

1 **SUMMARY OF OEB DIRECTIVES AND UNDERTAKINGS**
2 **FROM PREVIOUS PROCEEDINGS**

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4 This exhibit discusses OPG's responses to OEB directives to OPG from previous
5 proceedings, namely:

- 6 • The Decision and Order on OPG's application for payment amounts for the
7 prescribed facilities (EB-2010-0008).
- 8 • The Decision and Order on OPG's Motion to Review and Vary (EB-2011-0090).
- 9 • The Decision and Order on OPG's application related to deferral and variance
10 accounts and the adoption of USGAAP for regulatory accounting purposes (EB-
11 2012-0002)

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13 **UPDATE**

14 The tables below identify the OEB directives from the above noted proceedings and the
15 exhibit number(s) in this application where OPG's evidence discusses the responses to
16 the directives.

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Table 1
Directions from Decision with Reasons for OPG's Application for Payment
Amounts
for the Prescribed Facilities (EB-2010-0008)

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
3	REGULATED HYDROELECTRIC			
3.3.1	28	Niagara Tunnel	The Board will expect OPG to file Project Execution Plans, as well as any other progress reports completed over the duration of the project, at the time of the prudence review.	Ex. D1-2-1
4	NUCLEAR			
4.2	45 to 46	Nuclear Benchmarking	OPG to continue undertaking the benchmarking work and to produce a report to be filed with the next cost of service application.	Ex. F2-1-1
			OPG to conduct an examination of staffing levels as part of its next benchmarking study.	Ex. F2-1-1 Ex. F5-1-1
			The Board expects to review in the next application the initiatives OPG has taken and intends to take to improve Forced Loss Rate ("FLR").	Ex. F2-1-1
4.3.2	52	Pickering B Continued Operations	The Board expects OPG to address the specifics of the benefits analysis including the unit capability factors, the price used for comparative purposes and the absence of a contingency component in the cost estimate, more fully in its next application.	Ex. F2-2-3
4.3.3	55	Nuclear Fuel	OPG to file an external review of nuclear fuel procurement as part of its next application.	Ex. F2-5-1 Ex. F5-2-1

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
4.4	59	Nuclear Rate Base	Gross plant and accumulated depreciation for asset retirement costs ("ARC") to be separately identified in rate base evidence in the next application, to improve transparency for regulatory purposes.	Ex. B1-1-1
5	DARLINGTON REFURBISHMENT			
5.1	71 to 72	Darlington Refurbishment Project ("DRP")	The Board expects OPG to file updated information on its progress for examination in the next proceeding.	Ex. D2-2-1
			The Board expects that in future payments cases the business case will be updated.	Ex. D2-2-1
6	CORPORATE COSTS			
6.1	84 to 88	Compensation	OPG to present staff information on an FTE basis in the next application and restate historical years on that basis.	Ex. F4-3-1
			The Board will examine the issue of overtime more closely in the next proceeding, and expects OPG to demonstrate that it has optimized the mix of potential staffing resources.	Ex. F2-2-1 Ex. F2-4-1 Ex. F4-3-1
			OPG to conduct an independent compensation benchmarking study to be filed with the next application. The study should compare OPG's total compensation with broadly comparable organizations and cover a significant proportion of its positions. Consultation with Board staff and stakeholders concerning the scope of the study, in advance of issuing a Terms of Reference, is advised.	Ex. F4-3-1 Ex. F5-4-1

Decision Chapter/ Section	Pg. No.	Issue	OEB Decision / Directive	Reference Exhibit In OPG Evidence
6.2	91	Pension and Other Post Employment Benefits ("OPEB")	OPG to provide a fuller range and discussion of alternatives to the use of AA bond yields to forecast discount rates in its next application.	Ex. F4-3-1
6.4	97	Depreciation	OPG to file an independent depreciation study at the next proceeding.	Ex. F4-1-1 Ex. F5-3-1
11	DESIGN AND DETERMINATION OF PAYMENT AMOUNTS			
11.2	148	Hydroelectric Incentive Mechanism ("HIM")	OPG to re-address the HIM structure in its next application. Specifically provide a more comprehensive analysis of the benefits of the HIM for ratepayers, the interaction between the mechanism and SBG, and an assessment of potential alternative approaches in light of expected future conditions in the contracted and traded market.	Ex. E1-2-1
13	METHODOLOGIES FOR SETTING PAYMENT AMOUNTS			
	156	Methodologies for Setting Payment Amounts	OPG to provide a proposed work plan and status report for an independent productivity study as part of its 2013 and 2014 cost of service application, which would be expected in early 2012.	Ex. A3-1-1

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Table 2
Actions from Decision and Order on Motion to Review and Vary (EB-2011-0090)

Page No.	OEB Decision / Directive	Reference Exhibit in OPG Evidence
15	OPG shall establish a variance account called the Pension and OPEB Cost Variance Account to be effective as of March 1, 2011.	Ex. H1-1-1

Table 3
Actions from Decision and Order on OPG's application related to deferral and variance accounts and the adoption of USGAAP for regulatory accounting purposes (EB-2012-0002)

Page No.	OEB Decision / Directive	Reference Exhibit in OPG Evidence
7	OPG shall establish and make entries into a variance account called the Pickering Life Extension Depreciation Variance Account to be effective as of January 1, 2013.	Ex. H1-1-1
7	OPG shall file an accounting order application with the Board and provide notice to intervenors of record in EB-2012-0002 if, other than as a result of an Ontario Nuclear Funds Agreement Reference Plan update, OPG proposes to effect an accounting change impacting the calculation of its Nuclear Liabilities that results in a revenue requirement impact for the prescribed facilities that is neither reflected in the current or proposed payment amounts nor recorded in the Nuclear Liability Deferral Account (including, without limitation, any change in the useful lives of any asset for depreciation or amortization purposes). OPG shall not be required to apply for such accounting orders if the impact on the annualized revenue requirement impact for the prescribed facilities is less than \$10M.	Ex. H1-3-1