in relation
15 to the Application and the proper conduct of this proceeding.

16

- 17 16. The persons affected by this Application are all electricity consumers in Ontario. It is
18 impractical to set out the names and addresses of the consumers because they are too
19 numerous.

20

- 21 17. OPG requests that copies of all documents filed with the OEB by each party to this
22 Application along with copies of all comments filed with the OEB in accordance with Rule
23 24 of the OEB Rules of Practice and Procedure be served on the applicant and the
24 applicant's counsel as follows:

25

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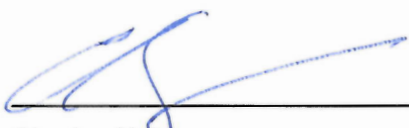
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24 Dated at Toronto, Ontario, this 27th day of May, 2016.
25

26 Ontario Power Generation Inc.
27

28 
29 _____
30 Charles Keizer
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