

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, 2014.

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*, for an order or orders approving the payment amounts and payment riders for generating facilities prescribed under Ontario Regulation 53/05 ("O. Reg. 53/05"), as amended, of the Act for the period from January 1, 2014 through December 31, 2015, and for the period from July 1, 2014 through December 31, 2015 for generating facilities proposed to be prescribed under O. Reg. 53/05, or for such other period determined to be appropriate by the OEB.
3. OPG also seeks an order of the OEB declaring the current payment amounts interim effective January 1, 2014 for the currently prescribed hydroelectric and nuclear facilities and July 1, 2014 for the hydroelectric facilities proposed to be prescribed, if the order or orders approving the payment amounts are not implemented by January 1, 2014 for the currently prescribed hydroelectric and nuclear facilities or July 1, 2014, for the hydroelectric facilities proposed to be prescribed.
4. For the purposes of section 6 (1) of O. Reg. 53/05, OPG requests that the OEB use a forecast cost of service methodology to approve payment amounts for the test period

January 1, 2014 to December 31, 2015 as established in EB-2006-0064, "A Regulatory Methodology for Setting Payment Amounts for the Prescribed Generation Assets of Ontario Power Generation Inc." and EB-2011-0286 "Filing Guidelines for Ontario Power Generation."

5. OPG is seeking approval for disposition of the balances as of December 31, 2013 in certain of its deferral and variance accounts. The recovery of approved balances would be via separate payment riders for the nuclear and regulated hydroelectric accounts. OPG is also seeking an order continuing deferral and variance accounts during the test period.

6. To achieve the revenue requirement and disposition of the balances in the deferral and variance accounts, OPG is seeking payment amounts and riders as follows:

- Effective January 1, 2014 for the previously regulated hydroelectric facilities, \$44.20/MWh for the average hourly net energy production (MWh) from the previously regulated facilities in any given month (the "hourly volume") for each hour of that month. Production over the hourly volume will receive the market price from the Independent Electricity System Operator ("IESO")-administered energy market, adjusted as described at Ex. E1-2-1. Where production from the previously regulated hydroelectric facilities is less than the hourly volume, OPG's revenues will be adjusted by the difference between the hourly volume and the actual net energy production at the market price from the IESO-administered market adjusted as described at Ex. E1-2-1.
- Effective July 1, 2014 for the proposed to be prescribed (hereafter referred to as "newly regulated") hydroelectric facilities, \$47.08/MWh for the average hourly net energy production (MWh) from the newly regulated facilities in any given month (the "hourly volume") for each hour of that month. Production over the hourly volume will receive the market price from the Independent Electricity System Operator ("IESO")-administered energy market adjusted as described at Ex. E1-2-1. Where production from the newly regulated hydroelectric facilities is less than the hourly volume, OPG's

1 revenues will be adjusted by the difference between the hourly volume and the actual
2 net energy production at the market price from the IESO-administered market
3 adjusted as described at Ex. E1-2-1.
4

- 5 • Approval for recovery of audited balances in certain of the previously regulated
6 hydroelectric variance accounts, currently projected to be \$120.1M and beginning
7 January 1, 2015, a disposition at a rate of \$3.11/MWh for the output from the
8 previously regulated hydroelectric facilities.
9

- 10 • Effective January 1, 2014 for the nuclear facilities, a payment amount of
11 \$66.99/MWh.
12

- 13 • Approval for recovery of audited balances in certain of the nuclear variance and
14 deferral accounts, currently projected to be \$73.1M, and beginning January 1, 2015,
15 a disposition at a rate of \$1.52/MWh, for the output from the nuclear facilities.
16

17 7. The Application will be supported by written and oral evidence. The written evidence filed
18 by OPG may be supplemented or amended from time to time by OPG prior to the OEB's
19 final decision on the Application.
20

21 8. OPG further applies to the OEB pursuant to the provisions of the Act and the OEB Rules
22 of Practice and Procedure for such orders and directions as may be necessary in relation
23 to the Application and the proper conduct of this proceeding.
24

25 9. The persons affected by this Application are all electricity consumers in Ontario. It is
26 impractical to set out the names and addresses of the consumers because they are too
27 numerous.
28

29 10. OPG requests that copies of all documents filed with the OEB by each party to this
30 Application along with copies of all comments filed with the OEB in accordance with Rule

24 of the OEB Rules of Practice and Procedure be served on the applicant and the applicant's counsel as follows:

(a) The applicant: Colin Anderson
Director, Ontario Regulatory Affairs
Ontario Power Generation Inc.

Mailing address: H18 G2
700 University Avenue
Toronto ON M5G 1X6

Telephone: 416-592-3326

Facsimile: 416-592-8519

Electronic mail: opgregaffairs@opg.com

(b) The applicant's Counsel: Charles Keizer
Torys LLP

Mailing address: 79 Wellington St. W.
PO Box 270
Toronto Dominion Centre
Toronto ON M5K 1N2

Telephone: 416-865-0040

Facsimile: 416-865-7380

Electronic mail: ckeizer@torys.com

(c) The applicant's Counsel: Carlton D. Mathias
Ontario Power Generation Inc.

Mailing address: H18 A24
700 University Avenue
Toronto ON M5G 1X6

Telephone: 416-592-4964

Facsimile: 416-592-1466

Electronic mail: carlton.mathias@opg.com

Dated at Toronto, Ontario, this 27th day of September, 2013.

Ontario Power Generation Inc.

[Original signed by]

Charles Keizer

Torys LLP