

1 being a low cost provider of electricity in Ontario. As fully discussed in Ex. A4-1-1, by
2 year-end 2015 OPG expects to reduce its 2011 headcount by 2,000 employees
3 through attrition. This decreased headcount is expected to reduce OPG's OM&A by
4 \$700M between 2011 and 2015.¹

- 5 • Safe and reliable operations remain OPG's top priority. Key to meeting this priority is
6 having employees with the appropriate skills and experience. OPG must continue to
7 be able to attract and retain the highly specialized and skilled staff needed to manage
8 and operate its complex generating stations, particularly in the Nuclear business.

9
10 As discussed below in Section 3, OPG uses contract employees and overtime as tools to
11 meet peak work periods. In Nuclear these periods are largely, but not exclusively, associated
12 with outages when base resources are insufficient to meet all of the scheduled work (See
13 Ex.F2-4-1, Section 3.2). OPG also uses overtime for Nuclear base OM&A work to meet peak
14 work requirements, maintain coverage for key staff positions in accordance with licensing
15 requirements; and complete necessary work impacted by short-term absences (See Ex. F2-
16 2-1, Section 3.2). In hydroelectric these resources are used for peak work requirements (e.g.
17 outages and responding to weather events), seasonal work, or to complete necessary work
18 impacted by short-term staff absences or vacancies (See Ex. F1-2-1, Section 3.1.2).

19
20 The remainder of this Exhibit is organized as follows:

21
22 Section 3.0 – OPG's Workforce. This section discusses OPG's workforce, including
23 staffing levels, use of contract employees and overtime, demographics and the extent
24 of unionization.

25
26 Section 4.0 – OPG's Collective Agreements and Labour Relations Environment. This
27 section discusses OPG's collective bargaining agreements, its approach to collective
28 bargaining and the labour relations context in which OPG operates.

¹ Of these figures, approximately 1,300 staff and \$550M are attributable to regulated operations.

Section 5.0 – Management Compensation. This section discusses OPG’s management compensation costs.

Section 6.0 – Pension and Benefits. This section discusses pension and benefit plans reflected in OPG’s compensation levels.

Section 7.0 – Summary of Staffing, Compensation and Benefits. This section summarizes OPG’s staffing, and compensation and benefit levels.

Section 8.0 – Business Transformation. This section discusses the significant impact Business Transformation will have on OPG’s forecast of test period compensation levels.

Section 9.0 – Benchmarking. This section discusses the results of the compensation benchmarking performed by AON Hewitt.

Section 10.0 – Conclusion.

3.0 OPG’s WORKFORCE

At the end of 2012, OPG had approximately 10,844 regular employees. Of this total approximately 9,453 employees work directly in or are allocated to OPG’s regulated activities. This figure includes some 8,313 employees associated with OPG’s nuclear business, 433 employees associated with the previously regulated hydroelectric plants and 707 employees associated with the newly regulated hydroelectric facilities.

OPG’s regulated staff work in a predominantly unionized environment, with approximately 90 per cent of staff belonging to either the Power Workers’ Union (“PWU”) or the Society of Energy Professionals (“Society”). Of this 90 per cent, approximately two thirds belong to the PWU and approximately one third belong to the Society. The extent of unionization and the mix of PWU, Society and non-represented staff have generally remained stable.