CCC Interrogatory #12

Interrogatory

Reference: Exhibit A2/T2/S1/p. 5, Exhibit A1/T1/S5 (Organization Chart)

The evidence states that as part of its realigned organizational structure OPG centralized engineering and other operations support groups across the former Nuclear and Renewable Generation business units, were combined under an Enterprise Operations organization. Additionally, OPG integrated major project execution responsibilities under the Enterprise Projects Organization (EPO) originally established in 2018 and amalgamated business development and other strategic activities under a new Enterprise Strategy Organization. OPG has also provided a new Organizational Chart. Please provide the following:

a) For Enterprise Operations, Enterprise Strategy and Enterprise Projects the overall budgets for 2020-2026;
b) For each of those units indicate whether they do work for the unregulated businesses an if so, the proportion of the overall budgets that is allocated to the unregulated businesses –those within OPG and its subsidiaries;
c) The expected savings to be achieved in 2021 with the reorganization.

Response

a) See chart below:

Chart 1: OPG Base OM&A by Organization [1]

	2020	2021	2022	2023	2024	2025	2026
$ M	Budget	Plan	Plan	Plan	Plan	Plan	Plan
Enterprise Operations	[redacted]						
Enterprise Projects							
Enterprise Strategy [2]							
Total							

[1] For comparability with Ex. F2-2-1 Table 1, excludes CRVA eligible projects
[2] Inclusive of Corporate Business Development

b) Each organization listed in part a) includes work done for OPG's unregulated business. On average, the proportion of each organization that is attributable to the unregulated business over the 2020-2026 period is 8% for Enterprise Operations, 4% for Enterprise Projects and 40% for Enterprise Strategy.

c) The annual total cost savings associated with the management headcount reductions as a result of the organizational realignment are approximately $35M on a total OPG basis. Although these savings are not tracked specific to the nuclear facilities given the enterprise-wide nature of the realignment, OPG estimates that approximately 80% of the savings reduce the costs included in this application.