

1 Adam Beck Pump Generating Station, DeCew Falls I, DeCew Falls II, and R.H. Saunders
2 Generating Stations (together the “regulated hydroelectric facilities”) and \$53.00/MWh for
3 the output of Pickering A Generating Station, Pickering B Generating Station, and
4 Darlington Generating Station (together the “nuclear facilities”), all subject to adjustment
5 once final payment amounts are determined. These interim payment amounts are
6 calculated based on 50 percent recovery of the test period revenue deficiency on a unit of
7 energy basis. During the period of interim rates, OPG expects to retain the hydroelectric
8 incentive mechanism under O. Reg. 53/05 under which the output from the regulated
9 hydroelectric facilities in excess of 1900 MWh in any hour receives market price.

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11 5. OPG is seeking approval for disposition of the balances in the deferral and variance
12 accounts, using a payment rider for the nuclear accounts and as part of the payment
13 amount for the regulated hydroelectric facilities. OPG is also seeking an order continuing
14 and/or establishing deferral and variance accounts during the test period.

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

- 18 • For the regulated hydroelectric facilities, \$37.90/MWh for the average hourly net
19 energy production (MWh) from the regulated facilities in any given month (the “hourly
20 volume”) for each hour of that month. Production over the hourly volume will receive
21 the market price from the Independent Electricity System Operator (“IESO”) –
22 administered energy market. Where production from the regulated hydroelectric
23 facilities is less than the hourly volume, OPG’s revenues will be adjusted by the
24 difference between the hourly volume and the actual net energy production at the
25 market price from the IESO - administered market.
- 26 • For disposition of the regulated hydroelectric variance account, recovery of \$0.7M by
27 including this amount in the revenue requirement used to calculate the hydroelectric
28 payment amount.
- 29 • For the nuclear facilities, a payment amount of \$58.2M/month plus \$41.50/MWh for
30 the output generated from the nuclear facilities.

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