Society Interrogatory #6

Interrogatory

Reference:
Exhibit D3-1-2, Attachment 2, Clarington Corporate Campus Business Case Summary.

Regarding Niagara to Clarington Move of Staff

a) How many people are to be moved from Niagara Falls to the new proposed Clarington building assuming that all these employees agree to the move?
b) What is the possible maximum relocation costs for all these employees?
c) What is a reasonable square feet that needs to be included in the new Clarington building for each employee?
d) Estimate the total Clarington building cost which is required to accommodate the people in item a).
e) What cost savings can be quantified by moving these employees to Clarington in productivity improvements?
f) What is b) + d) – e)?
g) In the event f) above is negative, why is OPG making this decision to move these employees from Niagara if it does not make sense financially?
h) On what date does OPG expect to vacate its staff from Niagara?

Response

a) OPG's current estimate is that approximately [redacted] are to be moved from Niagara Falls to the new building at Clarington. This is subject to further refinement based on organizational needs and finalization of staff relocation plans.

b) Relocation costs are dependent on the circumstances of each particular employee and how they fit within the provisions of the collective agreements, and may vary significantly from one employee to the next. On this basis, determining the maximum possible relocation costs would require a case-by-case evaluation, which OPG has not performed. [redacted]

c) As noted at Ex. D3-1-1, p. 7, line 15, OPG is planning to reduce its overall office footprint to 180 square feet per employee, which OPG considers to be a reasonable estimate for each employee in the new Clarington building.

d) The total project costs described in Ex. D3-1-2, Attachment 2, p. 1 include the estimated cost required to accommodate, on an integrated basis, all non-plant staff estimated at the time of occupancy from all locations OPG is currently planning to

exit. Therefore, it is not possible to determine the specific stand-alone cost required to accommodate employees moving from any one individual location or assume that the costs of the new building would proportionately increase or decrease with the number of employees moved. Furthermore, the project is currently a Class 5 estimate developed based on OPG's operational experience with, and industry standards for similar projects. It is currently in the planning phase with detailed design work yet to advance and, as such, the specific parameters of the space to be occupied by employees are yet to be determined.

e) OPG has not quantified productivity improvements specific to positions being relocated to the Clarington Campus from each individual location. Productivity improvements and other benefits are expected to be realized collectively for non-plant positions relocated to the Clarington Campus, through such factors as increased synergies, collaboration and engagement, greater opportunities for cross-training, career development and talent attraction, and overall enhancement of a community mindset. Although very important to OPG's organizational effectiveness and culture, many of these benefits are inherently difficult to quantify. As such, with the exception of cost savings from reduced intra-site employee travel, these improvements are not assigned an economic value as part of the project's financial evaluation. The present value of the assumed savings from reduced travel is approximately [redacted] over the life of the building.

f) Refer to part e) above.

g) Refer to part e) above.

h) As set out in Ex. D3-1-2, Attachment 2, p. 4, substantial completion of the new building at Clarington is expected in mid-2024. OPG anticipates that relocation of employees from various current sites to Clarington will commence shortly after. Over the period leading up to the completion of the new building, OPG will continue to develop detailed relocation plans based on business considerations.