

April 15, 2024

VIA RESS (LETTER ONLY)

Ms. Nancy Marconi
Registrar
Ontario Energy Board
27th Floor - 2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

Re: Application by OPG for an order or orders relating to impacts from the Market Renewal Program on prescribed generating facilities, and the disposition of balances in its deferral and variance accounts as of December 31, 2022 (EB-2023-0336) – Request for Confidential Treatment of Undertaking Responses

In accordance with Rule 10 of the Ontario Energy Board's ("**OEB**") *Rules of Practice and Procedure* and the OEB's *Practice Direction on Confidential Filings* (the "**Practice Direction**"), Ontario Power Generation Inc. ("**OPG**") hereby requests confidential treatment for information included in six of OPG's answers to undertakings.

More particularly, OPG requests, and has identified accordingly, confidential treatment for portions of certain documents containing settlement privileged, labour sensitive and/or commercially sensitive information, and where disclosure on the public record would be detrimental to OPG (red boxed). A table identifying each piece of information for which confidential treatment is requested, the undertaking response to which it corresponds, and the basis for each request is provided in **Appendix "A"**.

Consistent with the Practice Direction, it is OPG's expectation that access to confidential information in this proceeding will be available only to representatives of parties that file Declarations and Undertakings in the prescribed form. In respect of any Declarations and Undertakings that may be filed, OPG reserves its right to make submissions regarding the need for limitations on access to any of the confidential information. As an interim efficient measure, prior to the OEB making its final determination on OPG's request for confidential treatment herein, OPG is content that the OEB makes provision that intervenors proceed as though OPG's request has been granted, including with respect to proposed permanent redactions.

Given the participation in this proceeding with one of OPG's labour unions, the Society of Energy professionals ("**Society**"), OPG has a particular concern with the possibility of certain confidential

information, which has the potential to interfere with collective bargaining negotiations, being disclosed to the Society. While OPG has ensured that any such information has been marked as confidential and would be redacted from the public record, this information would in the normal course be available to those who file the OEB's form of confidentiality Declaration and Undertaking (the "**Undertaking**"). OPG understands that the OEB typically accepts Undertakings from counsel, experts or consultants to a party. If Undertakings are filed on behalf of Society in this proceeding, OPG asks that the OEB ensure it only accepts such Undertakings from counsel, experts or consultants that are external to and at arms-length from the Society, as applicable, and that such individuals are not and will not be involved in any collective bargaining-related activities on their behalf. If the OEB is not satisfied that the counsel, expert or consultant is external to the Society, or that they have no involvement in collective bargaining-related activities, then OPG requests that OPG's labour-related confidential information, identified below, be withheld from those individuals notwithstanding their filing of an Undertaking in this proceeding.¹

OPG has attached one appendix containing all of the redacted documents for the public record (**Appendix "B"**) and another appendix with the confidential non-redacted versions for the OEB only (**Appendix "C"**, excluded from the public version of this letter). Should the OEB require any further information or clarification as to the requests made herein, please contact the Applicant's legal counsel as required.

Respectfully submitted,

Matthew Kirk

cc: Aimee Collier (OPG) via e-mail
Charles Keizer (Torys LLP) via e-mail

¹ This is consistent with the OEB's ruling made on May 9, 2014 in EB-2013-0321 (pp. 58 of the transcript of hearing), and OEB Decision on Confidentiality in EB-2020-0290 dated April 13, 2021.

Appendix A – Table of Redactions

Undertaking for which Partial Confidentiality is sought	PDF Page Nos.	Basis for Request	Reasons
Undertaking JT1.02	1	Presumptively Confidential – Settlement privileged and commercially sensitive (prejudice to OPG's competitive position in the market which may significantly interfere with current and future settlement negotiations)	The proposed redaction relates to the value of liquidated damages accepted by OPG, which is settlement privileged and commercially sensitive information. Disclosure of this value will give other vendors insight into OPG's commercial strategy, which may significantly impact OPG's current and future negotiating positions.
Undertaking JT1.03	1	Presumptively Confidential – Settlement privileged and commercially sensitive (prejudice to OPG's competitive position in the market which may significantly interfere with current and future negotiations)	The proposed redactions relate to methods of repayment and repayment timelines accepted by OPG in this instance, which is settlement privileged and commercially sensitive information. Disclosure of this information will give other vendors insight into OPG's commercial strategy, which may significantly impact OPG's current and future negotiating positions.
Undertaking JT1.04	2	Presumptively Confidential – Settlement privileged and commercially sensitive (prejudice to OPG's competitive position in the market which may significantly interfere with current and future negotiations)	The proposed redaction relates to the value of liquidated damages accepted by OPG, which is settlement privileged and commercially sensitive information. Disclosure of this value will give other vendors insight into OPG's commercial strategy, which may significantly impact OPG's current and future negotiating positions.
Undertaking JT1.08	1, 2	Confidential – Information is labour and commercially sensitive, and similar information has been previously held confidential by the OEB	This information includes compensation data that is labour-sensitive and may influence future collective bargaining outcomes. Consequently, disclosure of such information could potentially interfere with future collective bargaining negotiations between OPG and the unions that represent its employees. This information also includes commercially sensitive compensation data that is not otherwise available to OPG's competitors in the labour market. Consequently, disclosure of such information could potentially be used

			<p>by OPG competitors to negatively impact OPG's ability to attract and retain both current and future staff.</p> <p>Furthermore, the information disclosed in this undertaking is similar to that contained in EB-2020-0290 (Decision on Confidentiality – Pre-Filed Evidence) and previously held as confidential. The information marked as confidential in this undertaking should be afforded the same treatment pursuant to Appendix A (e) of the OEB's Practice Direction.</p>
Undertaking JT1.09	2, 3	Confidential – Information is labour and commercially sensitive, and similar information has been previously held confidential by the OEB	<p>This information includes compensation data that is labour-sensitive and may influence future collective bargaining outcomes. Consequently, disclosure of such information could potentially interfere with future collective bargaining negotiations between OPG and the unions that represent its employees. This information also includes commercially sensitive compensation data that is not otherwise available to OPG's competitors in the labour market. Consequently, disclosure of such information could potentially be used by OPG competitors to negatively impact OPG's ability to attract and retain both current and future staff.</p> <p>Furthermore, the information disclosed in this undertaking is similar to that contained in EB-2020-0290 (Decision on Confidentiality – Pre-Filed Evidence) and previously held as confidential. The information marked as confidential in this undertaking should be afforded the same treatment pursuant to Appendix A (e) of the OEB's Practice Direction.</p>
Undertaking JT1.10	1, 2	Confidential – Information is labour and commercially sensitive, and similar information has been previously held confidential by the OEB	<p>This information includes compensation data that is labour-sensitive and may influence future collective bargaining outcomes. Consequently, disclosure of such information could potentially interfere with future collective bargaining negotiations between OPG</p>

			<p>and the unions that represent its employees. This information also includes commercially sensitive compensation data that is not otherwise available to OPG's competitors in the labour market. Consequently, disclosure of such information could potentially be used by OPG competitors to negatively impact OPG's ability to attract and retain both current and future staff.</p> <p>Furthermore, the information disclosed in this undertaking is similar to that contained in EB-2020-0290 (Decision on Confidentiality – Pre-Filed Evidence) and previously held as confidential. The information marked as confidential in this undertaking should be afforded the same treatment pursuant to Appendix A (e) of the OEB's Practice Direction.</p>
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Appendix B – Redacted Documents for Public Record

UNDERTAKING JT1.2

Undertaking

WITH REFERENCE TO SEC-02(D) ATTACHMENT 3, NO. 8, TO PROVIDE A COST BREAKDOWN SPECIFIC TO THE WINDING ISSUE, INCLUDING SCHEDULE DELAY, AND WHETHER OPG WAS SUCCESSFUL IN ANY LIQUIDATED DAMAGE RECOVERY.

Response

OPG understands that the undertaking is intended to refer to Ex. L-H-SEC-01, Attachment 3, item no. 8.

OPG has obtained liquidated damages in the amount of [REDACTED] for the windings issue and associated delay to the Sir Adam Beck I Generating Station – Unit G10 Major Overhaul and Upgrade project. This payment was applied to reduce the total project cost and is therefore already accounted for in the amounts OPG seeks to recover through the Capacity Refurbishment Variance Account in this proceeding.

UNDERTAKING JT1.3

Undertaking

WITH REFERENCE TO ATTACHMENT 6, TO ADVISE WHETHER OR NOT THEY WERE SUCCESSFUL IN ACHIEVING LIQUIDATED DAMAGES DUE TO POOR CONTRACTOR SCHEDULED PERFORMANCE, AND CONFIRM THAT IT HAS BEEN CONSIDERED IN THE COST THAT OPG IS TAKING TO RECOVER.

Response

In reference to Ex. L-H-SEC-01, Attachment 6, OPG pursued liquidated damages and will receive compensation with respect to the Manitou Falls GS – Auto Sluice System Replacement project (“Manitou Falls project”). The contractor will compensate OPG, [REDACTED], no later than [REDACTED]. The compensation, [REDACTED], will be applied against future regulated hydroelectric work as the Manitou Falls project will have been completed.

UNDERTAKING JT1.4

Undertaking

ON A BEST-EFFORTS BASIS, WITH RESPECT TO THE ENTRIES IN THE CAPACITY REFURBISHMENT VARIANCE ACCOUNT, TO ADVISE THE TOTAL COVID COST BY YEAR FOR THESE PROJECTS, BROKEN OUT INTO CAPITAL AND NON-CAPITAL; TO PROVIDE A BEST-EFFORTS DISCUSSION OF THE SCHEDULE DELAY IMPACT ON INTEREST COSTS AS PART OF THE PROJECTS THAT ARE LAID OUT IN THIS EVIDENCE, AS WELL AS WHERE THERE IS REFERENCE TO ADDITIONAL OPG MANAGEMENT COSTS IN THE CONTEXT OF THOSE SCHEDULED DELAYS.

Response

Set out below are the regulated hydroelectric projects for which OPG is seeking recovery through the Capacity Refurbishment Variance Account in this proceeding that OPG estimates incurred direct costs as a result of the COVID-19 pandemic (e.g., costs associated with additional cleaning, quarantine and supplies) over the period. A summary of these costs, by year, is provided in Chart 1. All of these costs are capital in nature. Cost impacts resulting from the schedule extensions due to the COVID-19 pandemic are included in the overall schedule impacts provided in the latter part of this response and are not separately available.

Chart 1: Estimated COVID-19 Direct Costs

Project (\$M)	2020	2021	Total
Sir Adam Beck I Generating Station – Unit G5 Major Overhaul	0.5	0.1	0.6
Whitedog Falls Generating Station – Sluiceway #1, #4, #5, #6 Replacement	0.2	0.1	0.3
Aguasabon Generating Station – Surge Tank Replacement	-	0.9	0.9
Abitibi Canyon Generating Station – Unit G5 Stator Winding Replacement	0.1	-	0.1
Caribou Falls Generating Station – Sluiceway #4 and #6 Replacement	-	0.1	0.1
Sir Adam Beck I Generating Station – Units G1, G2 Replacement	0.4	0.5	0.9
Ranney Falls Generating Station G3	0.0	-	0.0

R.H. Saunders Generating Station – Replacement of Westinghouse Excitation	0.0	-	0.0
Total	1.2	1.7	2.9

Numbers may not add due to rounding

Set out below are the regulated hydroelectric projects for which OPG is seeking recovery through the Capacity Refurbishment Variance Account in this proceeding that OPG estimates incurred costs in excess of the First Execution BCS estimate as a result of schedule delays over the period. A summary of these costs is provided in Chart 2. All of these costs are capital in nature. Cost impacts resulting from the schedule delays due to the COVID-19 pandemic are included in these impacts.

**Chart 2: Estimated Interest and Project Management Costs
Due to Schedule Extension**

Project (\$M)	Interest Costs	Project Management Costs
Sir Adam Beck I Generating Station – Unit G10 Major Overhaul and Upgrade	0.8	0.1
Stewartville Generating Station – Sluiceway Replacement	0.0	0.0
Manitou Falls Generating Station – Auto Sluice System Replacement	0.1	0.1
Sir Adam Beck I Generating Station – Unit G5 Major Overhaul	0.7	0.1
Pine Portage Generating Station – Auto Sluice System Replacement	0.1	0.2
Caribou Falls Generating Station – Auto Sluice System	0.1	0.1
Total	1.8	0.6

Numbers may not add due to rounding

As noted in Ex. JT1.2, for the Sir Adam Beck I Generating Station – Unit G10 Major Overhaul and Upgrade project, OPG recovered liquidated damages in the amount of [REDACTED] for the windings issues and associated schedule delays, which was applied to reduce the total project cost and therefore the amounts OPG seeks to recover through the Capacity Refurbishment Variance Account in this proceeding. As the payment was not specifically allocated, the benefit of the liquidated damages is not included in Chart 2.

UNDERTAKING JT1.8

Undertaking

TO ADVISE THE DIFFERENCE BETWEEN THE P50 IN THE STUDY ON COMPENSATION COSTS, COMPARED TO THE ACTUAL INTERNAL OPG LABOUR COSTS THAT ARE SOUGHT FOR RECOVERY IN THIS VARIANCE ACCOUNT, ON A BEST-EFFORTS BASIS; TO INCLUDE CALCULATIONS OR ASSUMPTIONS USED.

Response

Below OPG provides a response prepared by Towers Watson (“WTW”) with respect to OPG labour costs over 2020-2022 recorded as part of the Nuclear Development Variance Account balances sought for disposition in this Application, as set out at Ex. H1-1-1, Table 20 and further detailed in Ex. L-H-Staff-05 and Ex. JT1.7.

The following response has been prepared by WTW:

Charts 1 and 1.1 below provide an estimate of the dollar difference, by year, between total remuneration, excluding and including Hydro One shares, respectively, for each of PWU, Society and Management employee groups and the market 50th percentile (“P50”)¹ for these groups for the OPG labour amounts recorded in the Nuclear Development Variance Account.²

Chart 1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (excluding Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Management (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$2			\$215			(\$369)			(\$151)
2021			\$6			\$954			(\$804)			\$156
2022			\$0			\$0			(\$15)			(\$14)

Note: differences in the variance column are due to rounding.

¹ Market 50th percentile (P50) as determined in the 2019 Total Compensation Benchmarking Study filed at EB-2020-0290, Ex. F4-3-2, Attachment 2.

² Temporary employees and Society-represented Extended Temporary Employees were not included in the 2019 Total Compensation Benchmarking Study.

Chart 1.1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (including Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Management (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$2			\$234			(\$369)			(\$132)
2021			\$6			\$1,034			(\$804)			\$237
2022			\$0			\$0			(\$15)			(\$14)

Note: differences in the variance column are due to rounding.

To respond to this undertaking, WTW used a consistent methodology and assumptions as set out in EB-2020-0290, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18. Namely, for each applicable year, the market values and OPG information reflected in the results of WTW's 2019 compensation benchmarking report provided in EB-2020-0290 were adjusted, and corresponding dollar differences calculated, based on the following steps and assumptions:

- Update the OPG benchmark data based on changes in salary assumed in OPG's applicable business plan underpinning the EB-2020-0290 application, as provided in Chart 2 below;
- Adjust the market benchmark data based on future wage/salary increases determined by WTW, as provided in Chart 2 below; and
- Proportionately adjust the resulting dollar differences to reflect the number of full-time equivalent employees within PWU, Society and Management groups underpinning the OPG labour amounts recorded in the Nuclear Development Variance Account, as provided by OPG. Chart 3 below provides the number of such PWU, Society and Management full-time equivalent employees.

OPG salary and market salary movement assumptions from 2019 to the applicable years are the ones used in the previous analysis provided in EB-2020-2090, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18.

Chart 2: Salary Increase Assumptions for OPG and the Market

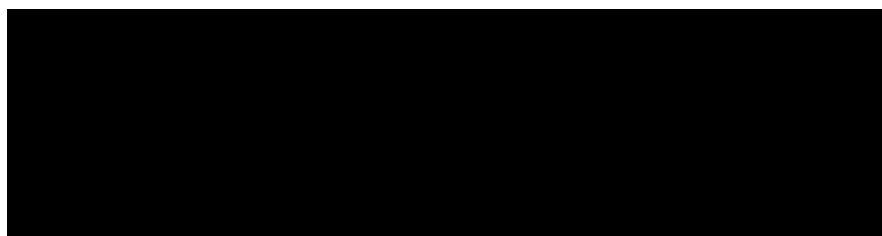


Chart 3: Number of Full-time Equivalent Employees for the Identified Projects

Representation	OPG Headcount (FTE)		
	2020	2021	2022
PWU - Regular	0.1	0.3	0.0
PWU - Term	0.0	0.0	0.0
Total PWU	0.1	0.3	0.0
Society - Regular	10.3	42.7	0.1
Management	12.5	26.1	0.8
Total	22.9	69.1	0.9

Consistent with EB-2020-0290, WTW notes that in the total remuneration calculation, total direct compensation reflects the cost of the employer providing the target level of compensation, while pension and benefits values represent the estimated employer provided value. The pension and benefit values may not align directly with the cost for OPG to provide these programs; therefore, WTW suggests caution in using total remuneration, which reflects a mix of cost and value, to assess OPG's overall cost competitiveness relative to the market 50th percentile.

UNDERTAKING JT1.9

Undertaking

WITH REFERENCE TO H-1-1-1, TABLE 15, THE NUCLEAR CAPACITY REFURBISHMENT VARIANCE ACCOUNT, TO CONFIRM HOW MUCH OF THE COSTS ARE INTERNAL OPG LABOUR; TO CONFIRM THE DIFFERENCE BETWEEN THE P50 IN THE COMPENSATION STUDY PROVIDED IN THE 290 PROCEEDING AND THOSE INTERNAL LABOUR COSTS.

Response

Below OPG provides a response prepared by Towers Watson ("WTW") with respect to non-capital OPG labour costs for the nuclear projects and initiatives recorded as part of the Capacity Refurbishment Variance Account balances sought for disposition in this Application, as set out at Ex. H1-1-1, Table 15, except Pickering Extended Operations.¹ As explained at Ex. H1-1-1, p. 20, the Pickering Extended Operations initiative was completed within the total cost budget approved in EB-2016-0152. The labour costs within this total cost forecast formed part of the total compensation costs sought as part of that application, and as approved by the OEB with applicable adjustments including consideration of OPG's Total Compensation Benchmarking Study results filed in that proceeding.² As such, OPG has not performed further analysis on the Pickering Extended Operations amounts as part of this undertaking response.

The following response has been prepared by WTW:

Charts 1 and 1.1 1 below provide an estimate of the dollar difference, by year, between total remuneration, excluding and including Hydro One shares, respectively, for each of PWU, Society and Management employee groups and the market 50th percentile ("P50")³ for these groups for the non-capital OPG labour amounts recorded in the Capacity Refurbishment Variance Account for the following projects and initiatives identified at Ex. H1-1-1, Table 15: Fuel Channel Life Extension ("FCLE") Project, FCLE Related Ongoing Costs, Darlington Annulus Spacer Life Management Project, and Darlington U3 Fuel Channel Component Retrieval Project.⁴

¹ There were no non-capital OPG labour costs incurred for the Darlington Steam Generator Primary Moisture Separator Replacement project.

² EB-2016-0152, Decision and Order, section 5.9.

³ Market 50th percentile (P50) as determined in the 2019 Total Compensation Benchmarking Study filed at EB-2020-0290, Ex. F4-3-2, Attachment 2.

⁴ Temporary employees and Society-represented Extended Temporary Employees were not included in the 2019 Total Compensation Benchmarking Study.

Chart 1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (excluding Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Management (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$5			\$235			(\$34)			\$206
2021			(\$65)			\$155			(\$17)			\$73
2022			(\$47)			\$101			(\$43)			\$11

Note: differences in the variance column are due to rounding.

Chart 1.1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (including Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Management (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$24			\$256			(\$34)			\$246
2021			(\$55)			\$168			(\$17)			\$96
2022			(\$36)			\$110			(\$43)			\$32

Note: differences in the variance column are due to rounding.

To respond to this undertaking, WTW used a consistent methodology and assumptions as set out in EB-2020-0290, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18. Namely, for each applicable year, the market values and OPG information reflected in the results of WTW's 2019 compensation benchmarking report provided in EB-2020-0290 were adjusted, and corresponding dollar differences calculated, based on the following steps and assumptions:

- Update the OPG benchmark data based on changes in salary assumed in OPG's applicable business plan underpinning the EB-2020-0290 application, as provided in Chart 2 below;
- Adjust the market benchmark data based on future wage/salary increases determined by WTW, as provided in Chart 2 below; and
- Proportionately adjust the resulting dollar differences to reflect the number of full-time equivalent employees within PWU, Society and Management groups underpinning the non-capital OPG labour amounts recorded in the Capacity Refurbishment Variance Account for the projects listed above, as provided by OPG. Chart 3 below provides the number of such PWU, Society and Management full-time equivalent employees.

OPG salary and market salary movement assumptions from 2019 to the applicable years are the ones used in the previous analysis in EB-2020-2090, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18.

Chart 2: Salary Increase Assumptions for OPG and the Market



Chart 3: Number of Full-time Equivalent Employees for the Identified Projects

Representation	OPG Headcount (FTE)														
	FCLE Project			FCLE Related Ongoing Costs			Darlington Annulus Spacer Project			Darlington U3 Project			TOTAL		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
PWU - Regular	0.0	0.0	0.0	7.2	3.2	1.2	0.0	0.0	0.0	0.0	0.1	0.7	7.3	3.4	1.9
PWU - Term	0.0	0.0	0.0	2.6	2.5	2.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	2.5	2.0
Total PWU	0.0	0.0	0.0	9.9	5.7	3.1	0.0	0.0	0.0	0.0	0.1	0.7	9.9	5.8	3.8
Society - Regular	1.5	1.3	1.0	7.8	4.4	0.9	1.9	1.2	1.2	0.1	0.1	0.2	11.3	6.9	3.2
Management	0.7	0.3	0.1	0.4	0.0	0.2	0.0	0.3	0.3	0.0	0.0	0.0	1.2	0.5	0.5
Total	2.2	1.6	1.0	18.1	10.0	4.2	1.9	1.5	1.5	0.1	0.2	0.9	22.4	13.3	7.6

Note: differences in the total row are due to rounding.

Consistent with EB-2020-0290, WTW notes that in the total remuneration calculation, total direct compensation reflects the cost of the employer providing the target level of compensation, while pension and benefits values represent the estimated employer provided value. The pension and benefit values may not align directly with the cost for OPG to provide these programs; therefore, WTW suggests caution in using total remuneration, which reflects a mix of cost and value, to assess OPG's overall cost competitiveness relative to the market P50.

UNDERTAKING JT1.10

Undertaking

WITH REFERENCE TO H-1-1-1, TABLE 7, NON-CAPITAL COSTS, TO CONFIRM HOW MUCH IS OPG LABOUR COSTS; TO COMPARE BETWEEN THE P50 IN THE COMPENSATION STUDY IN THE 290 PROCEEDING, AND THE INTERNAL LABOUR COST FOR WHICH RECOVERY IS SOUGHT IN THIS PROCEEDING.

Response

Below OPG provides a response prepared by Towers Watson (“WTW”) with respect to non-capital OPG labour costs for regulated hydroelectric projects recorded as part of the Capacity Refurbishment Variance Account balances sought for disposition in this Application, as set out at Ex. H1-1-1, Tables 7 and 7a.¹ The information is provided for 2020 only as that is the sole year in which non-capital OPG labour costs were captured as part of the above Capacity Refurbishment Variance Account balances.

The following response has been prepared by WTW:

Charts 1 and 1.1 below provide an estimate of the dollar difference, by year, between total remuneration, excluding and including Hydro One shares, respectively, for each of PWU, Society and Management employee groups and the market 50th percentile (“P50”)² for these groups for the non-capital OPG labour amounts recorded in the Capacity Refurbishment Variance Account for the following projects identified at Ex. H1-1-1, Table 7a: Abitibi Canyon Generating Station – Unit G5 Stator Winding Replacement and Sir Adam Beck I Generating Station – Unit G5 Major Overhaul.³

Chart 1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (excluding Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$38			\$0			\$39

¹ OPG labour costs were incurred for the Abitibi Canyon Generating Station – Unit G5 Stator Winding Replacement and Sir Adam Beck I Generating Station – Unit G5 Major Overhaul projects only.

² Market 50th percentile (P50) as determined in the 2019 Total Compensation Benchmarking Study filed at EB-2020-0290, Ex. F4-3-2, Attachment 2.

³ Temporary employees and Society-represented Extended Temporary Employees were not included in the 2019 Total Compensation Benchmarking Study.

Chart 1.1: Estimated Dollar Difference between Total Remuneration – OPG and Market P50 (including Hydro One shares)

	PWU (\$Thousands)			Society (\$Thousands)			Overall (\$Thousands)		
	OPG	Market	\$ Variance	OPG	Market	\$ Variance	OPG	Market	\$ Variance
2020			\$43			\$0			\$43

Note: differences in the variance column are due to rounding.

To respond to this undertaking, WTW used a consistent methodology and assumptions as set out in EB-2020-0290, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18. Namely, for each applicable year, the market values and OPG information reflected in the results of WTW's 2019 compensation benchmarking report provided in EB-2020-0290 were adjusted, and corresponding dollar differences calculated, based on the following steps and assumptions:

- Update the OPG benchmark data based on changes in salary assumed in OPG's applicable business plan underpinning the EB-2020-0290 application, as provided in Chart 2 below;
- Adjust the market benchmark data based on future wage/salary increases determined by WTW, as provided in Chart 2 below; and
- Proportionately adjust the resulting dollar differences to reflect the number of full-time equivalent employees within PWU, Society and Management groups underpinning the non-capital OPG labour amounts recorded in the Capacity Refurbishment Variance Account for the projects listed above, as provided by OPG. Chart 3 below provides the number of such PWU, Society and Management full-time equivalent employees.

OPG salary and market salary movement assumptions from 2019 to the applicable years are the ones used in the previous analysis provided in EB-2020-2090, Ex. L-F4-03-SEC-149 and EB-2020-0290, Ex. JTX4.18.

Chart 2: Salary Increase Assumptions for OPG and the Market

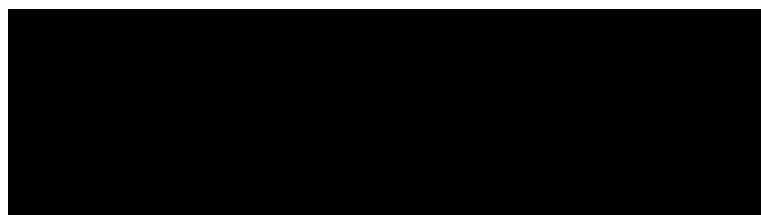


Chart 3: Number of Full-time Equivalent Employees for the Identified Projects

Representation	OPG Headcount (FTE)		
	Abitibi - Unit G5	SAB - Unit G5	TOTAL
PWU - Regular	1.2	0.7	1.9
PWU - Term	0.0	0.0	0.0
Total PWU	1.2	0.7	1.9
Society - Regular	0.0	0.0	0.0
Total	1.2	0.7	1.9

Note: differences in the total row are due to rounding.

Consistent with EB-2020-0290, WTW notes that in the total remuneration calculation, total direct compensation reflects the cost of the employer providing the target level of compensation, while pension and benefits values represent the estimated employer provided value. The pension and benefit values may not align directly with the cost for OPG to provide these programs; therefore, WTW suggests caution in using total remuneration, which reflects a mix of cost and value, to assess OPG's overall cost competitiveness relative to the market P50.

Appendix C – Unredacted Documents for OEB Review Only