

Appendix G: Deferral and Variance Accounts

CLEARANCE OF EXISTING DEFERRAL AND VARIANCE ACCOUNTS

With respect to the deferral and variance accounts established by O. Reg. 53/05 and the Board's decisions and orders in EB-2007-0905, EB-2009-0038, EB-2009-0174, EB-2010-0008, EB-2011-0090, EB-2011-0432 and EB-2012-0002, the Board approves the recovery of the December 31, 2013 balances in the accounts or portions of accounts, as provided the following table, over the twelve month period, January 1, 2015 through December 31, 2015.

Chart G-1

Account	Approved December 31, 2013 Balances (\$M)
Hydroelectric Incentive Mechanism Variance	(5.0)
Hydroelectric Surplus Baseload Generation Variance	19.2
Capacity Refurbishment Variance – Hydroelectric	112.7
Nuclear Development Variance	56.5
Capacity Refurbishment Variance – Nuclear - Capital Portion	5.7

The Board approves OPG's recovery of the above approved balances in the previously regulated hydroelectric deferral and variance accounts using a payment amount rider. A payment rider of \$6.04/MWh, as determined in Appendix E, Table 1, shall apply to OPG's previously regulated hydroelectric production for the period from January 1, 2015 to December 31, 2015.

The Board approves OPG's recovery of the above approved balances in the nuclear deferral and variance accounts using a payment amount rider. A payment rider of \$1.33/MWh, as determined in Appendix F, Table 1, shall apply to OPG's nuclear production for the period from January 1, 2015 to December 31, 2015.

For the period January 1, 2014 to October 31, 2014, OPG shall continue to record entries into the deferral and variance accounts established by O. Reg. 53/05 and the applicable previous decisions and orders of the Board pursuant to the methodologies established by O. Reg. 53/05 and such decisions and orders.

CONTINUING DEFERRAL AND VARIANCE ACCOUNTS

Unless otherwise stated in this Order, effective November 1, 2014, OPG shall continue to record entries into the deferral and variance accounts authorized by O. Reg. 53/05 and the applicable decisions and orders of the Board pursuant to the methodologies established by O. Reg. 53/05 and such decisions and orders, as outlined in OPG's Application at Ex. H1-3-1 and as summarized below. Unless otherwise stated in this Order, for the period from November 1, 2014 to December 31, 2014, OPG shall continue to record amortization entries into the applicable deferral and variance accounts pursuant to the EB-2012-0002 Payment Amounts Order.

Effective November 1, 2014, OPG shall record entries into deferral and variance accounts listed below as follows:

Hydroelectric Water Conditions Variance Account

The Hydroelectric Water Conditions Variance Account was originally approved in EB-2007-0905 for the previously regulated hydroelectric facilities. OPG shall continue this account and maintain separate sub-accounts for the previously and newly regulated hydroelectric prescribed assets. The account shall apply to the previously regulated hydroelectric facilities and to 21 of the newly regulated hydroelectric facilities. These 21 newly regulated hydroelectric facilities are listed in EB-2013-0321, Ex. E1-1-1 Appendix 1.

For the previously regulated hydroelectric facilities, OPG will continue to determine the hydroelectric production impact of changes in water conditions by entering the actual flow values into the same production forecast models used to calculate the Board-approved production forecast, holding all other variables constant. Deviations from forecast will be determined as the difference between the calculated production resulting from entering actual flows for the month into the forecast model and the energy production forecast approved by the Board. The revenue impact of the production variance recorded in the account for the previously regulated hydroelectric facilities will continue to be determined by multiplying the deviation from forecast, as described above, by the approved payment amount for these facilities. For production from the previously regulated hydroelectric facilities, OPG shall determine the revenue impact of the production variance by multiplying the deviation from forecast, as described above, by the approved payment amount of \$40.20/MWh.

Energy production forecasts for 21 of the newly regulated hydroelectric plants, listed in EB-2013-0321, Ex. E1-1-1 Appendix 1, are produced using similar computer models to those used to forecast production for the previously regulated hydroelectric facilities. The models convert forecast water availability to forecast energy production using historical median monthly flows as the basis for determining the monthly energy production forecasts. Similar to the previously regulated hydroelectric facilities, for these 21 facilities, OPG shall compute deviations of actual monthly flows from these historical median monthly flows in order to determine the production variance for purposes of the Hydroelectric Water Conditions Variance Account. OPG shall determine the revenue impact of the production variance by multiplying the deviation from forecast, as described above, by the approved payment amount of \$41.93/MWh.

In respect of production from the previously and the applicable 21 newly regulated hydroelectric facilities, OPG shall also record in this account changes in the gross revenue charge costs reflected in the revenue requirement approved by the Board, as a result of differences between imputed production from actual flows and forecast energy production described above. OPG shall determine amounts to be recorded in this account by multiplying the production deviation as described above by the applicable gross revenue charge rates.

In respect of production from the previously regulated hydroelectric facilities, OPG shall also record in this account any variations from the amounts payable to the St. Lawrence Seaway Management Corporation for the conveyance of water in the Welland Ship Canal reflected in the revenue requirement approved by the Board.

In respect of production from the applicable 21 newly regulated hydroelectric facilities, OPG shall also record in the account any variances from the amounts payable to the Government of Quebec for water rentals reflected in the revenue requirement approved by the Board.

Ancillary Services Net Revenue Variance Account – Hydroelectric

The Ancillary Services Net Revenue Variance Account – Hydroelectric was originally approved in EB-2007-0905 for the previously regulated hydroelectric facilities. The account shall apply to the previously and newly regulated hydroelectric facilities. OPG shall maintain separate sub-accounts for the previously and newly regulated hydroelectric prescribed assets.

OPG shall compare actual hydroelectric ancillary services net revenue to the forecast amount reflected in the revenue requirement approved by the Board (the “reference amount”). The monthly reference amount shall be 1/24 of the total forecast amount of \$110.9M (\$65.1M for the previously regulated hydroelectric facilities and \$45.8M for the newly regulated hydroelectric facilities) for 2014 and 2015 underpinning the two-year revenue requirement approved by the Board. The resulting monthly reference amount shall be \$4.62M (\$2.71M for the previously regulated hydroelectric facilities and \$1.91M for the newly regulated hydroelectric facilities). The difference shall be recorded in this variance account. The ancillary services for the regulated hydroelectric operations include black start capability, operating reserve, regulation service (formerly referred to as automatic generation control), and reactive support/voltage control service.

OPG shall ensure that amounts recorded in the account do not include those that OPG indicated it is not seeking to recover from, or refund to, ratepayers as part of the differences between the revenue requirement in its pre-filed evidence dated September 27, 2013 and the information based on OPG’s 2014-2016 Business Plan. These amounts are outlined in OPG’s Impact Statement dated December 6, 2013, as found at EB-2013-0321, Ex. N1-1-1 Chart 1.

Income and Other Taxes Variance Account

The Income and Other Taxes Variance Account was originally approved in EB-2007-0905. This account shall continue, and OPG shall attribute amounts recorded in the account to each of the previously regulated hydroelectric, newly regulated hydroelectric and nuclear prescribed assets.

This account shall continue to record the financial impact on the revenue requirement approved by the Board (the “reference amount”) of:

- Any differences in payments in lieu of corporate income or capital taxes that result from a legislative or regulatory change to the tax rates or rules of the *Income Tax Act* (Canada) and the *Taxation Act, 2007* (Ontario) (formerly the *Corporations Tax Act* (Ontario)), as modified by the regulations under the *Electricity Act, 1998*, and any differences in payments in lieu of property tax to the Ontario Electricity Financial Corporation that result from changes to the regulations under the *Electricity Act, 1998*.

- Any differences in municipal property taxes that result from a legislative or regulatory change to the tax rates or rules for OPG's prescribed assets under the *Assessment Act, 1990*.
- Any differences in payments in lieu of corporate income or capital taxes that result from a change in, or a disclosure of, a new assessing or administrative policy that is published in the public tax administration or interpretation bulletins by relevant federal or provincial tax authorities, or court decisions on other taxpayers.
- Any differences in payments in lieu of income or capital taxes that result from assessments or re-assessments (including re-assessments associated with the application of the tax rates and rules to OPG's regulated operations or changes in assessing or administrative policy including court decisions on other taxpayers).

The income tax provision reflected in the revenue requirement approved by the Board shall be used to calculate any variances in income taxes recorded in the Income and Other Taxes Variance Account. The income tax provision reflected in the revenue requirement approved by the Board is calculated in Appendix A, Tables 7 and 8. The monthly reference amount shall be 1/24 of the total forecast amount of \$115.9M for 2014 and 2015 underpinning the two-year revenue requirement approved by the Board. The monthly reference amount shall be \$4.83M.

Tax Loss Variance Account

The Tax Loss Variance Account was originally approved in EB-2009-0038. OPG shall continue to record only interest and amortization in the Tax Loss Variance Account during the period from November 1, 2014 to December 31, 2014. The previously regulated hydroelectric and nuclear balances remaining in this account at December 31, 2014 shall be transferred to the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account and the Nuclear Deferral and Variance Over/Under Recovery Variance Account, respectively. Following this transfer, the Tax Loss Variance Account shall be terminated on December 31, 2014.

Impact for USGAAP Deferral Account

The Impact for USGAAP Deferral Account was originally approved in EB-2011-0432. OPG shall continue to record only interest and amortization in the Impact for USGAAP Deferral Account during the period from November 1, 2014 to December 31, 2014. The previously regulated

hydroelectric and nuclear balances remaining in this account at December 31, 2014 shall be transferred to the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account and the Nuclear Deferral and Variance Over/Under Recovery Variance Account, respectively. Following this transfer, the Impact for USGAAP Deferral Account shall be terminated on December 31, 2014.

Pension and OPEB Cost Variance Account

The Pension and OPEB Cost Variance Account was originally approved in EB-2011-0090. This account recorded the difference between (i) the pension and OPEB costs, plus related income tax PILs, reflected in the current revenue requirement approved by the Board (the “reference amount”), and (ii) OPG’s actual pension and OPEB costs, and associated income tax impacts, for the previously regulated hydroelectric and nuclear prescribed generation facilities. Actual pension and OPEB costs used in the calculation of the difference were to be calculated using the same accounting standards as those used to derive the reference amount.

In EB-2012-0002, the approved December 31, 2012 balance in the Pension and OPEB Cost Variance Account was split into the Historic Recovery and Future Recovery components. In EB-2013-0321, OPG identified a third component, which comprised additions recorded in the account subsequent to December 31, 2012. OPG shall continue to track these components separately, with any remaining balance of the Historic Recovery component at December 31, 2014 transferred to the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account and Nuclear Deferral and Variance Over/Under Recovery Variance Account, as applicable.

Effective November 1, 2014, OPG will record only amortization in this account. OPG shall not record any interest on the balance of this account.

Hydroelectric Incentive Mechanism Variance Account

The Hydroelectric Incentive Mechanism Variance Account was originally approved in EB-2010-0008 for the previously regulated hydroelectric facilities. Going forward, the account shall apply to the previously and newly regulated hydroelectric facilities. OPG shall maintain separate sub-accounts for the previously and newly regulated hydroelectric prescribed assets.

In its decision, the Board found that the current hydroelectric incentive mechanism (“HIM”) has encouraged appropriate use of the regulated hydroelectric facilities to supply energy in response to market prices. The Board has maintained the current structure of the incentive mechanism (and the corresponding variance account) but has specified that the unintended interaction of the HIM due to surplus baseload generation (“SBG”) conditions be eliminated. The Board directed OPG to achieve this by changing its monthly average hourly production threshold calculation used by the IESO for purposes of settling HIM revenues.

The Board also found that HIM net revenues are to continue to be shared between ratepayers and OPG using a 50:50 ratio. The resulting annual revenue requirement offset with respect to the HIM net revenues will be \$25.5M for 2014. The annual revenue requirement offset for 2015 will be \$29M. Accordingly, during the period from November 1, 2014 to December 31, 2014, the Hydroelectric Incentive Mechanism Variance Account will record a credit to ratepayers equal to 50 per cent of OPG’s total HIM net revenues from the prescribed hydroelectric facilities above \$8.5M, being 2/12 of the 2014 annual threshold of \$51M. During the period from January 1, 2015 to December 31, 2015, OPG shall record a credit to ratepayers equal to 50 per cent of OPG’s total HIM net revenues above \$58M.

Hydroelectric Surplus Baseload Generation Variance Account

The Hydroelectric Surplus Baseload Generation Variance Account was originally approved in EB-2010-0008 for the previously regulated hydroelectric facilities. OPG shall continue this account and shall maintain separate sub-accounts for the previously and newly regulated hydroelectric prescribed assets.

This account shall continue to record the financial impact of foregone production at the prescribed hydroelectric facilities due to SBG conditions. The account shall apply to the previously regulated hydroelectric facilities and to 21 of the newly regulated hydroelectric facilities. These 21 newly regulated hydroelectric facilities are listed in EB-2013-0321, Ex. E1-1-1 Appendix 1.

OPG shall determine the revenue impact of SBG conditions by multiplying the foregone production volume by the approved previously regulated hydroelectric payment amount of \$40.20/MWh or the approved newly regulated hydroelectric payment amount of \$41.93/MWh, as

applicable. The resulting amount shall be recorded in the Hydroelectric Surplus Baseload Generation Variance Account.

In respect of production foregone due to SBG conditions at the previously and the 21 applicable newly regulated hydroelectric facilities, OPG shall also record in this account changes in the gross revenue charge costs reflected in the revenue requirement approved by the Board. OPG shall determine amounts to be recorded in this account by multiplying the production volume foregone at its prescribed hydroelectric facilities due to SBG conditions by the applicable gross revenue charge rates.

In respect of production foregone due to SBG conditions at the previously regulated hydroelectric facilities, OPG shall also record in this account any variations from the amounts payable to the St. Lawrence Seaway Management Corporation for the conveyance of water in the Welland Ship Canal reflected in the revenue requirement approved by the Board. In respect of foregone production at the 21 applicable newly regulated hydroelectric facilities, OPG shall also record in the account any variances from the amounts payable to the Government of Quebec for water rentals reflected in the revenue requirement approved by the Board.

Changing the monthly average hourly production threshold calculation associated with the HIM by removing any contribution from production volume foregone due to SBG conditions eliminates the need for any rebating back to ratepayers of unintended benefits of this interaction through the Hydroelectric Surplus Baseload Generation Variance Account.

Hydroelectric Deferral and Variance Over/Under Recovery Variance Account

The Hydroelectric Deferral and Variance Over/Under Recovery Variance Account was originally approved in EB-2009-0174 for the previously regulated hydroelectric facilities. The account shall apply to the previously and newly regulated hydroelectric facilities. OPG shall maintain separate sub-accounts for the previously and newly regulated hydroelectric prescribed assets.

This account shall record the differences between the amounts approved for recovery in the hydroelectric deferral and variance accounts and the actual amounts recovered based on actual regulated hydroelectric production and approved riders. The account shall also include the transfer of the previously regulated hydroelectric balances in the Tax Loss Variance Account and

the Impact for USGAAP Deferral Account upon their expiry on December 31, 2014, the previously regulated hydroelectric balance of the Historic Recovery component of the Pension and OPEB Cost Variance Account at December 31, 2014, and other accounts as they may expire from time to time.

Nuclear Liability Deferral Account

The Nuclear Liability Deferral Account was originally approved in EB-2007-0905. This account shall continue to record the revenue requirement impact of any change in OPG's nuclear decommissioning liability arising from an approved reference plan measured against the forecast impact reflected in the revenue requirement approved by the Board. OPG shall not record the revenue requirement impact of a change in its nuclear decommissioning liability associated with its nuclear obligations related to the Bruce facilities in this account. OPG shall record the return on rate base in the account using the weighted average accretion rate on OPG's nuclear liabilities of 5.37%.

The "nuclear decommissioning liability" shall be defined as "the liability of Ontario Power Generation Inc. for decommissioning its nuclear generating facilities and the management of its nuclear waste and nuclear fuel." An "approved reference plan" shall be defined as "a reference plan, as defined in the Ontario Nuclear Funds Agreement, which has been approved by Her Majesty the Queen in the right of Ontario in accordance with that agreement."

OPG shall not record any interest on the balance of the Nuclear Liability Deferral Account.

Nuclear Development Variance Account

The Nuclear Development Variance Account was originally approved in EB-2007-0905. This account shall continue to record variances between the actual non-capital costs incurred and firm financial commitments made in the course of planning and preparation for the development of proposed new nuclear generation facilities and those forecast costs and firm financial commitments reflected in the revenue requirement approved by the Board (the "reference amount"). The monthly reference amount shall be 1/24 of the total forecast amount of \$0 underpinning the two-year revenue requirement approved by the Board for 2014 and 2015. The monthly reference amount shall be \$0.

Ancillary Services Net Revenue Variance Account – Nuclear

The Ancillary Services Net Revenue Variance Account – Nuclear was originally approved in EB-2007-0905. OPG shall compare actual nuclear ancillary services net revenue to the forecast amount reflected in the revenue requirement approved by the Board (the “reference amount”). The monthly reference amount shall be 1/24 of the total forecast amount \$3.4M for 2014 and 2015 underpinning the two-year revenue requirement of approved by the Board. The monthly reference amount shall be \$0.14M. The difference shall be recorded in this variance account. The ancillary services for nuclear operations include reactive support/voltage control service.

OPG shall ensure that amounts recorded in the account do not include those that OPG indicated it is not seeking to recover from, or refund to, ratepayers as part of the differences between the revenue requirement in its pre-filed evidence dated September 27, 2013 and the information based on OPG’s 2014-2016 Business Plan. These amounts are outlined in OPG’s Impact Statement dated December 6, 2013, as found at EB-2013-0321, Ex. N1-1-1 Chart 1.

Capacity Refurbishment Variance Account

The Capacity Refurbishment Variance Account was originally approved in EB-2007-0905. This account shall continue and will record variances between the actual capital and non-capital costs, and firm financial commitments incurred to increase the output of, refurbish or add operating capacity to a prescribed generation facility referred to in O. Reg. 53/05 section 2 and those forecast costs and firm financial commitments reflected in the revenue requirement approved by the Board for 2014 and 2015. This account shall continue to include assessment costs and pre-engineering costs and commitments.

OPG shall separately track amounts recorded in this variance account for each of the previously regulated hydroelectric, newly regulated hydroelectric and nuclear prescribed assets.

OPG shall ensure that amounts recorded in the account do not include those that OPG indicated it is not seeking to recover from, or refund to, ratepayers as part of the differences between the revenue requirement in its pre-filed evidence dated September 27, 2013 and the information based on OPG’s 2014-2016 Business Plan. These amounts are outlined in OPG’s Impact Statement dated December 6, 2013, as found at EB-2013-0321, Ex. N1-1-1 Chart 1.

Bruce Lease Net Revenues Variance Account

The Bruce Lease Net Revenues Variance Account was originally approved in EB-2007-0905. This account shall continue to capture differences between (i) the forecast revenues and costs related to the Bruce lease that are factored into the nuclear revenue requirement approved by the Board (the “reference amount”), and (ii) OPG’s actual revenues and costs in respect of the Bruce facilities. The monthly reference amount shall be 1/24 of the total forecast amount of \$80.3M underpinning the two-year revenue requirement approved by the Board for 2014 and 2015. The monthly reference amount shall be \$3.35M.

The variance recorded in this account shall be measured by comparing the Bruce lease revenues net of costs credited to customers monthly through the approved nuclear payment amount of \$59.29/MWh to the actual monthly Bruce lease revenues net of costs realized by OPG. The monthly Bruce lease revenues net of costs credited to customers shall continue to be equal to the rate of recovery reflected in the nuclear revenue requirement approved by the Board multiplied by OPG’s actual nuclear production. The rate of recovery shall be calculated by dividing the 24-month forecast Bruce lease net revenues approved by the Board for 2014 and 2015 by the 24-month forecast nuclear production approved by the Board for 2014 and 2015.

OPG shall ensure that amounts recorded in the account do not include those that OPG indicated it is not seeking to recover from, or refund to, ratepayers as part of the differences between the revenue requirement in its pre-filed evidence dated September 27, 2013 and the information based on OPG’s 2014-2016 Business Plan. These amounts are outlined in OPG’s Impact Statement dated December 6, 2013, as found at EB-2013-0321, Ex. N1-1-1 Chart 1.

The account balance shall not attract interest for the period from November 1, 2014 to December 31, 2014.

This account will continue to have two sub-accounts as follows:

Derivative Sub-Account

The sub-account balance relates to the derivative liability for the conditional supplemental rent rebate provision of the Bruce lease (including associated income tax impacts on Bruce lease net

revenues calculated in accordance with generally accepted accounting principles for unregulated entities) and the rent rebates associated with supplemental rent revenue.

The amount to be cleared for this sub-account in respect of each year shall be equal to the amount of the rebate forecast to be payable to Bruce Power for that year by OPG and associated income tax impacts as described above, less the difference between the following amounts to the extent this difference has not yet been credited to, or recovered from, ratepayers:

- (i) Cumulative amount recovered from ratepayers for the derivative portion since April 1, 2008; and
- (ii) Cumulative amount of actual rent rebates and associated income taxes (as described above) incurred by OPG since April 1, 2008.

To the extent that the actual supplemental rent rebate amounts paid to Bruce Power differ from the approved forecast amounts used to establish amounts to be recovered by OPG in respect of this sub-account, such differences shall be reflected in the Derivative Sub-Account in order to be carried forward to adjust amortization amounts the next time the sub-account balance is cleared.

Non-Derivative Sub-Account

The sub-account balance relates to the non-derivative aspects of the account.

The cost impact of any changes in OPG's liability for decommissioning the Bruce nuclear generating facilities and the management of nuclear waste and nuclear fuel related to the Bruce stations shall continue to be recorded in the Non-Derivative Sub-Account of the Bruce Lease Net Revenues Variance Account.

Pickering Life Extension Depreciation Variance Account

The Pickering Life Extension Depreciation Variance Account was originally approved in EB-2012-0002 to record a credit amount of \$46.9M over the course of a year at approximately \$3.9M per month, for the period from January 1, 2013 until the effective date of new nuclear payment amounts (excluding riders), reflecting the revised service lives, for depreciation purposes, of the Pickering stations. As the payment amounts authorized in this Order reflect these

revised service lives, effective November 1, 2014, OPG will record only amortization in the account. No interest shall be recorded on the balance in this account.

Nuclear Deferral and Variance Over/Under Recovery Variance Account

The Nuclear Deferral and Variance Over/Under Recovery Variance Account was originally approved in EB-2009-0174. This account shall continue to record the differences between the amounts approved for recovery in the nuclear deferral and variance accounts and the actual amounts recovered based on actual nuclear production and approved riders. The account shall also include the transfer of the nuclear portion of the balances in the Tax Loss Variance Account and the Impact for USGAAP Deferral Account upon their expiry on December 31, 2014, the balance of the nuclear portion of the Historic Recovery component of the Pension and OPEB Cost Variance Account at December 31, 2014, and other accounts as they may expire from time to time.

NEW DEFERRAL AND VARIANCE ACCOUNTS

Effective November 1, 2014, OPG shall establish and record entries into deferral and variance accounts listed below as follows:

Gross Revenue Charge Variance Account

The Gross Revenue Charge Variance Account will record the cost impact of a gross revenue charge reduction under Ontario Regulation 124/02, once approved by the Ontario Ministry of Natural Resources and Forestry, pertaining to production increases at OPG's Sir Adam Beck plants due to the operation of the new Niagara tunnel. The impact shall be determined by applying the approved reduction under Ontario Regulation 124/02 to the forecast gross revenue charge costs included in the revenue requirement approved by the Board for 2014 and 2015, holding all other variables constant. The impact shall be calculated as of the later of November 1, 2014 and the effective date of the approved gross revenue charge reduction.

Pension & OPEB Cash Payment Variance Account

The Pension & OPEB Cash Payment Variance Account will record the difference between OPG's actual registered pension plan contributions and other post employment benefit plan payments (including the long-term disability benefit plan) attributed to the prescribed generating facilities, and such forecast amounts reflected in the revenue requirement approved by the Board (the

“reference amount”). With respect to OPG’s forecast registered pension plan contributions, the monthly reference amount shall be 1/24 of the total forecast contribution of \$651.5M for 2014 and 2015 (\$561.2M for the nuclear facilities, \$31.7M for the previously regulated hydroelectric facilities, and \$58.6M for the newly regulated hydroelectric facilities) underpinning the two-year revenue requirement approved by the Board. With respect to OPG’s forecast other post employment benefit plan payments (including the long-term disability benefit plan), the monthly reference amount shall be 1/24 of the total forecast benefit payments of \$185.4M for 2014 and 2015 (\$159.8M for the nuclear facilities, \$9.0M for previously regulated hydroelectric facilities, and \$16.7M for the newly regulated hydroelectric facilities) underpinning the two-year revenue requirement approved by the Board. The resulting monthly reference amount shall be \$27.15M for OPG’s registered pension plan contributions (\$23.38M for the nuclear facilities, \$1.32M for the previously regulated hydroelectric facilities, and \$2.44M for the newly regulated hydroelectric facilities) and \$7.73M for OPG’s other post employment benefit plan payments (\$6.66M for the nuclear facilities, \$0.38M for the previously regulated hydroelectric facilities, and \$0.69M for the newly regulated hydroelectric facilities).

OPG shall separately track amounts recorded in this variance account for each of the previously regulated hydroelectric, newly regulated hydroelectric, and nuclear prescribed assets.

Pension & OPEB Cash Versus Accrual Differential Deferral Account

The Pension & OPEB Cash Versus Accrual Differential Deferral Account will record differences between (i) OPG’s actual pension and OPEB costs for its prescribed generating facilities determined using the accrual accounting method applied in OPG’s audited consolidated financial statements, and (ii) OPG’s actual registered pension plan contributions and other post employment benefit plan payments (including the long-term disability benefit plan) attributed to OPG’s prescribed generating facilities. The deferral account shall also record any associated income tax impacts.

OPG shall separately track amounts recorded in this deferral account for each of the previously regulated hydroelectric, newly regulated hydroelectric, and nuclear prescribed assets. No interest shall be recorded on the balance of this account.

INTEREST

Except where otherwise stated, effective November 1, 2014, OPG shall record interest on the balances in all deferral and variance accounts using the interest rates set by the Board from time to time pursuant to the Board's interest rate policy. OPG shall apply simple interest to the opening monthly balance of the accounts until the balances are fully recovered or refunded.