CCC Interrogatory #17

Interrogatory

Reference: Exhibit A2/T2/S1/p. 18

OPG plans to mitigate approximately 90% of the corporate and operations support costs tied to Pickering by 2026. How did OPG arrive the 90% goal?

Response

As described in Ex. A2-2-1, OPG set the Base OM&A targets in the 2020-2026 Business Plan to significantly mitigate the diseconomies of scale that will result from the Pickering shutdown, and in consideration of a number of factors as outlined at page 17 of that evidence. Based on this, OPG established targets that are equivalent to a 90% reduction of corporate and operations support costs when measured against a baseline cost structure as of 2016. As further discussed in Ex. L-F3-01-Staff-249, the reduction was less than 100%, reflecting the fact that, given their nature, some activities are not planned to be reduced proportionately as a result of OPG becoming a smaller organization.