# CLEARANCE OF DEFERRAL AND VARIANCE ACCOUNTS

## 1.0 PURPOSE

This evidence describes OPG's proposed approach for clearing the audited December 31, 2019 balances in the company's deferral and variance accounts ("D&V accounts").

## 2.0 SUMMARY

OPG is requesting recovery of the audited December 31, 2019 balances in the D&V accounts, less amortization amounts previously approved by the OEB in EB-2016-0152 (for 2020) and EB-2018-0243 (for 2020-2021), together with the income tax impacts associated with the recovery of the Pension & OPEB Cash Versus Accrual Differential Deferral Account,[1] through payment amount riders effective from January 1, 2022 until December 31, 2026. As outlined in Ex. H1-1-1, OPG proposes to dispose of balances in all D&V accounts, with the exception of the Fitness for Duty Deferral Account, the Rate Smoothing Deferral Account, a small portion of the Nuclear Development Variance Account,[2] and certain components of the Capacity Refurbishment Variance Account ("CRVA").[3] Audited balances at December 31, 2019 are presented at Ex. H1-1-1, Table 1, and discussed at Ex. H1-1-1.

Section 3.0 describes the methodology for the proposed recovery of the balances in the D&V accounts and the income tax impacts associated with the recovery of the Pension & OPEB Cash Versus Accrual Differential Deferral Account. Section 4.0 describes the proposed recovery periods for the regulated hydroelectric and nuclear D&V account balances. Section 5.0 describes the payment riders proposed for the recovery of these balances.

## 3.0 METHODOLOGY

OPG proposes to calculate separate hydroelectric and nuclear payment riders for the period

[1] The recovery of the income tax impacts associated with the recovery of the Pension & OPEB Cash Versus Accrual Differential Deferral Account is consistent with the approach reflected in EB-2018-0243.
[2] OPG is proposing to defer clearance of the portion related to preliminary planning and preparation costs incurred for the proposed nuclear small modular reactor generating station at the Darlington site.
[3] OPG is proposing to clear portions of the CRVA for the following balances: (1) Non-Darlington Refurbishment Program ("DRP") nuclear variances; (2) Accelerated Investment Incentive CCA variances for DRP; and (3) the D2O Storage Project. OPG is proposing to defer clearance of all other DRP variances, and the hydroelectric portion.

from January 1, 2022 to December 31, 2026 in the form of $/MWh rates consistent with the form of payment rider approved in decisions and payment amounts orders in prior OPG proceedings.

The approach OPG has used to calculate the proposed hydroelectric and nuclear payment riders is consistent with the methodology previously approved by the OEB. Under this approach, OPG calculates each rider separately using the following three steps. First, a recovery period is determined for each account to be cleared. Second, based on each account's recovery period and the audited balance in the account less any amortization already approved, the amount to be amortized in each year of the period is determined. Finally, the total amount to be amortized each year for all balances is divided by annual energy production volumes to determine the payment riders in each year.

Consistent with EB-2018-0243, OPG proposes to calculate the hydroelectric payment amount rider using the average of the 2014 and 2015 OEB-approved hydroelectric production.[4] For calculating the nuclear payment amount rider, OPG proposes to use the 2022-2026 nuclear production forecast approved in this application. Any differences between the production amounts used to set the payment amount riders and actual production will continue to be addressed by entries into the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account and Nuclear Deferral and Variance Over/Under Recovery Variance Account.

## 4.0 RECOVERY PERIODS

With the exception of components of the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the portion of the Bruce Lease Net Revenues Variance Account – Non-Derivative Sub-Account approved in EB-2018-0243, OPG proposes to recover the D&V account balances, on a straight-line basis, over the three-year period January 1, 2022 to December 31, 2024. As discussed below, OPG proposes to recover certain components of

[4] EB-2013-0321 Decision with Reasons, p. 9.

the Pension & OPEB Cash Versus Accrual Differential Deferral Account, on a straight-line basis, over the five-year period January 1, 2022 to December 31, 2026.[5]

A three-year recovery period for the majority of the D&V account balances in this application would be consistent with the recovery periods for the D&V account balances approved in EB-2016-0152 and for the majority of accounts in the approved settlement proposal in EB-2018-0243.

As discussed in Ex. H1-1-1, Section 5.11, the Pension & OPEB Cash Versus Accrual Differential Deferral Account comprises three components:

- Pursuant to the EB-2018-0243 approved settlement proposal, the first component, EB-2018-0243 Non-Registered Pension Plan balance (nuclear and regulated hydroelectric), and its associated income tax impacts, are to be recovered over the 6-year period to December 31, 2024.[6] The remaining balance (after 2020 and 2021 amortization) is $204.3M ($153.2M in the account and $51.1M in associated income tax impacts).[7] OPG has reflected continuation of the approved amortization period for this balance in this application, which aligns with the three-year recovery period proposed for the majority of the other D&V accounts.
- The second component, EB-2018-0243 Registered Pension Plan balance (nuclear and regulated hydroelectric), and its associated income tax impact were agreed to by the parties through the EB-2018-0243 approved settlement proposal but their recovery was deferred to this application; there is no recovery period stipulated in the settlement proposal for this component.[8] The balance as at December 31, 2019 is $409.7M

[5] As identified in EB-2015-0040 (OPG Submission on Pension and OPEB Cost Recovery, dated September 22, 2016, pp. 12, 14-15; KPMG Report, pp. 75-76 and 155-156) and discussed in EB-2018-0243 (Ex. JT1.7), US GAAP include restrictions on the pattern of recovery related to regulatory balances for OPEB costs that must be met in order to avoid writing off the corresponding regulatory assets recognized in the company's financial statements. The provisions are generally intended to restrict against "back-end loading" of recoveries within the stipulated period and explicitly state that a straight-line pattern of recovery would be compliant with this requirement.
[6] EB-2018-0243, Ex. M1, p. 10.
[7] The remaining balance in the account per Ex. H1-2-1, Table 1, line 11, col. (d) and Ex. H1-2-1, Table 2, line 16, col. (d). Tax impacts per Ex. H1-2-1, Table 1, line 18, col. (d) and Ex. H1-2-1, Table 2, line 27, col. (d).
[8] EB-2018-0243, Ex. M1, p. 10.

($307.3M in the account and $102.5M in associated income tax impacts).[9]

- The third component, Post-2017 Additions balance (nuclear and regulated hydroelectric), was recorded subsequent to EB-2018-0243. Its balance as at December 31, 2019 is $429.7M ($322.3M in the account and $107.4M in associated income tax impacts).[10,11]

OPG proposes to align the recovery period for the EB-2018-0243 Registered Pension Plan component and its associated income tax impacts, and the Post-2017 Additions component and its associated income tax impacts, to the full IR term, January 1, 2022 to December 31, 2026. The resulting five-year recovery period would be close to the six-year recovery period for the EB-2018-0243 Non-Registered Pension Plan component.

For the remaining EB-2018-0243 balance of $105.3M (after 2020 and 2021 amortization) in the Bruce Lease Net Revenues Variance Account – Non Derivative Sub-Account, OPG has reflected continuation of the approved amortization period to December 31, 2026.[12]

In line with the EB-2012-0002 approved settlement proposal, the recovery period for the Pension and OPEB Cost Variance Account (Future Recovery) balance (nuclear and regulated hydroelectric) to December 31, 2024 was approved in prior OEB decisions and orders, as described in the EB-2016-0152 Payment Amounts Order.[13] The three-year clearance period proposed for the majority of the other D&V accounts in this application is consistent with this timeframe.

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[9] The balance in the account per Ex. H1-2-1, Table 1, line 10, col. (d) and Ex. H1-2-1, Table 2, line 15, col. (d). Tax impacts per Ex. H1-2-1, Table 1, line 17, col. (d) and Ex. H1-2-1, Table 2, line 26, col. (d).
[10] The balance in the account per Ex. H1-2-1, Table 1, line 12, col. (d) and Ex. H1-2-1, Table 2, line 17, col. (d). Tax impacts per Ex. H1-2-1, Table 1, line 19, col. (d) and Ex. H1-2-1, Table 2, line 28, col. (d).
[11] As discussed in EB-2018-0243 (Ex. F1-1-1), EB-2016-0152 (Ex. F4-2-1, Section 3.2.5) and EB-2013-0321 (Ex. F4-2-1, Section 3.3.5) and as reflected in the regulatory income taxes approved in previous OPG payment amounts proceedings that used the accrual accounting method of recovery, pension and OPEB accrual costs are not deductible for income tax purposes under the *Income Tax Act* (Canada), while the cash amounts are deductible. Therefore, OPG incurs incremental income taxes as a result of recovering the accrual accounting costs for pension and OPEB, less the cash amounts. As there is no incremental income tax benefit (i.e., deduction) available to be passed on to ratepayers in connection with the inclusion of the accrual costs, the recovery of the Pension & OPEB Cash Versus Accrual Differential Deferral gives rise to an income tax impact for recovery from customers.
[12] Per Ex. H1-2-1 Table 2, col. (f), line 10. The total approved recovery period of eight years from January 1, 2019 to December 31, 2026 is per EB-2018-0243, Ex. M1, Att. A, Table 2, line 8.
[13] EB-2016-0152 Payment Amounts Order, App. G, p. 11.

## 5.0 PAYMENT RIDERS

The calculation of the Hydroelectric Payment Rider is shown in Ex. H1-2-1, Table 1, while the Nuclear Payment Rider calculation is shown in Ex. H1-2-1, Table 2. In both tables, the 2019 audited D&V account balances (col. a) less the 2020 amortization approved in EB-2016-0152 (col. b) and 2020-2021 amortization approved in EB-2018-0243 (col. c) results in the balance available for recovery (col. d). Amounts deferred to future applications are removed from this balance (col. e), resulting in the amounts proposed for recovery in this application (col. f). The recovery terms described in Section 4.0 (col. g) are used to determine the amount to be amortized in each year of the 2022-2026 period for which D&V account riders are proposed, as discussed in Section 3.0. Remaining unamortized balances as at December 31, 2026 are also provided (col. l) to illustrate full disposition of balances available for recovery.

The proposed Hydroelectric Payment Rider is calculated using the amounts available for recovery in each year, comprising the total of hydroelectric D&V account amortizations in the year and the income tax impacts associated with the recovery of the hydroelectric component of the Pension & OPEB Cash Versus Accrual Differential Deferral Account, divided by the average of the 2014 and 2015 OEB-approved hydroelectric production, as set out in Section 3.0. The resulting rider in effect would be $1.33/MWh from January 1, 2022 to December 31, 2024, and $0.69/MWh from January 1, 2025 to December 31, 2026.

The proposed Nuclear Payment Rider is calculated using the amounts available for recovery in each year, comprising the total of nuclear D&V account amortizations in the year and the income tax impacts associated with the recovery of the nuclear component of the Pension & OPEB Cash Versus Accrual Differential Deferral Account, divided by the proposed production forecast for the nuclear facilities, as set out in Section 3.0. The resulting riders would be as follows:

- From January 1, 2022 to December 31, 2022, the rider in effect would be $2.34/MWh.
- From January 1, 2023 to December 31, 2023, the rider in effect would be $2.52/MWh.
- From January 1, 2024 to December 31, 2024, the rider in effect would be $2.33/MWh.
- From January 1, 2025 to December 31, 2025, the rider in effect would be $5.50/MWh.
- From January 1, 2026 to December 31, 2026, the rider in effect would be $7.72/MWh.

Numbers may not add due to rounding.



Table 1

Calculation of Deferral and Variance Account Recovery Payment Rider - Regulated Hydroelectric ($M)

| Line No. | Account | Note | Audited Year End Balance 2019 | EB-2016-0152 OEB-Approved Amortization (2020) | EB-2018-0243 OEB-Approved Amortization (2020-2021) | (a)-(b)-(c) 2019 Balance Less Approved Amortization | Amounts Deferred to Future Applications | (d)-(e) Amounts Recoverable in Current Application | Recovery Period (months) | Amortization Jan - Dec 2022 | Amortization Jan - Dec 2023 | Amortization Jan - Dec 2024 | Amortization Jan - Dec 2025 | Amortization Jan - Dec 2026 | (h)+(i)+(j) Amortization | (d)-(k) Unamortized Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) |
| | | | Note 1 | Note 2 | Note 3 | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| 1 | **Hydroelectric Water Conditions Variance** | | (215.8) | (6.1) | (100.6) | (109.1) | 0.0 | (109.1) | 36 | (36.4) | (36.4) | (36.4) | 0.0 | 0.0 | (109.1) | 0.0 |
| 2 | **Ancillary Services Net Revenue Variance - Hydroelectric** | | (62.1) | (4.6) | (24.1) | (33.4) | 0.0 | (33.4) | 36 | (11.1) | (11.1) | (11.1) | 0.0 | 0.0 | (33.4) | 0.0 |
| 3 | **Hydroelectric Incentive Mechanism Variance** | | (0.0) | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 36 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 4 | **Hydroelectric Surplus Baseload Generation Variance** | | 447.7 | 28.9 | 210.5 | 208.3 | 0.0 | 208.3 | 36 | 69.4 | 69.4 | 69.4 | 0.0 | 0.0 | 208.3 | 0.0 |
| 5 | **Income and Other Taxes Variance - Hydroelectric** | | (2.6) | (0.0) | 0.0 | (2.6) | 0.0 | (2.6) | 36 | (0.9) | (0.9) | (0.9) | 0.0 | 0.0 | (2.6) | 0.0 |
| 6 | **Capacity Refurbishment Variance - Hydroelectric** | 11 | 26.2 | 1.1 | 0.0 | 25.0 | 25.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 25.0 |
| 7 | **Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account** | | 8.2 | 0.0 | 4.4 | 3.8 | 0.0 | 3.8 | 36 | 1.3 | 1.3 | 1.3 | 0.0 | 0.0 | 3.8 | 0.0 |
| 8 | **Pension and OPEB Cost Variance - Hydroelectric - Future** | 9 | 6.3 | 0.7 | 2.4 | 3.2 | 0.0 | 3.2 | 36 | 1.1 | 1.1 | 1.1 | 0.0 | 0.0 | 3.2 | 0.0 |
| 9 | **Pension and OPEB Cost Variance - Hydroelectric - Post 2012 Additions** | | 15.3 | 4.1 | 11.2 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 10 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Registered Pension Plan (RPP) - EB-2018-0243 Approved** | 8 | 41.3 | 0.0 | 0.0 | 41.3 | 0.0 | 41.3 | 60 | 8.3 | 8.3 | 8.3 | 8.3 | 8.3 | 41.3 | 0.0 |
| 11 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Non - RPP - EB-2018-0243 Approved** | 10 | 34.9 | 0.0 | 14.0 | 21.0 | 0.0 | 21.0 | 36 | 7.0 | 7.0 | 7.0 | 0.0 | 0.0 | 21.0 | 0.0 |
| 12 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2017 Additions** | | 44.1 | 0.0 | 0.0 | 44.1 | 0.0 | 44.1 | 60 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 44.1 | 0.0 |
| 13 | **Pension & OPEB Cash Payment Variance - Hydroelectric** | | (59.9) | 1.5 | (22.8) | (38.6) | 0.0 | (38.6) | 36 | (12.9) | (12.9) | (12.9) | 0.0 | 0.0 | (38.6) | 0.0 |
| 14 | **Pension and OPEB Forecast Accrual versus Actual Cash Differential - Carrying Charges - Hydroelectric** | | (0.1) | 0.0 | 0.0 | (0.1) | 0.0 | (0.1) | 36 | (0.0) | (0.0) | (0.0) | 0.0 | 0.0 | (0.1) | 0.0 |
| 15 | **Hydroelectric Deferral and Variance Over/Under Recovery Variance** | | 17.3 | 4.7 | 9.2 | 3.4 | 0.0 | 3.4 | 36 | 1.1 | 1.1 | 1.1 | 0.0 | 0.0 | 3.4 | 0.0 |
| 16 | **Total** | | 300.8 | 30.4 | 104.1 | 166.3 | 25.0 | 141.3 | | 35.7 | 35.7 | 35.7 | 17.1 | 17.1 | 141.3 | 25.0 |
| 17 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - RPP - EB-2018-0243 Approved** | 5, 8 | | | | 13.8 | 0.0 | 13.8 | 60 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 13.8 | 0.0 |
| 18 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Non RPP - EB-2018-0243 Approved** | 6,10 | | | | 7.0 | 0.0 | 7.0 | 36 | 2.3 | 2.3 | 2.3 | | | 7.0 | 0.0 |
| 19 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2017 Additions** | 7 | | | | 14.7 | 0.0 | 14.7 | 60 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 14.7 | 0.0 |
| 20 | **Total Recoverable Amount** | | | | | 201.8 | 25.0 | 176.8 | | 43.7 | 43.7 | 43.7 | 22.8 | 22.8 | 176.8 | 25.0 |
| | | | | | | | | | | | | | | | | |
| 21 | **Forecast Production (TWh)** | 4 | | | | | | | | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | | |
| | | | | | | | | | | | | | | | | |
| 22 | **Regulated Hydroelectric Payment Rider ($/MWh)** (line 22 / line 23) | | | | | | | | | 1.33 | 1.33 | 1.33 | 0.69 | 0.69 | | |

Notes:

1 From Ex. H1-1-1 Table 1, col (c).
2 From EB-2016-0152 PAO, App. D, Table 1, col. (g).
3 From EB-2018-0243, Settlement Proposal, Attatchment A, Table 1, cols. (j) and (k), which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019.
4 From EB-2016-0152 PAO, App. I, Table 2, line 3.
5 Calculated as: line 10 * tax rate / (1 - tax rate) = line 10 * (0.25 / 0.75). Tax rate from Ex. F4-2-1, Table 3a, line 31.
6 Calculated as: line 11 * tax rate / (1 - tax rate) = line 11 * (0.25 / 0.75). Tax rate from Ex. F4-2-1, Table 3a, line 31.
7 Calculated as: line 12 * tax rate / (1 - tax rate) = line 11 * (0.25 / 0.75). Tax rate from Ex. F4-2-1, Table 3a, line 31.
8 The Dec 31, 2017 balance of the Pension & OPEB Cash Vs Accrual Differential Account related to Hydroelectric - RPP and the associated income tax impacts which totalled $55.1M was accepted as part of the EB-2018-0243 Settlement Proposal (p. 10). The recovery was deferred to this application.
9 Amortized over the period to December 31, 2024 as per EB-2018-0243 Settlement Proposal, Attachment A, Table 1, which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019.
10 Amortized over the 72 month period from January 1, 2019 to December 31, 2024 as per EB-2018-0243 Settlement Proposal, Attachment A, Table 1, which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019. As part of the settlement, riders were approved to recover $20.9M, of which $14.0M relates to amortization in 2020 and 2021.
11 Clerance of balances is proposed to be deferred to a future application.

Numbers may not add due to rounding.



Table 2
Calculation of Deferral and Variance Account Recovery Payment Rider - Nuclear ($M)

| Line No. | Account | Note | Audited Year End Balance 2019 | EB-2016-0152 OEB-Approved Amortization (2020) | EB-2018-0243 OEB-Approved Amortization (2020-2021) | (a)-(b)-(c) 2019 Balance Less Approved Amortization | Amounts Deferred to Future Applications | (d)-(e) Amounts Recoverable in Current Application | Recovery Period (months) | Amortization Jan - Dec 2022 | Amortization Jan - Dec 2023 | Amortization Jan - Dec 2024 | Amortization Jan - Dec 2025 | Amortization Jan - Dec 2026 | (h)+(i)+(j) Amortization | (d)-(k) Unamortized Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) |
| | | | Note 1 | Note 2 | Note 3 | | | | | | | | | | | |
| 1 | **Nuclear Liability Deferral** | | 12.4 | 0.0 | 12.4 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2 | **Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account** | | (92.3) | 0.0 | (92.3) | 0.0 | 0.0 | 0.0 | 36 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 3 | **Nuclear Development Variance** | 12 | 5.2 | 0.6 | 0.2 | 4.4 | 0.7 | 3.7 | 36 | 1.2 | 1.2 | 1.2 | 0.0 | 0.0 | 3.7 | 0.7 |
| 4 | **Ancillary Services Net Revenue Variance - Nuclear** | | (1.1) | 0.3 | 2.2 | (3.6) | 0.0 | (3.6) | 36 | (1.2) | (1.2) | (1.2) | 0.0 | 0.0 | (3.6) | 0.0 |
| 5 | **Capacity Refurbishment Variance - Nuclear - DRP - Excluding D2O** | 13 | 38.3 | (17.4) | 0.0 | 55.6 | 55.6 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 55.6 |
| 6 | **Capacity Refurbishment Variance - Nuclear - Non-DRP** | 14 | (102.9) | (6.8) | 0.0 | (96.1) | 0.0 | (96.1) | 36 | (32.0) | (32.0) | (32.0) | 0.0 | 0.0 | (96.1) | 0.0 |
| 7 | **Capacity Refurbishment Variance - Nuclear - Accelerated Investment Incentive CCA - DRP** | | (19.2) | 0.0 | 0.0 | (19.2) | 0.0 | (19.2) | 36 | (6.4) | (6.4) | (6.4) | 0.0 | 0.0 | (19.2) | 0.0 |
| 8 | **Capacity Refurbishment Variance - Nuclear - D2O** | | 58.1 | 0.0 | 0.0 | 58.1 | 0.0 | 58.1 | 36 | 19.4 | 19.4 | 19.4 | 0.0 | 0.0 | 58.1 | 0.0 |
| 9 | **Bruce Lease Net Revenues Variance - Derivative Sub-Account** | | (26.9) | (24.0) | (0.7) | (2.2) | 0.0 | (2.2) | 36 | (0.7) | (0.7) | (0.7) | 0.0 | 0.0 | (2.2) | 0.0 |
| 10 | **Bruce Lease Net Revenues Variance - Non-Derivative Sub-Account - EB-2018-0243/EB-2016-0152 Approved** | 11 | 168.8 | 7.2 | 56.4 | 105.3 | 0.0 | 105.3 | 60 | 21.1 | 21.1 | 21.1 | 21.1 | 21.1 | 105.3 | 0.0 |
| 11 | **Bruce Lease Net Revenues Variance - Non-Derivative Sub-Account - Post-2017 Additions** | | 23.1 | 0.0 | 0.0 | 23.1 | 0.0 | 23.1 | 36 | 7.7 | 7.7 | 7.7 | 0.0 | 0.0 | 23.1 | 0.0 |
| 12 | **Income and Other Taxes Variance - Nuclear** | | (21.1) | (1.5) | (5.1) | (14.5) | 0.0 | (14.5) | 36 | (4.8) | (4.8) | (4.8) | 0.0 | 0.0 | (14.5) | 0.0 |
| 13 | **Pension and OPEB Cost Variance - Nuclear - Future** | 9 | 136.9 | 15.0 | 57.5 | 64.4 | 0.0 | 64.4 | 36 | 21.5 | 21.5 | 21.5 | 0.0 | 0.0 | 64.4 | 0.0 |
| 14 | **Pension and OPEB Cost Variance - Nuclear - Post 2012 Additions** | | 331.5 | 79.2 | 252.4 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 15 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Registered Pension Plan (RPP) - EB-2018-0243 Approved** | 8 | 266.0 | 0.0 | 0.0 | 266.0 | 0.0 | 266.0 | 60 | 53.2 | 53.2 | 53.2 | 53.2 | 53.2 | 266.0 | 0.0 |
| 16 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Non - RPP - EB-2018-0243 Approved** | 10 | 220.4 | 0.0 | 88.2 | 132.2 | 0.0 | 132.2 | 36 | 44.1 | 44.1 | 44.1 | 0.0 | 0.0 | 132.2 | 0.0 |
| 17 | **Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2017 Additions** | | 278.2 | 0.0 | 0.0 | 278.2 | 0.0 | 278.2 | 60 | 55.6 | 55.6 | 55.6 | 55.6 | 55.6 | 278.2 | 0.0 |
| 18 | **Pension & OPEB Cash Payment Variance - Nuclear** | | (288.6) | 8.2 | (122.6) | (174.2) | 0.0 | (174.2) | 36 | (58.1) | (58.1) | (58.1) | 0.0 | 0.0 | (174.2) | 0.0 |
| 19 | **Pension and OPEB Forecast Accrual versus Actual Cash Differential - Carrying Charges - Nuclear** | | (0.6) | 0.0 | 0.0 | (0.6) | 0.0 | (0.6) | 36 | (0.2) | (0.2) | (0.2) | 0.0 | 0.0 | (0.6) | 0.0 |
| 20 | **Nuclear Deferral and Variance Over/Under Recovery Variance** | | 19.8 | 15.4 | 27.3 | (23.0) | 0.0 | (23.0) | 36 | (7.7) | (7.7) | (7.7) | 0.0 | 0.0 | (23.0) | 0.0 |
| 21 | **Fitness for Duty Deferral** | 13 | 0.5 | 0.0 | 0.0 | 0.5 | 0.5 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| 22 | **SR&ED ITC Variance** | | (15.1) | 0.0 | (3.0) | (12.1) | 0.0 | (12.1) | 36 | (4.0) | (4.0) | (4.0) | 0.0 | 0.0 | (12.1) | 0.0 |
| 23 | **Rate Smoothing Deferral** | 13 | 104.3 | 0.0 | 0.0 | 104.3 | 104.3 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 104.3 |
| 24 | **Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account** | | (245.8) | 0.0 | 0.0 | (245.8) | 0.0 | (245.8) | 36 | (81.9) | (81.9) | (81.9) | 0.0 | 0.0 | (245.8) | 0.0 |
| 25 | **Total** | | 849.8 | 76.3 | 272.7 | 500.8 | 161.1 | 339.7 | | 26.7 | 26.7 | 26.7 | 129.9 | 129.9 | 339.7 | 161.1 |
| 26 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - RPP - EB-2018-0243 Approved** | 5, 8 | | | | 88.7 | 0.0 | 88.7 | 60 | 17.7 | 17.7 | 17.7 | 17.7 | 17.7 | 88.7 | 0.0 |
| 27 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Non RPP - EB-2018-0243 Approved** | 6, 10 | | | | 44.1 | 0.0 | 44.1 | 36 | 14.7 | 14.7 | 14.7 | 0.0 | 0.0 | 44.1 | 0.0 |
| 28 | **Tax on Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2017 Additions** | 7 | | | | 92.7 | 0.0 | 92.7 | 60 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 92.7 | 0.0 |
| 29 | **Total Recoverable Amount** | | | | | 726.3 | 161.1 | 565.2 | | 77.6 | 77.6 | 77.6 | 166.2 | 166.2 | 565.2 | 161.1 |
| 30 | **Forecast Production (TWh)** | 4 | | | | | | | | 33.2 | 30.8 | 33.3 | 30.2 | 21.5 | | |
| 31 | **Nuclear Payment Rider ($/MWh)** (line 30 / line 29) | | | | | | | | | 2.34 | 2.52 | 2.33 | 5.50 | 7.72 | | |

Notes:
1 From Ex. H1-1-1 Table 1, col (c).
2 From EB-2016-0152 PAO, App. E, Table 1, col. (g).
3 From EB-2018-0243, Settlement Proposal, Attatchment A, Table 2, cols. (j) and (k), which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019.
4 From Ex. E2-1-1, Table 1, line 3, cols. (g), (h) and (i).
5 Calculated as: line 15 * tax rate / (1 - tax rate). Tax rate from Ex. F4-2-1, Table 3a, line 31.
6 Calculated as: line 16 * tax rate / (1 - tax rate). Tax rate from Ex. F4-2-1, Table 3a, line 31.
7 Calculated as: line 17 * tax rate / (1 - tax rate). Tax rate from Ex. F4-2-1, Table 3a, line 31.
8 The Dec 31, 2017 balance of the Pension & OPEB Cash Vs Accrual Differential Account related to Nuclear - RPP and the associated income tax impacts which totalled $354.6M was agreed to as part of the EB-2018-0243 Settlement Proposal (p. 10). The recovery was deferred to this application.
9 Amortized over the period to December 31, 2024 as per EB-2018-0243 Settlement Proposal, Attachment A, Table 2, which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019.
10 Amortized over the 72 month period from January 1, 2019 to December 31, 2024 as per EB-2018-0243 Settlement Proposal, Attachment A, Table 2, which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019. As part of the settlement, riders were approved to recover $132.2M, of which $88.2M is amortized in 2020 and 2021.
11 Amortized over the 96 month period from January 1, 2019 to December 31, 2026 as per EB-2018-0243 Settlement Proposal, Attachment A, Table 2, which forms the basis of the payment amounts approved in the Decision and Payment Amounts Order dated February 21, 2019. As part of the settlement, riders were approved to recover $63.2M, of which $56.4M relates to amortization in 2020 and 2021.
12 Clearance of amounts recorded in the Nuclear Development Variance Account related to small modular reactors is proposed to be deferred to a future application.
13 Clearance of balances is proposed to be deferred to a future application.
14 Includes $1.2M related to a project that is not CRVA eligible, incorrectly booked to the account in 2016. This amount will be corrected in 2020, inclusive of all interest that has been charged to ratepayers.