



1 As discussed in Ex. A1-4-4, DNNP LP is entering into a lease for the DNNP facilities with OPG.  
2 DNNP LP will undertake the development, construction, and operation of the DNNP facilities,  
3 with OPG contracted to act as the project manager and operator of the facilities. The  
4 Application assumes that DNNP LP enters into the lease and associated arrangements at the  
5 end of 2025. DNNP LP will not have its own workforce and will contract for all applicable  
6 services with OPG and will therefore reimburse OPG for its fully allocated costs of providing  
7 the services, including the applicable Support Services costs determined using OPG's cost  
8 allocation methodology. As validated by Elenchus, the same cost allocation methodology has  
9 been applied to attribute Support Services costs to the DNNP facilities, including during their  
10 construction, as for OPG's regulated businesses.<sup>1</sup> While the DNNP facilities will be allocated  
11 an appropriate share of existing Support Services costs using this methodology, OPG expects  
12 that its Support Services cost structure will be able to absorb the addition of these assets  
13 without a notable change in overall cost levels.

14  
15 Support Services costs for OPG's regulated hydroelectric facilities for 2016-2024 (actual) and  
16 2025-2026 (budget), for OPG's nuclear facilities for 2020-2024 (actual) and 2025-2026  
17 (budget), and for the DNNP facilities for 2026 (budget) are provided in Ex. F3-1-1, Tables 1-7.  
18 Forecast Support Services costs for the regulated hydroelectric facilities for the 2027 test year  
19 are \$55.3M (Ex. F3-1-1, Table 2). Forecast allocated Support Services costs for OPG's nuclear  
20 facilities over the IR term are \$417.5M for 2027, \$412.1M for 2028, \$432.7M for 2029, \$444.7M  
21 for 2030, and \$471.6M for 2031 (Ex. F3-1-1, Table 3). Forecast allocated Support Services  
22 costs for the DNNP facilities over the IR term are: \$30.5M for 2027, \$34.8M for 2028, \$36.5M  
23 for 2029, \$42.7M for 2030, and \$49.8M for 2031 (Ex. F3-1-1, Table 3c). Exhibit F3-1-1, Table  
24 1 summarizes the Total OPG Support Services costs over the historical, bridge, and IR term  
25 period.

26  
27 Like other parts of the organization, Support Services have experienced elevated inflationary  
28 cost increases since EB-2020-0290, including higher labour cost escalation reflecting  
29 bargaining process outcomes including, as a result of the repeal of the *Protecting a Sustainable*

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<sup>1</sup> Ex. F3-1-4, Attachment 1, S. 3.2.1.

1 *Public Sector for Future Generations Act, 2019* (“Bill 124”), as discussed in Ex. F4-3-1, Section  
2 6.2. In parallel, IT software and licensing costs have increased significantly since 2020 driven  
3 by both the broader market and OPG’s transition away from perpetual licenses to subscription  
4 and usage-based models and the adoption of cloud-based platforms. As shown in Ex. F3-1-1,  
5 Table 4, these software and licensing costs have increased 92% between 2020-2024 and are  
6 expected to increase by another 86% by 2031. To control these costs, OPG consistently  
7 reviews software needs and examines licenses on an annual basis to ensure they are required.  
8 In addition, cloud server storage is managed so that only required data is migrated to the cloud  
9 in order to control consumption costs. These cloud-based tools are foundational to OPG’s  
10 ability to deliver on its projects and sustain operational excellence through continuous  
11 improvement and the optimized use of resources. Excluding the impact of software and  
12 licensing costs, Total OPG Support Services costs increase by approximately 2.75% per year  
13 over the 2024-2031 period.

14  
15 Where applicable, OPG has restated the presentation of actual (2016-2024) and EB-2020-  
16 0290 Nuclear OEB-approved (2022-2026) Support Services costs for subsequent  
17 organizational changes including transfers to/from Enterprise Operations and Enterprise  
18 Projects Support groups to provide an appropriate basis of comparison with the forecast period  
19 information. These transfers are further described in Ex. A1-4-1, Attachment 2.

20  
21 As in EB-2020-0290, OPG engaged The Hackett Group to perform an independent  
22 benchmarking study of OPG’s Support Services functions and their operating costs (the  
23 “Hackett Study”). This study identifies that, overall, OPG’s total cost for the areas benchmarked  
24 remain slightly better than median of the peer group’s total cost. The Hackett Study report is  
25 discussed in Section 6.0 and provided in Attachment 2.

26  
27 The remainder of this evidence is organized as follows:

- 28 • Section 3.0 discusses the overall Support Services OM&A costs over the historical, bridge  
29 and IR term.
- 30 • Section 4.0 discusses the changes made to the information technology support services  
31 strategy since EB-2020-0290.

- 1 • Section 5.0 presents the results of the corporate cost benchmarking study.  
2

3 **3.0 SUPPORT SERVICES COSTS – TOTAL OM&A**

4 As in EB-2020-0290, OPG's support organizations are designed to capture common best  
5 practice elements found across the Company and apply them in a centralized and standardized  
6 manner to maintain the corporate infrastructure and deliver common services. These functions  
7 underpin all of the Company's operations, projects and initiatives and are integral to sustaining  
8 core organizational processes, providing appropriate risk management, enabling workforce  
9 activities, ensuring the necessary governance, oversight and compliance, and advancing  
10 community and Indigenous engagement. As such, OPG continuously seeks opportunities to  
11 align organizational structure, reporting relationships, and resources of Support Services to  
12 OPG's strategic objectives to better support operational efficiency and decision-making.  
13 Support Services are described in Attachment 1 and organizational changes since EB-2020-  
14 0290 are further explained in Ex. A1-4-1, Attachment 2.  
15

16 Evolving external factors have increased the complexity and impacted the cost of the work  
17 performed by Support Services, including:

- 18 • Changes in the trade environment and competitive vendor market landscape such as  
19 export controls and tariffs, supply chain inflation and demand, and shifts toward strategic  
20 supplier relationships, all of which have made procurement activities more complex (see  
21 Ex. F3-3-1).
- 22 • Competition in the labour market, increasing and evolving labour relations landscape (see  
23 Ex. F4-3-1), as well as ongoing advancements in technology (see Ex. D3-1-1), that are  
24 collectively impacting resource availability and acquisition strategies, skill requirements,  
25 workflows and oversight and functional coordination, resulting in a greater demand for  
26 specialized skills, more dynamic and adaptive work processes, enhanced monitoring and  
27 evaluation practices, and the need for improved collaboration across various departments.

- 1 • Substantial capital investments being undertaken by OPG in support of Ontario’s energy  
2 needs have increased the scope and complexity of financing requirements and associated  
3 structures, resulting in increased effort to manage OPG’s borrowing needs and other  
4 potential funding sources in a cost-effective manner.
- 5 • Emerging technology needs in areas such as cyber security, operations and engineering  
6 technology improvement, and data management require continued investment in  
7 technological solutions to pursue continuous improvement and avoid obsolescence,  
8 aligned to the Company’s technology strategy. More specifically, with respect to the DNNP  
9 facilities, OPG must implement new digital tools and applications necessary to enable the  
10 workforce structure and operating model for the Small Modular Reactors, including smart  
11 devices, digital worker technologies, and applicable new asset management system (see  
12 Ex. D3-1-1 and Ex. D3-1-2).

13  
14 The work performed across Support Services is underpinned by OPG’s Reconciliation Action  
15 Plan, which reinforces a commitment to building strong partnerships and taking meaningful  
16 actions that deliver shared benefits across Indigenous communities and with Rightsholders.  
17 This includes practices and initiatives that promote the expansion and capacity of diverse  
18 suppliers, as well as Indigenous economic empowerment and growth (see Ex. A2-2-1, Section  
19 3.5).

20  
21 Support Services’ Base OM&A costs over the IR term reflect higher expenses associated with  
22 the Company’s information technology (“IT”) infrastructure, and the impact of the repeal of Bill  
23 124 to wages (Ex. F4-3-1, Section 6.2) and for the nuclear business, the planned return to  
24 service of Pickering Unit 5 in 2031. Notwithstanding the complexity of the external environment  
25 and internal landscape, discussed above, overall Support Services full-time equivalents  
26 (“FTEs”) are generally stable over the IR term (Ex. F3-1-1, Tables 7 and 8). Until Unit 5 returns  
27 to service, some of the workforce in Human Resources, Supply Chain and certain other  
28 functions will directly support and be funded by the PRP. Given OPG’s Support Services’  
29 economies of scale, the operation of DNNP Unit 1 will not materially impact Total OPG Support  
30 Services’ costs.

1 Support Services will continue to play a critical role in sustaining the core business operations  
2 as Pickering operations extend to September 2026 and transition into the four-unit  
3 refurbishment outage thereafter. During the refurbishment outage, the Pickering site will  
4 remain active and require continued support to ensure safety, sustain reliability, and meet  
5 governance requirements while maintaining the required infrastructure. Support Services will  
6 continue to carry out these functions, including IT and telecommunication support, facilities  
7 services, workforce support, financial operations and oversight, certain supply chain and  
8 procurement services, communications and stakeholder relations. Cyber security protections  
9 will remain critical to safeguard sensitive operational and security-related data. In addition,  
10 Real Estate costs for utilities and facilities maintenance to upkeep the physical infrastructure  
11 and property will continue to be required to ensure that the site remains safe, functional and  
12 compliant through the refurbishment period and prepared for return to service and post  
13 refurbishment operations.

14  
15 Since EB-2020-0290, Support Services have undertaken a number of initiatives that have  
16 enabled OPG to partly mitigate the cost impact of the growing internal demand for services  
17 and increasing complexity in the external landscape. OPG has implemented initiatives that  
18 have controlled costs by:

- 19 1. Optimizing OPG's real estate footprint by investing in a new corporate headquarters for  
20 OPG's non-plant employees to control lease and other real estate operating costs (see Ex.  
21 D3-1-1, Section 3.2);
- 22 2. Strategically utilizing resources through the workforce strategy, including redeployment  
23 opportunities and the use of employee classifications such as Term Employees to control  
24 compensation costs (see Ex. F4-3-1);
- 25 3. Leveraging procurement initiatives and practices that improve supplier performance,  
26 streamline supplier nuclear qualifications, and continue to refine and improve strategic  
27 sourcing and company-wide category management (see Ex. F3-3-1); and
- 28 4. Repatriating New Horizons System Solutions ("NHSS") employees to OPG in 2022 in  
29 support of technology services and projects, as discussed in Section 4.0 (Ex. F3-1-1, Table  
30 4).

1 In this IR term, Support Services will continue to monitor performance and focus on controlling  
2 costs by:

- 3 1. Streamlining processes as OPG undertakes key system and technology lifecycle  
4 upgrades, ensuring long-term value;
- 5 2. Continuing to optimize supplier relationship management, onboarding, capability and  
6 capacity management, materials and inventory management, and warehouse efficiencies;
- 7 3. Supporting the Company's continued ability to access cost-effective financing by focusing  
8 on maintaining a strong credit rating, optimizing funding sources, and establishing ability  
9 to access US bond markets (see Ex. C1-1-2); and
- 10 4. Utilizing workforce strategies to secure an engaged and capable workforce across the  
11 enterprise while managing workforce risks and ensuring sufficient resourcing flexibility,  
12 using tools such as redeployment strategies, upskilling and reskilling, and succession  
13 planning (see Ex. F4-3-1).

14  
15 In addition to these initiatives, Support Services will continue to evaluate and implement  
16 opportunities to organize its structure and services to meet evolving business requirements.

#### 17 18 **4.0 INFORMATION TECHNOLOGY SUPPORT SERVICES**

19 Prior to 2022, OPG operated under a contract with NHSS for core IT services, as well as  
20 additional services as needed. To manage these costs and requirements, OPG evaluated  
21 alternatives to renewing the NHSS IT Services Agreement, which was set to expire in 2022.

22  
23 After reviewing its options and requirements, OPG determined that an outsourced IT service  
24 model would no longer be suitable, as vendor proposals proved more expensive than bringing  
25 both core and additional IT services back in-house. Additionally, the rapid pace of technological  
26 advancement necessitated a more diverse IT service offering, including capabilities in artificial  
27 intelligence and data analytics, to effectively support evolving business needs. As a result,  
28 OPG decided to repatriate approximately 250 NHSS staff represented by the Power Workers'  
29 Union in February 2022 and those represented by the Society of United Professionals in  
30 November 2022, transitioning the CTS organization to a blended sourcing model.

1 Under this new blended sourcing model, OPG staff employees deliver ongoing services and  
2 IT project work, while vendors are engaged strategically to address peak workloads or provide  
3 specialized expertise. This approach enables OPG to achieve greater value in areas such as  
4 cybersecurity and to advance initiatives in artificial intelligence and innovation. It also fosters  
5 closer collaboration with business units to better understand their needs and identify  
6 appropriate technology solutions, and is helping the organization to more quickly implement  
7 new technologies and innovate IT services to meet business demands. For example, OPG has  
8 been able to rapidly develop and deploy “ChatOPG” as a secure AI platform for employees  
9 and operational tools such as ServiceNow to monitor IT service volume and quality, and  
10 continues to proactively identify emerging needs through OPG’s digital strategy. Additionally,  
11 leveraging external resources with specialized skills benefits OPG staff by providing an  
12 opportunity for upskilling as new requirements and technologies arise.

13  
14 Moreover, in-sourcing IT services and adopting a blended sourcing model has restored direct  
15 control by OPG over its data, service scope, and staff training and development—factors that  
16 are increasingly critical given the organization’s complexity and the accelerating pace of  
17 digitization and technological change. Exhibit F3-1-1, Tables 4, 5, and 6 provide an overview  
18 of CTS support costs, including NHSS contract costs up to 2023, after which all costs are  
19 reported under CTS Support Costs.

## 20 21 **5.0 BENCHMARKING STUDY**

22 In the OEB-approved settlement proposal in EB-2020-0290 and consistent with recent  
23 applications, OPG committed to undertake an independent benchmarking study of corporate  
24 support costs. The Hackett Group (“Hackett”), which completed OPG’s last two corporate  
25 support costs benchmarking studies, was retained to carry out this study. A copy of the Hackett  
26 Study report is filed as Attachment 2.

27  
28 Hackett benchmarked OPG against peers using 2024 data to reflect the most recently  
29 completed fiscal year at the time of the benchmarking exercise. Support Services’ costs  
30 assigned and allocated to both OPG’s nuclear and regulated hydroelectric businesses were

1 included in the scope of the benchmarking study. Hackett's most recent previous study had  
2 used 2019 data and was submitted in EB-2020-0290.

3  
4 Consistent with their standard practice, Hackett normalized OPG's corporate costs based on  
5 key demand drivers for each function. For IT, the number of end users was used to benchmark  
6 costs per end user. For Human Resources, the number of employees was used to benchmark  
7 costs per employee. For Procurement, spend was used to benchmark costs as a percentage  
8 of spend. For Finance, Real Estate, and Executive and Corporate Services, revenues were  
9 used to benchmark costs as a percentage of revenues.

10  
11 In providing data to Hackett, OPG closely followed Hackett's methodology, cost definitions and  
12 taxonomy to ensure OPG's Support Services functions and costs were benchmarked against  
13 peers on a comparable basis. OPG's data was reviewed by Hackett.

14  
15 The 2024 Hackett Study found that on an overall basis, OPG's cost (including both Process  
16 Costs and Technology Costs) is slightly better than the median of the peer group,  
17 demonstrating the following results by function:

- 18 • While OPG's IT costs have moved from the first to the second quartile since the 2019  
19 Hackett study, they continue to be better than the median of the peer group, with a  
20 benchmarking cost of about \$1,600 per employee below the 2024 peer median. The  
21 change in the results reflects a strategic investment in technology that OPG is making to  
22 sustain or modernize its systems and support operational reliability, regulatory compliance,  
23 and secure operations, and advance innovation to meet evolving business needs.
- 24 • Finance process costs remain in the third quartile compared to the peer group median but  
25 have improved slightly compared to the 2019 Hackett study. OPG has been able to  
26 maintain these results while managing increased finance support needs driven by of project  
27 work across the organization, and increasingly complex corporate financing activities in  
28 support of major project investments.
- 29 • Human Resources process costs remain in the third quartile primarily reflecting intensified  
30 recruitment and onboarding efforts and other support required through a period of  
31 increased hiring and workforce transition; however, Human Resources costs are planned

1 to decrease below 2024 Actuals, starting in 2026 (Ex. F3-1-1, Table 1) until 2031 as the  
2 first Pickering unit comes back online from refurbishment.

- 3 • OPG's Procurement process costs as a percentage of spend improved by 0.03%, while  
4 the peer group median increased by 0.03%. OPG's Procurement results continue to be in  
5 the fourth quartile.
- 6 • The Executive & Corporate Services process costs shifted into the third quartile from the  
7 second quartile. Despite the increasing complexity of OPG's external operating  
8 environment, these costs as a percentage of revenue have decreased by 0.01% since  
9 2019. The peer group median has improved by 0.04% of revenue.
- 10 • Real Estate & Facilities Management costs remain in the third quartile compared to the  
11 peer group median but have improved compared to the 2019 Hackett study.

## 12 13 **6.0 CONCLUSION**

14 Aside from higher IT-related expenses reflecting market trends and OPG's adoption of more  
15 modern technology platforms, Support Services costs allocated to the nuclear and regulated  
16 hydroelectric businesses are projected to remain stable throughout the IR term, with increases  
17 anticipated only as support levels are restored to Pickering when Unit 5 returns to service in  
18 2031. OPG expects to largely absorb the support required for DNNP Unit 1, once it comes  
19 online in late 2030, within the existing Support Services' cost structure. Overall, Support  
20 Services' cost structure remains slightly better than the median of the peer group. OPG will  
21 continue to execute on Support Services' initiatives to control costs and support evolving  
22 business needs during the IR term.

**LIST OF ATTACHMENTS**

1  
2  
3  
4  
5  
6

Attachment 1: Description of Corporate Support Functions

Attachment 2: Benchmarking Study of OPG's Corporate Support Function Costs prepared by The Hackett Group

1                   **ATTACHMENT 1 - DESCRIPTION OF CORPORATE**  
2                   **SUPPORT FUNCTIONS**

3  
4   **1.0    INTRODUCTION**

5   This Attachment describes the corporate Support Services functions that support nuclear and  
6   regulated hydroelectric production and whose costs are assigned or allocated to the regulated  
7   business and form part of the nuclear and regulated hydroelectric revenue requirement.

8  
9   **2.0    CORPORATE TECHNOLOGY & SERVICES**

10   The Corporate Technology & Services department (“CTS”, formerly Chief Information Office)  
11   oversees OPG's information management and information technology needs. CTS is  
12   accountable for the strategic planning, management, and operations of all business and  
13   technical information systems, except for process computers that control plant systems and  
14   operations. The CTS group also administers OPG's information management and governing  
15   documents framework and includes the Shared Services organization, further described  
16   below.

17  
18   **2.1    Digital Technology & Services**

19   2.1.1   Portfolio Planning & Controls: Develops standards and oversight of IT projects in  
20   accordance with OPG governance and best practices, while monitoring controls across labour  
21   and non-labour budgets.

22  
23   2.1.2   Application Development Services: Supports key business capabilities by coordinating  
24   teams for both application enhancements and ongoing sustainment, ensuring stability while  
25   adapting technology to evolving organizational needs.

26  
27   2.1.3   Data Services: Delivers centralized data capabilities that empower insights, analytics,  
28   and informed decision-making across IT, while supporting digital innovation through  
29   technologies aligned with business goals.

30  
31   2.1.4   Telecommunications, Hardware and Software: Manages core hardware and software,  
32   infrastructure, IT operations management, network management and telecommunications.

1 2.1.5 Enterprise Services: Supports the enterprise technology services and platforms, such  
2 as the suite of Microsoft products and the service management platform.

3  
4 2.1.6 Customer Experience: Supports end-user computing and field services. The team also  
5 supports the IT Service Management (ITSM) and DTS service desk.

6  
7 2.1.7 Cyber Security Services: Responsible for protecting digital assets, monitoring  
8 networks, conducting risk assessments, and ensuring compliance. The team leads incident  
9 response efforts, mitigates potential damage from security breaches, and educates employees  
10 on best practices to maintain a secure IT environment.

11  
12 2.1.8 Information Management Execution: Manages OPG's records and information assets  
13 to ensure accessibility, accuracy, and security.

## 14 15 **2.2 Shared Services**

16 Shared Services provides transaction processing and administrative support across the  
17 organization. This team handles a wide range of essential services, including: HR Service  
18 Center and Payroll Services to address employee inquiries and payroll issues; Financial  
19 Services, such as accounts payable, general accounting, corporate card management, and  
20 business travel and expense processing; Business Information Management Services oversee  
21 office supplies, mail and courier handling, and printing services to support daily operational  
22 needs.

## 23 24 **3.0 REAL ESTATE**

25 The Real Estate group provides centralized support services through Real Estate Services,  
26 Facilities Services, and Projects and Accommodations.

### 27 28 **3.1 Real Estate Services**

29 On a corporate-wide basis, Real Estate Services acquires, manages and disposes of real  
30 estate rights and interests; manages all commercial leases; consults on municipal planning  
31 issues; maintains real estate and property documents; develops and implements  
32 accommodation strategies to meet space requirements outside the generating stations; and

1 provides property tax services for all property owned by OPG. In addition, this group manages  
2 the Heritage Assessment program, waterfront leasing, and the employee relocation program.

### 3 4 **3.2 Facilities Services**

5 Facility Services provides property management services including maintenance and  
6 inspection of buildings and technical site infrastructure at OPG's facilities, except for RG  
7 facilities and most buildings within the protected areas of the nuclear sites. The systems and  
8 facilities addressed include mechanical, electrical, fire/life safety, plumbing, waste  
9 management, lighting, parking lots, roadways and bridges. Custodial services, grounds  
10 maintenance (snow clearing and landscaping), and food services are also provided by this  
11 group. In addition, Facilities Services operates three garages, which provide inspection and  
12 maintenance for all motorized work equipment at the nuclear sites.

### 13 14 **3.3 Projects and Accommodations**

15 Projects and Accommodations is responsible for developing the long-range facilities and  
16 accommodations plans, managing employee office moves and the budgeting, planning and  
17 executing of all facility construction, maintenance, demolition and workplace reconfiguration  
18 projects. Oversight of contractors involved in facility and reconfiguration projects is also  
19 provided by this group.

### 20 21 **3.4 Employee Experience**

22 Employee Experience supports the company's efforts to create a strong culture and an  
23 effective workforce by delivering communications and change management support to build  
24 employee engagement across the organization.

## 25 26 **4.0 SUPPLY CHAIN**

27 Supply Chain is responsible for procuring products and services, managing commercial  
28 contracts, and performing inventory management. Supply Chain focuses on maintaining the  
29 integrity of the procurement process with a goal of delivering value for money by leveraging  
30 enterprise spend across many different categories of products and services to support OPG's  
31 operations.

1     **4.1     Supply Chain Project Support**

2     The Supply Chain Project Support group procures project related services (e.g., engineering  
3     procurement and construction contracts) and supports the procurement of materials for major  
4     project business units.

5  
6     **4.2     Supply Chain Quality Assurance**

7     The Supply Chain Quality Assurance group conducts key quality assurance activities including  
8     supplier audits, oversight of supplier's quality performance, source and receipt inspections,  
9     and maintenance of approved supplier lists.

10  
11    **4.3     Category Management**

12    Category Management conducts market analysis to develop and executes product and service  
13    category strategies to take to market with a goal of establishing commercial  
14    contracts/agreements.

15  
16    **4.4     Strategic Programs**

17    Strategic Programs conducts supplier relationship management, contract management and  
18    Indigenous and diverse supplier relations development.

19  
20    **4.5     Purchasing**

21    The Purchasing group issues purchase orders utilizing established commercial  
22    contracts/agreements as well as standalone purchases. This group also includes Inventory &  
23    Materials Management, which manages the OPG Nuclear Inventory catalog/sku (stock-  
24    keeping unit) item list; assures appropriate purchasing standards and procedures; and  
25    confirms that stocking parameters are accurate and up to date.

26  
27    **4.6     Plant Operations**

28    The Plant Operations team primarily manages warehousing & logistics of OPG's Nuclear  
29    material inventory held within the central warehouse facility and the internal station warehouse  
30    stores located at Pickering and Darlington.

1     **5.0     FINANCE**

2     Finance provides strategic advice, services, and support in the areas of commercial integration  
3     and strategy, business enablement and technology solutions, treasury, corporate finance and  
4     controllership, investment strategy and business development, and assurance and risk  
5     management. The specific accountabilities by organization are described below.

6  
7     **5.1     Finance and Controllership**

8     The Finance and Controllership group includes Operations Controllership, Controllership and  
9     Finance Projects, Business Planning & Reporting, and Income Tax.

10

11     5.1.1 The Operations Controllership group: provides services directly to Nuclear and  
12     Hydroelectric sites, and Operations and Project Support functions. Where possible, staff are  
13     directly assigned to the business units and are located at the production or project sites they  
14     support.

15

16     5.1.2 The Controllership and Finance Projects group: provides services for subsidiaries,  
17     actuarial calculations and forecasting, and engages in finance projects.

18

19     5.1.3 The Business Planning & Reporting group: provides services for external reporting,  
20     business planning, management reporting, corporate controllership, revenue accounting and  
21     settlements. Within Business Planning and Reporting, the External Reporting and Policy group  
22     prepares consolidated financial statements, external reporting, and maintains accounting  
23     policies and procedures in accordance with U.S. Generally Accepted Accounting Principles.

24

25     5.1.4 The Income Tax group: deals with tax returns and compliance, provides OPG's  
26     business unit support and consulting, and offers tax code advice to OPG's accounts payable,  
27     accounts receivables and procurement teams.

28

29     **5.2     Treasury**

30     The Treasury group is responsible for OPG's financing, cash management, financial exposure  
31     management, capital structure management, credit market risk, and insurance. The Insurance  
32     department is responsible for both insurance contracting and claims processing.

1 **5.3 Internal Audit and Enterprise Risk Management**

2 The Internal Audit group provides independent, objective assurance of the organization's  
3 operations; evaluates the effectiveness of governance and controls; and maintains a strategic  
4 audit plan which includes key risk audits, mandatory audits, cyclical audits, major project  
5 audits, contract audits, and other audits and reviews. The Enterprise Risk Management group  
6 assesses, reports, and provides risk mitigation recommendations focused on the enterprise  
7 and specific business activities.

8  
9 **5.4 Commercial Integration and Strategy & New Growth**

10 The Commercial Integration and Strategy group is responsible for the organization's regulatory  
11 finance, nuclear liability management and corporate development functions. The New Growth  
12 group is responsible for driving long-term sustainable revenue growth by strategically  
13 developing and seeking new business investment and partnership opportunities.

14  
15 **5.5 Business Enablement Hub**

16 The Business Enablement Hub group is primarily responsible for information technology  
17 improvement and innovation initiatives associated with the overall Finance function.

18  
19 **5.6 Fund Management**

20 Fund Management group includes the oversight of OPG's Nuclear Segregated Funds (the  
21 Decommissioning Segregated Fund and the Used Fuel Segregated Fund) and OPG's Pension  
22 Fund. The investment management of these funds are outsourced to third-party investment  
23 managers. Management and oversight of these funds includes activities such as investment  
24 strategy design and implementation for each of the funds; performance monitoring and  
25 reporting; selection of investment managers; investment risk monitoring; and daily fund  
26 operations.

27  
28 **6.0 HUMAN RESOURCES**

29 Human Resources ("HR") enables OPG and its leaders to build a productive, engaged  
30 workforce with the right people, possessing the right skills, in the right roles to achieve business  
31 results. The Human Resources function is responsible for labour relations, compensation and

1 benefits, enterprise HR strategy, talent programs, leadership training, and recruitment. Its  
2 specific accountabilities by organization are described below.

### 3 4 **6.1 HR Business Partnering**

5 The HR Business Partnering group provides strategic advice to the business units and leads  
6 the implementation of Human Resources programs across OPG.

### 7 8 **6.2 Labour Relations**

9 The Labour Relations group oversees OPG's collective bargaining efforts, manages all labour  
10 relations activities to ensure compliance with collective agreements and labour legislation, and  
11 to ensure policies for represented staff are applied consistently and correctly.

### 12 13 **6.3 Compensation and Benefits**

14 The Compensation and Benefits group develops and manages the compensation and benefits  
15 program to achieve the company's business objectives and provides analytical support related  
16 to workforce planning and HR program management.

### 17 18 **6.4 HR Projects**

19 The HR Projects team leads business changes from a human resource perspective, manages  
20 talent and change, provides human resources continuous improvement and support HR  
21 projects including the implementation of new systems and enables process changes.

### 22 23 **6.5 Talent Management & Leadership Development**

24 Talent Management & Leadership Development acts to develop and retain staff with the skills  
25 and experience required to meet the company's needs. It co-ordinates succession planning to  
26 ensure that critical skills and business knowledge are maintained and that corporate leadership  
27 requirements are met.

### 28 29 **6.6 Recruitment & Onboarding**

30 Recruitment works to recruit talent and successfully onboard skilled staff. It ensures that staff  
31 successfully settle in their roles and can thrive within OPG's environment.

1    **6.7    Workforce Planning**

2    The Workforce Planning group assists in the resource planning strategy of the organization.  
3    This group is also responsible for providing the reporting and analytics to inform workforce  
4    strategies.

5

6    **6.8    Ethics and Equity**

7    The Ethics team is responsible for investigations and the development and maintenance of  
8    ethics-related governance such as Harassment and Human Rights and the Business Code of  
9    Conduct. The Equity department is focused on furthering the advancement of OPG's workforce  
10   equity and strategies that support an inclusive work environment.

11

12   **6.9    Health Services**

13   The Health Services team delivers programs and resources that support employee well-being,  
14   including effective disability management and initiatives that promote physical and mental  
15   health in line with applicable standards.

16

17   **7.0    CORPORATE CENTRE**

18   **7.1    Executive Office**

19   The Executive Office is responsible for the overall management and strategy of the company.

20

21   **7.2    Commercial Management**

22   The Commercial Management team is responsible for oversight of commercial contracts and  
23   vendor management for OPG's large projects.

24

25   **7.3    Law Division**

26   The Law division provides legal advice and services to support all business units across OPG,  
27   including support for various procurement activities and corporate and commercial matters.  
28   Law's legal group provides advice related to OPG's pension and nuclear funds; real estate;  
29   Bruce lease and related agreements and water resources; municipal approvals and land use  
30   planning; energy markets and regulatory matters, including the OEB payment amount  
31   applications; environmental approvals and compliance; nuclear licensing; litigation; First

1 Nations and Métis issues; freedom of information requests; occupational health and safety  
2 compliance; and labour, employment and privacy law.

#### 3 4 **7.4 The Corporate Governance and Corporate Secretary**

5 This function under law supports OPG's Board of Directors and the Executive Office, and  
6 interfaces between the OPG's Board of Directors, management and OPG's shareholder. It also  
7 contains the Freedom of Information and Intellectual Property ("FOI&IP") function. FOI&IP  
8 provides access to information in the custody or control of OPG.

#### 9 10 **7.5 Environment, Social & Governance functions ("ESG")**

11 The ESG is responsible for advancing and reporting on OPG's ESG performance. ESG  
12 engages with key audiences and supports other Business Units to achieve these goals,  
13 including coordinating OPG's annual ESG reporting, monitoring and aligning with external ESG  
14 reporting frameworks and researching and analyzing ESG risks and opportunities.

#### 15 16 **7.6 Enterprise Strategy**

17 The Enterprise Strategy team acts as the central group responsible for ensuring the company's  
18 strategic direction is clear, well-informed, and actionable, supporting OPG's mission to provide  
19 clean, reliable, and cost-effective power for Ontario. Enterprise Strategy is responsible for  
20 developing and updating OPG's corporate strategy.

#### 21 22 **7.7 Indigenous Relations**

23 Indigenous Relations works with Indigenous communities, proximate to OPG's present and  
24 potential future operations to foster positive and mutually beneficial relationships that will  
25 create social and economic benefits through partnerships and collaboration. The  
26 Reconciliation Action Plan is OPG's road map for how we intend to work in partnership with  
27 Indigenous communities, businesses, and organizations to advance Reconciliation.

#### 28 29 **7.8 Stakeholder Relations & Government Affairs**

30 Stakeholder Relations provides communications support and public and stakeholder outreach  
31 as part of ongoing efforts to ensure transparency, accountability and to earn and maintain  
32 strong local relationships and social license for OPG to operate its facilities. Major focus areas

1 are ensuring clear and timely communications on key projects, public safety efforts, water  
2 management, and operations performance. This includes ensuring timely information sharing  
3 with safety regulators like the Canadian Nuclear Safety Commission. Government Affairs  
4 ensures an ongoing and timely flow of information to support policy and program formulation  
5 and to build awareness of key business priorities across all levels of government. Internally,  
6 this group helps ensure awareness of and alignment with government priorities and policies.

7

### 8 **7.9 Regulatory Affairs**

9 Regulatory Affairs is responsible for OPG's interactions with economic and grid reliability  
10 regulators. These include the OEB, IESO, CER, NPCC, NERC, and other Canadian and U.S.  
11 regulators that affect OPG's operations. Regulatory Affairs provides strategy and advice, and  
12 also manages regulatory interactions to obtain approvals and outcomes that allow OPG to  
13 accomplish its business goals. Additionally, Regulatory Affairs develops and administers  
14 company-wide programs to ensure compliance with market and reliability rules and regulations  
15 and is responsible for OPG's major rate applications before the OEB.

16



# ONTARIOPOWER GENERATION

 **The Hackett Group**<sup>®</sup>  
World Class Defined and Enabled

## Benchmark Results Presentation

November 2025

# Agenda



- Executive Summary
- Benchmark Methodology
- Peer Overview
- Results

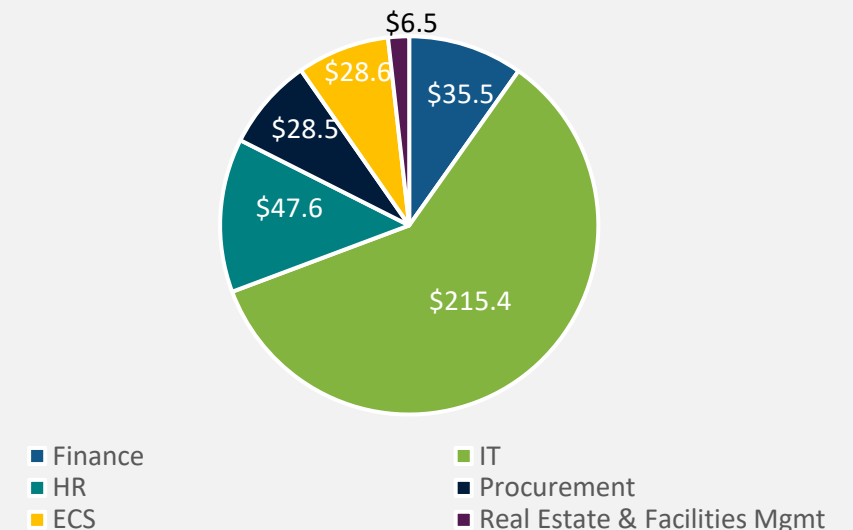
## Overview

- Ontario Power Generation (OPG) has engaged The Hackett Group to perform an independent benchmarking study of OPG’s corporate support functions and operating costs for the regulated business
- Hackett leveraged its expertise and well-defined taxonomy to deliver the following cost assessment to Peers

## 2024 Study General Observations

- Overall OPG 2024 cost (Process Cost and Technology Cost) for the in-scope areas is \$362.1 million, which is slightly below the median of the peer group.
- OPG’s IT cost, including technology cost across all in-scope functions, is 11% below the peer median.
- Finance costs as a % of revenue decreased since 2019 while the median of the peer group’s costs increased. Cost performance remain in the 3<sup>rd</sup> quartile of the peer group.
- HR process costs increased from 2019 to \$4,742 per employee and remain in the 3<sup>rd</sup> quartile of the peer group.
- Since 2019 OPG’s ECS process cost as a % of revenue decreased 2%, however the median of peer group’s cost as a % of revenue decreased by 8%. The result is OPG moved into the 3<sup>rd</sup> Quartile of the peer group.
- Real Estate & Facilities Management process costs as a % of revenue slightly decreased since 2019 and remain in the 3<sup>rd</sup> quartile of the peer group.
- Procurement process costs as a % of spend decreased by 4% since 2019 and remain in the 4<sup>th</sup> quartile of the peer group.

**OPG 2024 Total Cost (Process Cost + Tech Cost<sup>1</sup>)**  
in millions



<sup>1</sup>Technology cost included within the IT function cost

# Agenda



- Executive Summary
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## Data Guidelines and Benchmark Scope

- **Scope:** All OPG Regulated Operations
- **Benchmark data collection period:** Fiscal Year 2024
- All monetary values are in Canadian Dollars (CAD)
  - PPP (Purchasing Power Parity) was used to adjust the peer data from USD to CAD
  - Applied inflation rates published by the IMF to adjust peer cost data to ensure comparability with OPG's 2024 data
- Technology Costs are captured and compared within the IT Function
- Out of scope - the below items were excluded from the peer group to mirror the scope of OPG's functions:
  - Finance: Revenue Cycle processes
  - Procurement: Product Development, Design and Support
  - Executive & Corporate Services: Security, Legal – M&A, Cafeteria & Catering Services
- Hackett's process taxonomy is applied independent of OPG's organizational structure and functional reporting lines, thereby facilitating an "apples to apples" comparison

## 2019 Procurement Cost Adjustment

- OPG has significantly increased capital procurement spend since 2019
- To align with the 2024 benchmarking study, OPG adjusted 2019 procurement costs to include support for capital projects, mainly for the Darlington Refurbishment Project
- The adjustment increased 2019 Procurement process costs by \$2.35M, increasing OPG's cost ratio from 0.75% to 0.85% of spend
- The revised 2019 benchmark results remained in the fourth quartile

## Benchmark Comparison

- **Peer Group**
  - Represents the median of a group of companies that have similar industry characteristics and size to OPG

## Normalization of Benchmark Data

- **Finance and Executive & Corporate Services (ECS) Functions : Based on Revenue**
  - 2024 - \$5.58 billion
  - 2019 - \$5.07 billion
- **IT Function: Based on End-User Equivalents (EUE)**
  - 2024 - 16,562
  - 2019 - 14,664
- **HR Function: Based on average employees**
  - 2024 - 10,034
  - 2019 - 9,878
- **Procurement Function: Based on spend**
  - 2024 - \$3.47 billion
  - 2019 - \$2.27 billion

**Revenue:** External Revenue Only, intercompany revenue not included. OPG includes revenue associated with regulated operations only. OPG revenue is adjusted to account for revenue deferred to future periods.

**End-User Equivalents (EUE):** An individual (typically either an employee or contractor) that spends at least 10% of his or her time using a company provided, funded, supported computing device that is part of the company's IT infrastructure (i.e. desktops, laptops, hand-held devices, etc.) to support his or her business function. The user must have direct access to internal applications/systems to execute specific transactions on behalf of the company. OPG used LAN IDs as a proxy for end users. OPG included end users associated with regulated operations only.

**Employees:** Full-time, part-time, temporary, seasonal, and contingent employees . OPG included employees associated with regulated operations only.

**Spend:** Spend refers to the cost of direct and indirect materials and services purchased (i.e., disbursements) in the period measured by this benchmark. OPG included spend associated with regulated operations only.

# Hackett's process taxonomy was applied to ensure an apples-to-apples comparison

## Finance

- **Transactional**
  - Cash Disbursements
  - General Accounting & External Reporting
- **Control and Risk Management**
  - Tax Management
  - Treasury Management
  - Compliance Management
- **Financial Planning and Analysis**
  - Planning and Forecasting
  - Business Performance Reporting & Analysis
- **Management & Administration**
  - Finance Function Management

## Procurement

- **Operations and Compliance**
  - Supply Data Management
  - Requisition and PO Processing
  - Supplier Scheduling
  - Receipt Processing
  - Compliance Management
- **Sourcing and Supply Base Management**
  - Customer Management
  - Sourcing Execution
  - Supplier Management and Development
- **Planning and Strategy**
  - Sourcing and Supply Base Strategy
- **Management and Administration**
  - Function Strategy and Performance Management
  - Procurement Function Management

## Real Estate & Facilities Management

- **Real Estate & Facilities Management**
  - Facilities Management (for office space)
  - Real Estate Management

## Human Resources

- **Transactional**
  - Total Rewards Administration
  - Payroll Services
  - Data Mgmt., Reporting, & Compliance
  - Exit Management
- **Employee Life Cycle**
  - Recruiting & Staffing
  - Performance and Talent Development
  - Organizational Effectiveness Services
- **Planning and Strategy**
  - Total Rewards Planning
  - Strategic Workforce Planning
- **Management and Administration**
  - HR Function Management

## Information Technology

- **Plan**
  - IT Business Relationship Management
  - Enterprise Architecture & Emerging Technologies
  - IT Demand & Portfolio Management
- **Build**
  - Infrastructure Development & Deployment
  - Application Development & Deployment
  - Information Data Sourcing & Integration
- **Run**
  - Infrastructure Management
  - End User Support
  - Application Maintenance
  - Risk & Security Management
- **Manage**
  - IT Function Management

## Executive & Corporate Services (ECS)

- **Administrative Services**
- **Legal**
- **Risk and Environmental Health & Safety**
- **Corporate Communications**
- **Executive Office**
- **Other**
  - Government Affairs
  - Planning and Strategy

# Agenda



- Executive Summary
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## Peer Group

### Composite Peer Group

Algonquin Power & Utilities Corporation  
 Consumers Energy  
 EPCOR Utilities Inc.  
 National Grid plc  
 NiSource  
 NW Natural  
 Portland General Electric Company  
 Sacramento Municipal Utility District

### Nuclear Operators

Ameren  
 Exelon  
 Pacific Gas and Electric Company  
 Pinnacle West Capital Corporation  
 Public Service Energy Group  
 Xcel Energy



**NW Natural**



**PINNACLE WEST**  
 CAPITAL CORPORATION



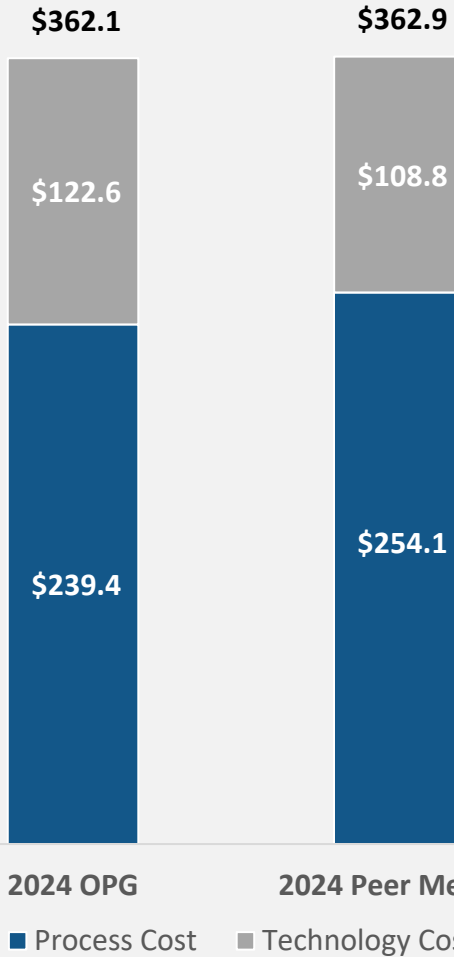
# Agenda



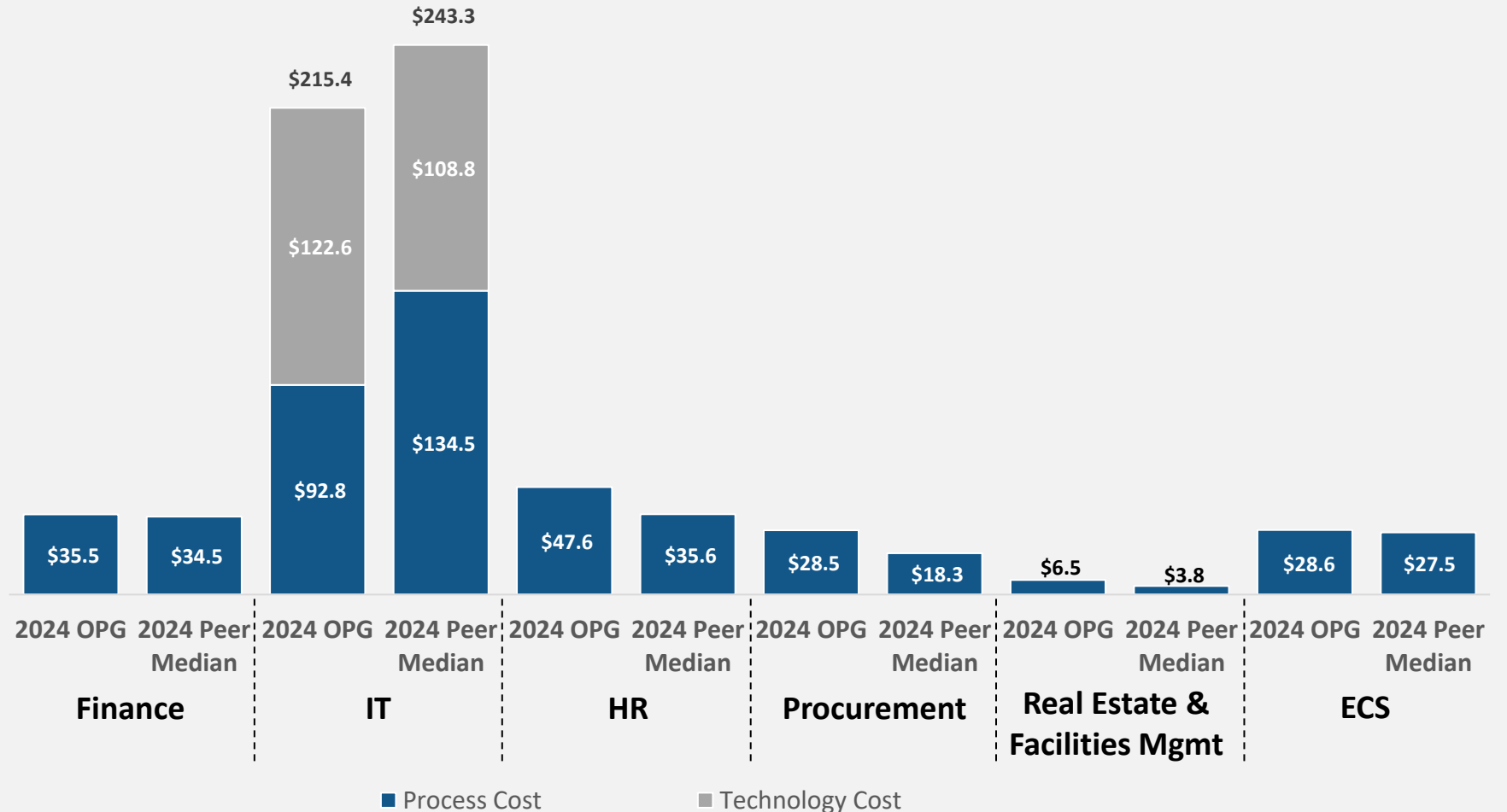
- Executive Summary
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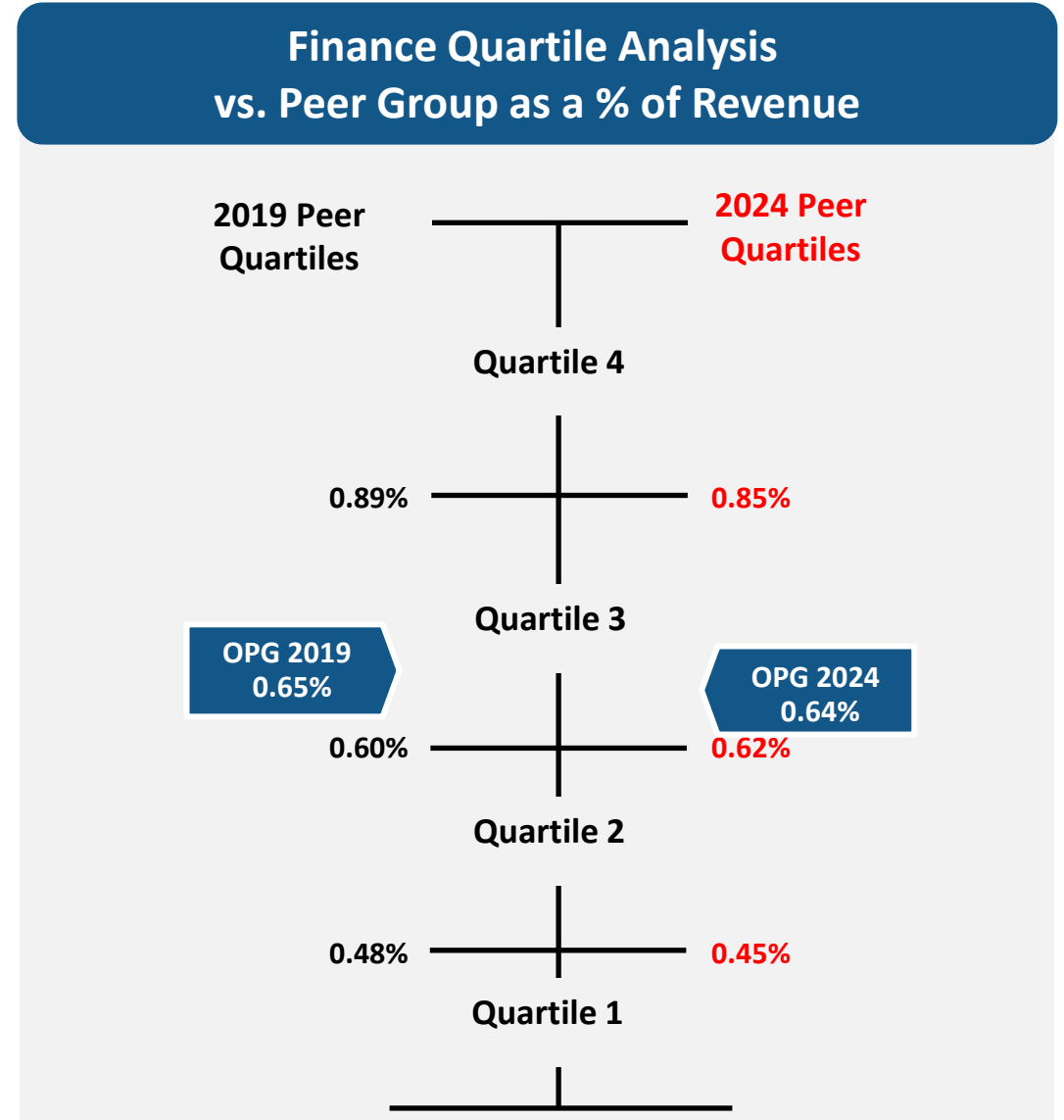
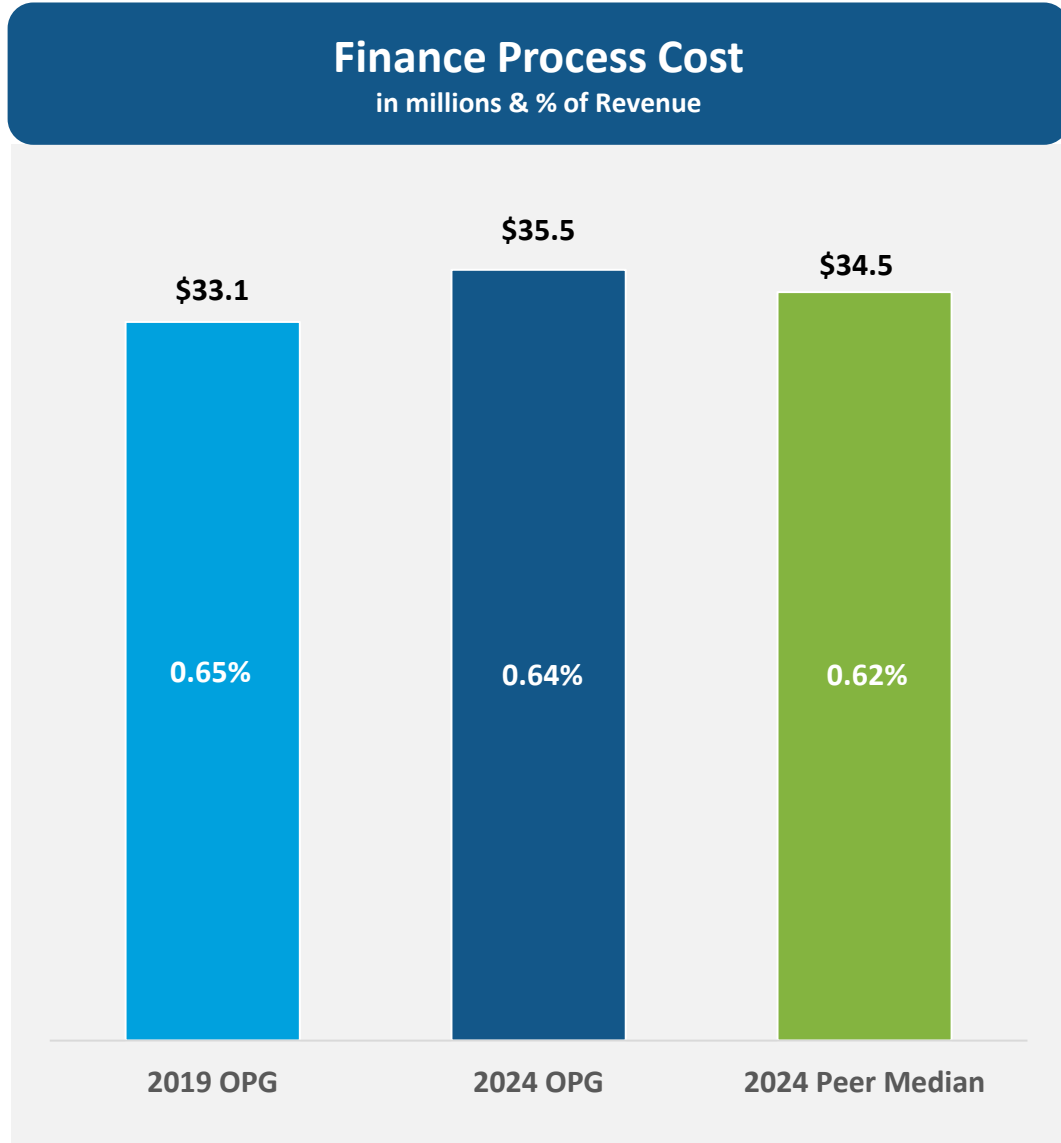
# Process Cost and Technology Cost Comparison by Function

## Process Cost and Technology Cost (\$M)

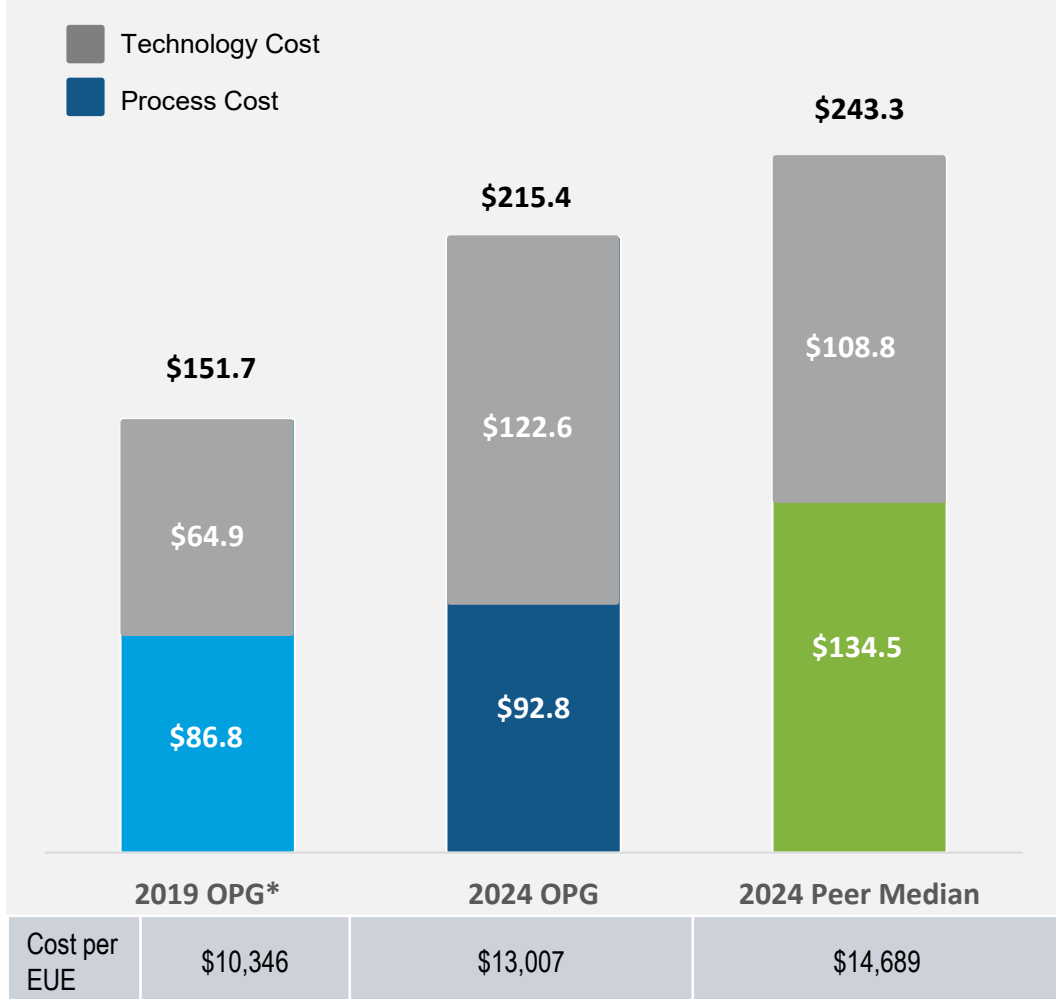


## Cost by Function (\$M)



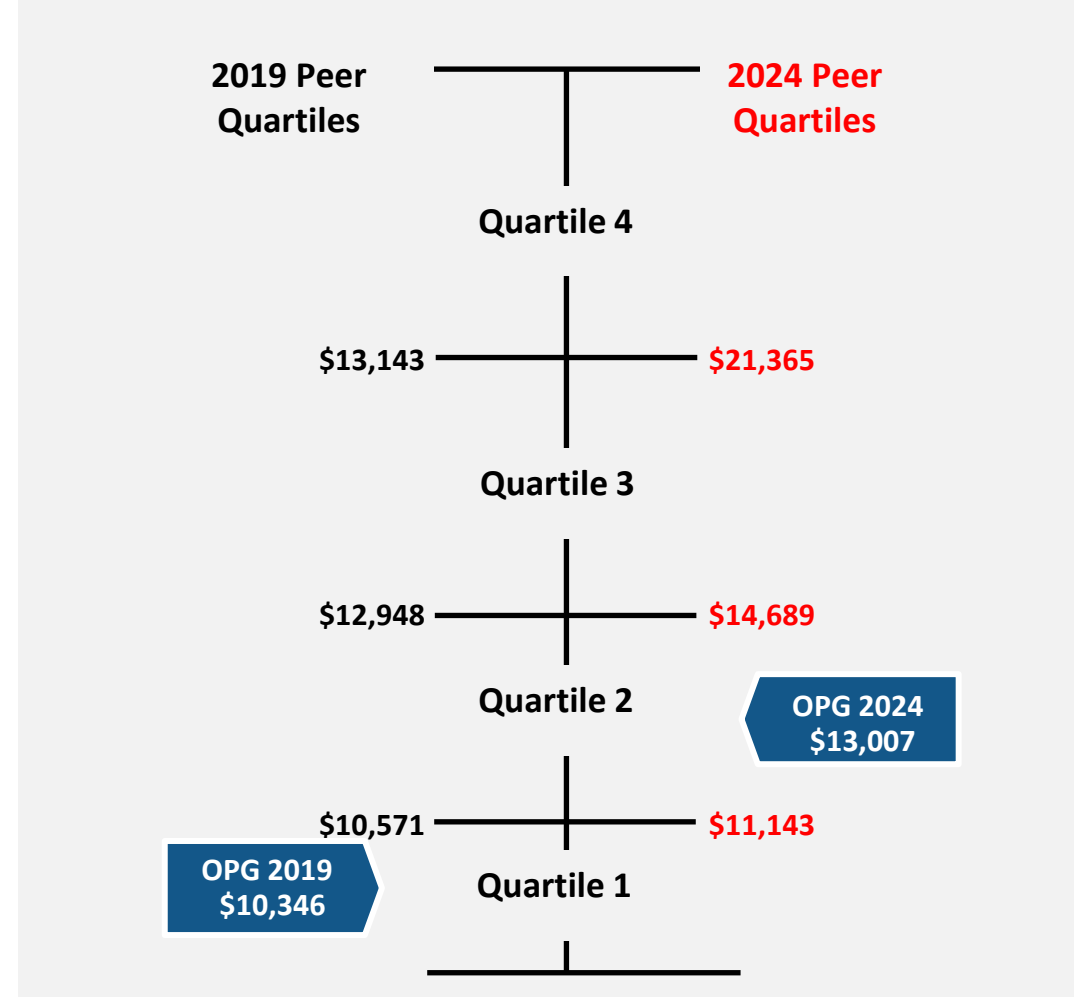


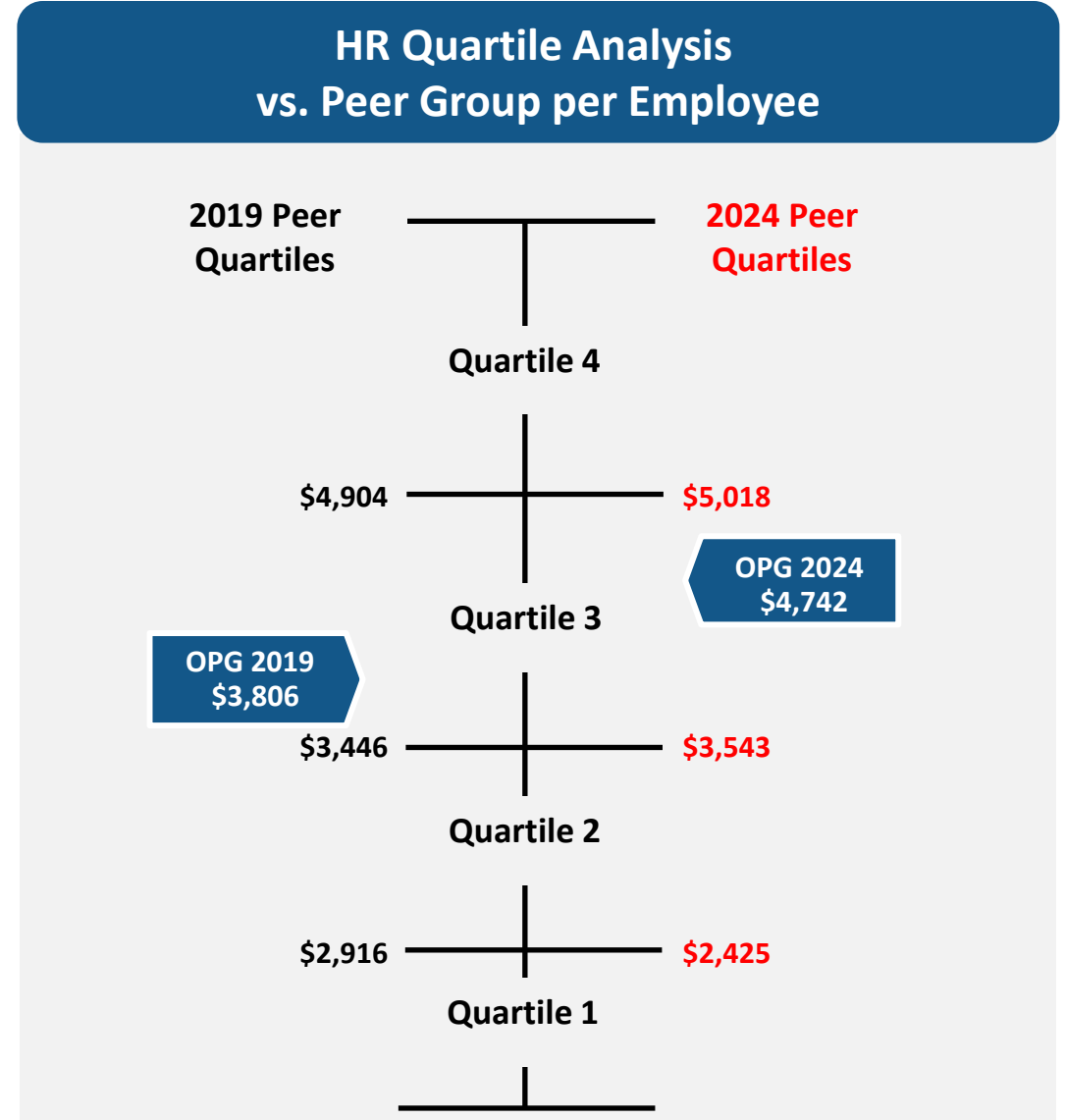
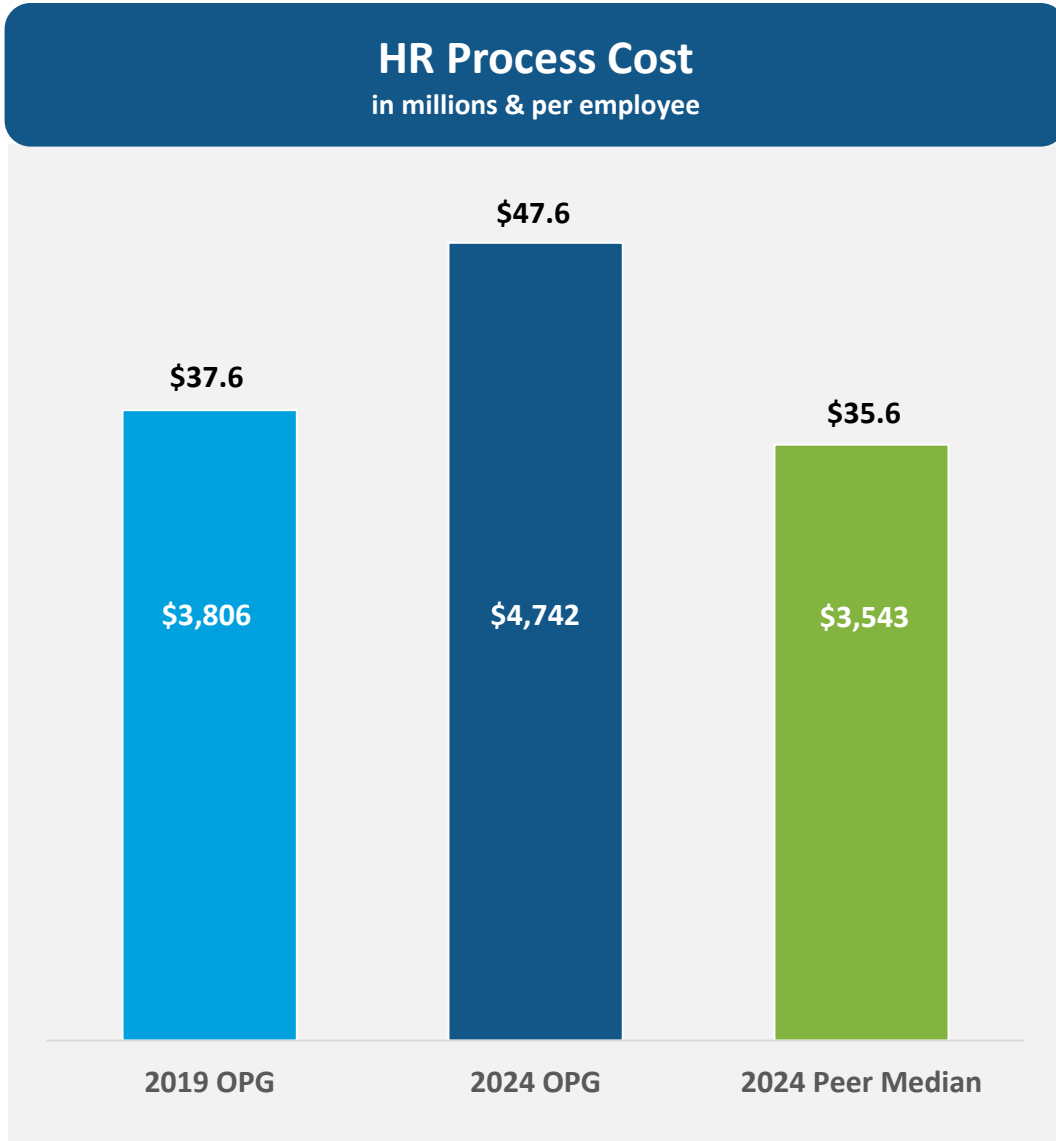
## IT Process + Technology Cost in millions & per EUE

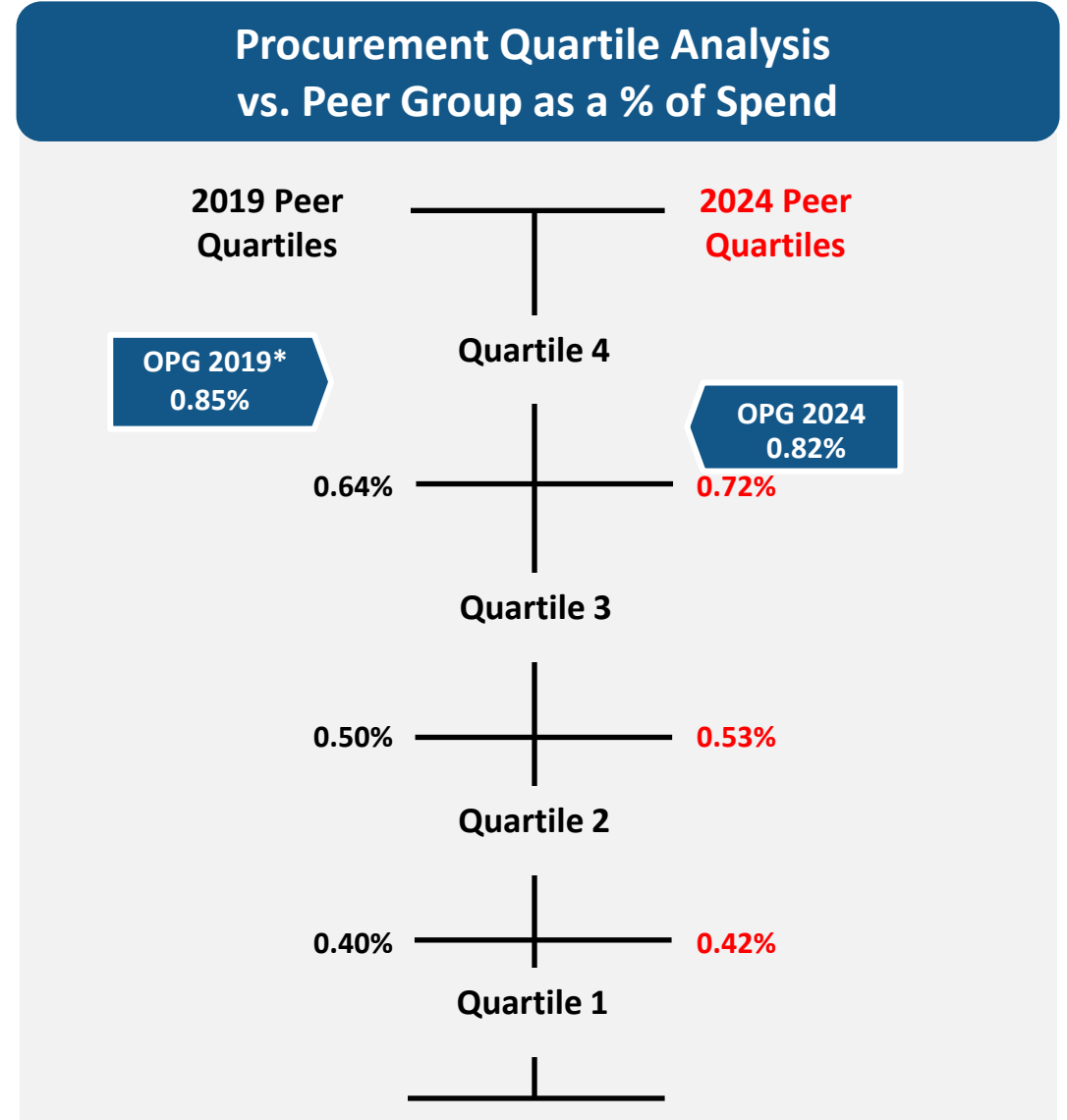
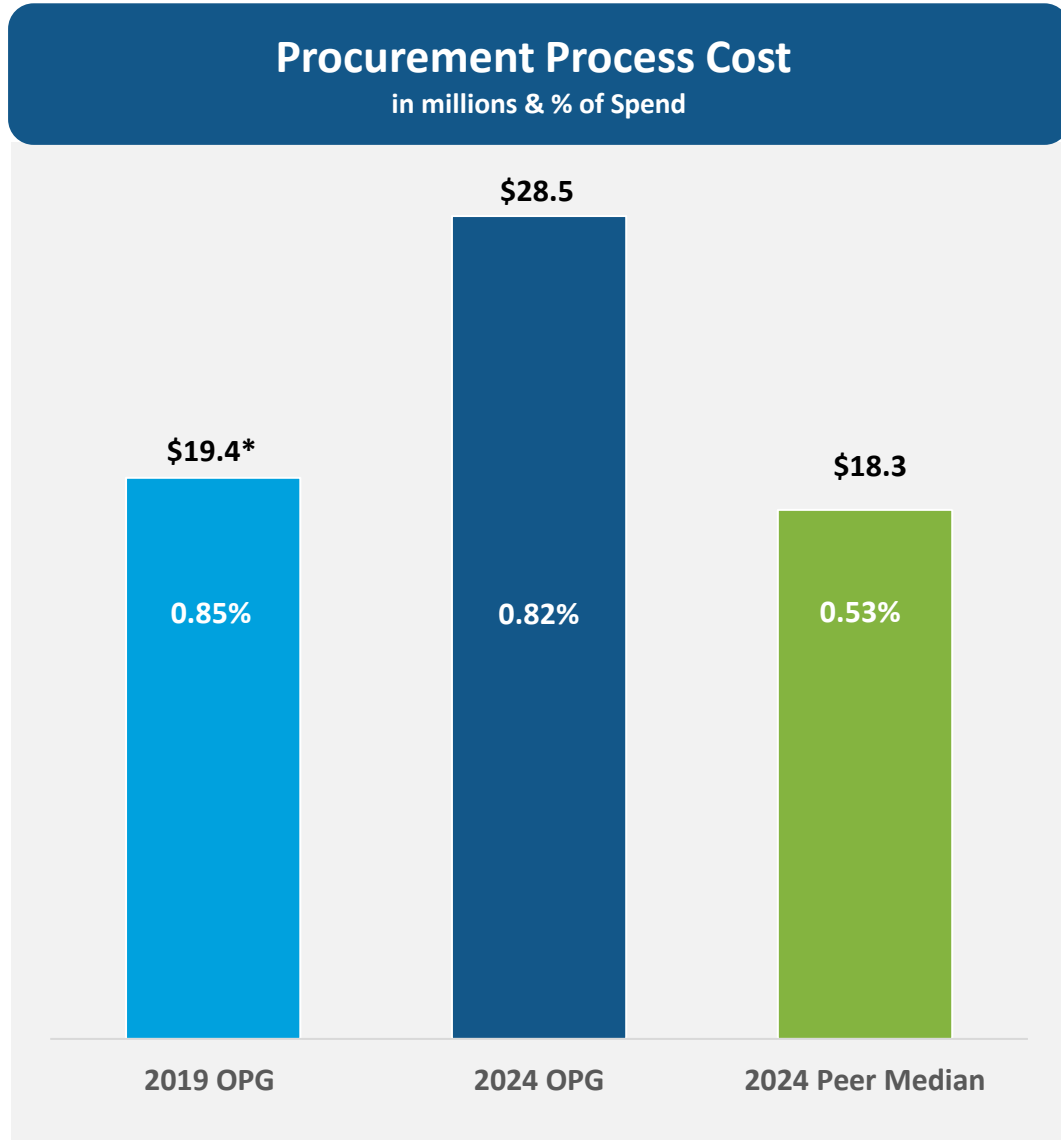


\*Updated OPG's 2019 mix of IT costs to be consistent with Hackett methodology. The total cost did not change.

## IT Quartile Analysis vs. Peer Group per EUE

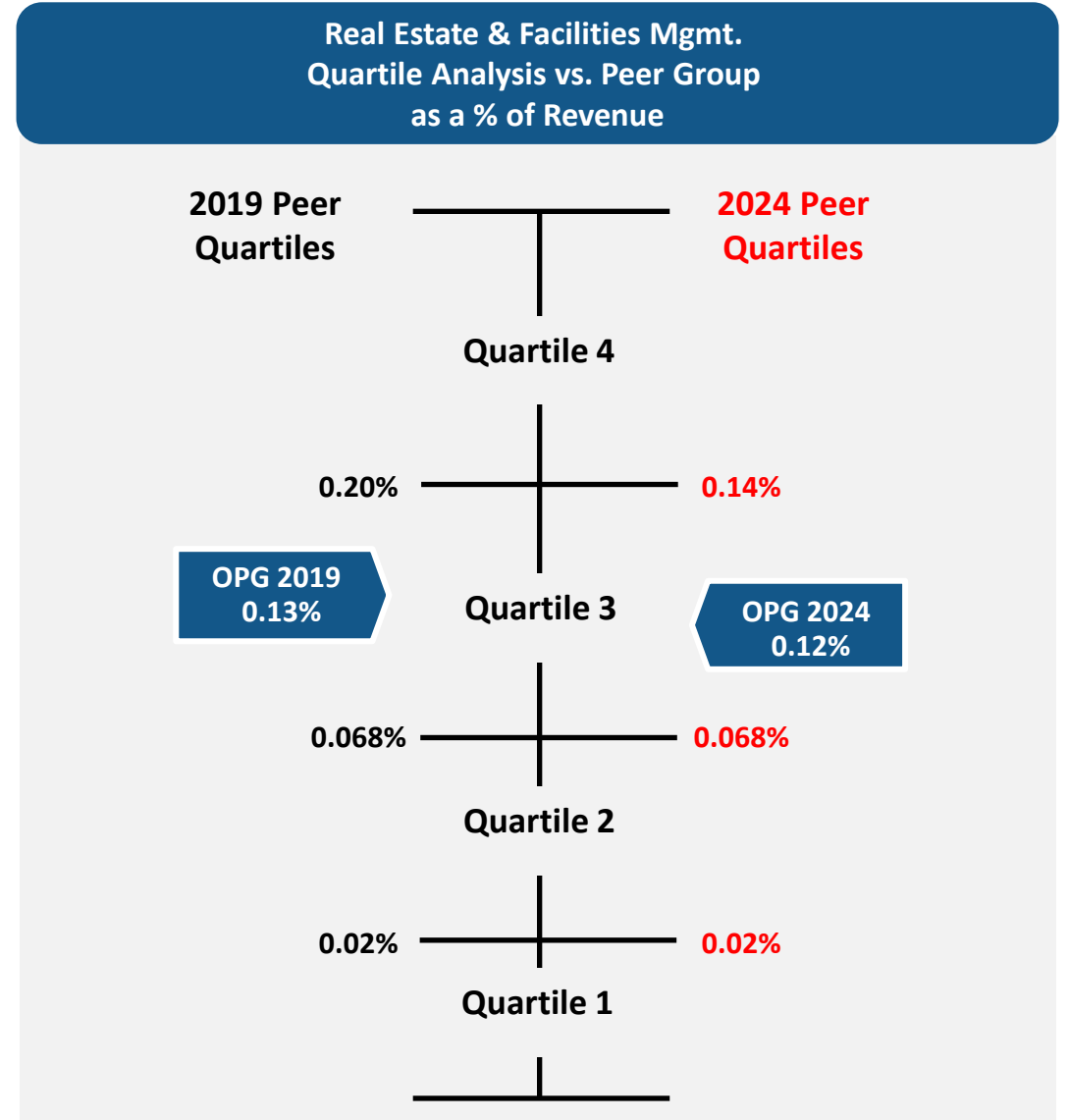
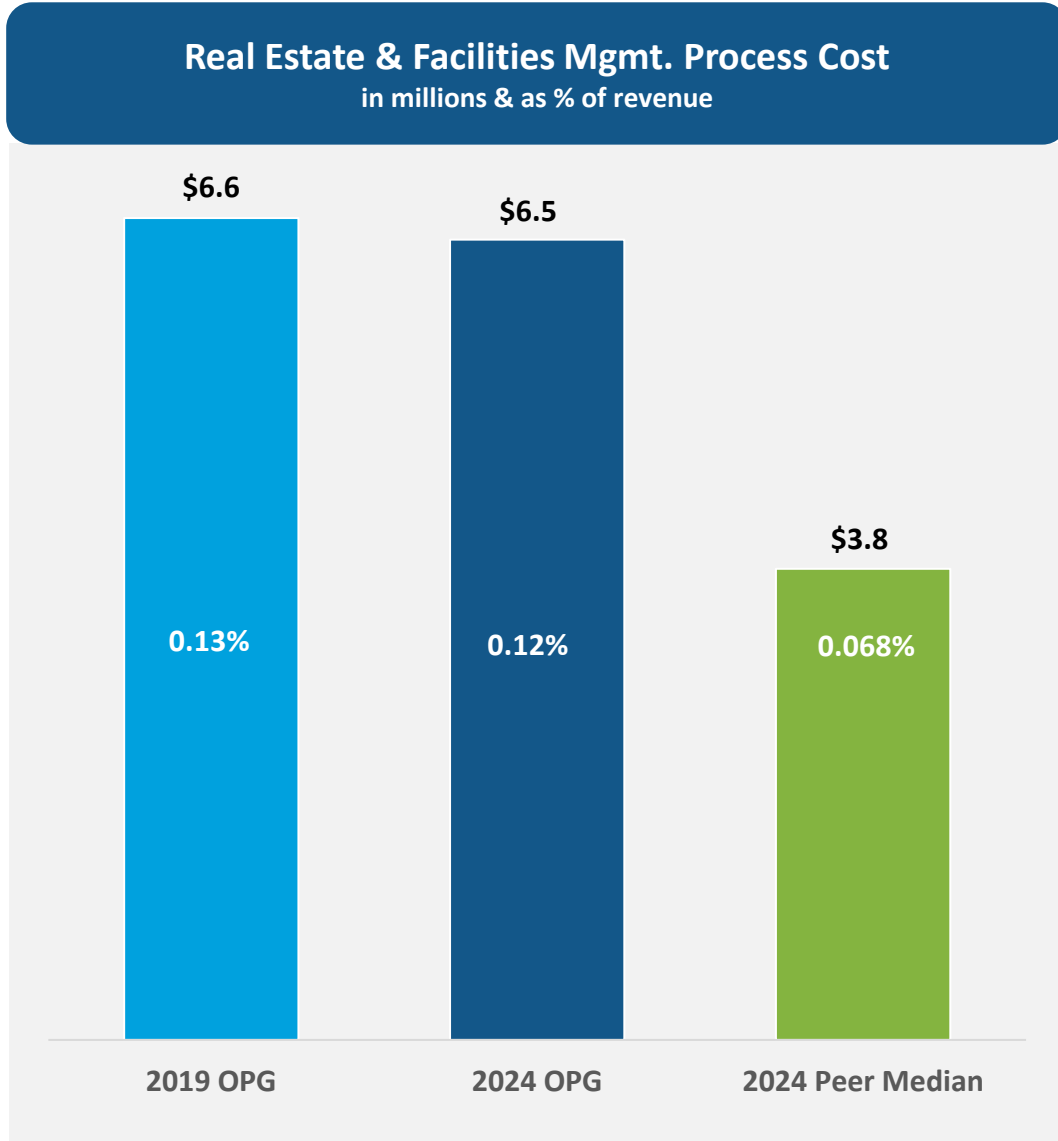




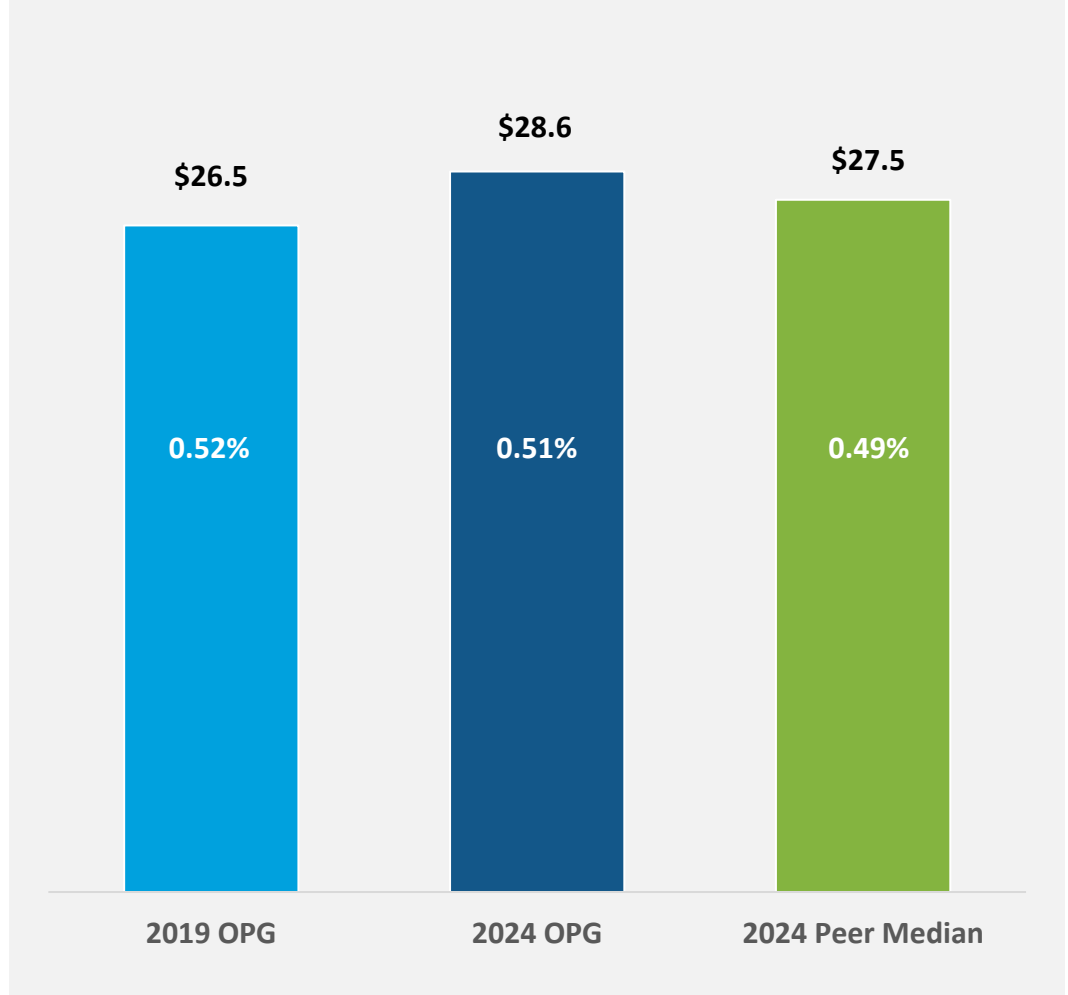


\*Adjustment for procurement support cost associated with managing capital spend

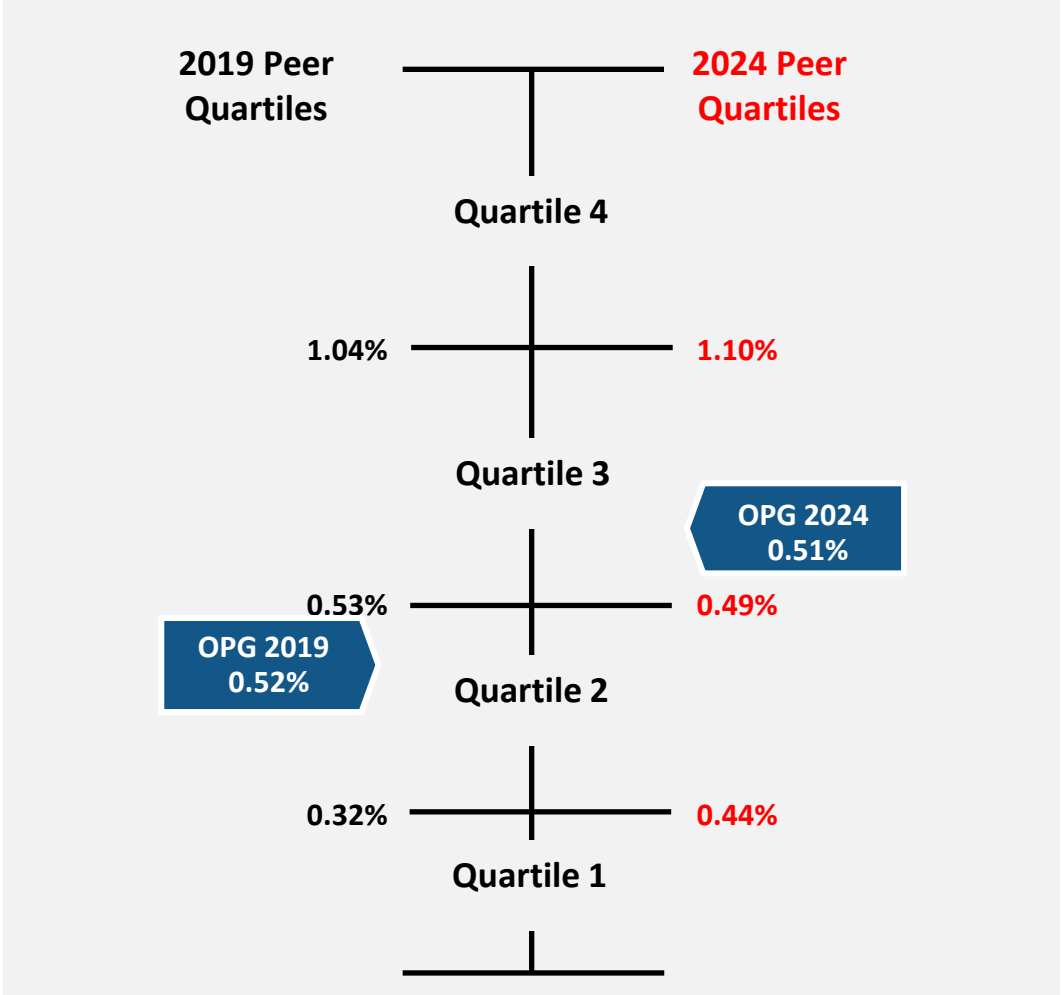
# Real Estate and Facilities Management Function



## ECS Process Cost in millions & as % of revenue

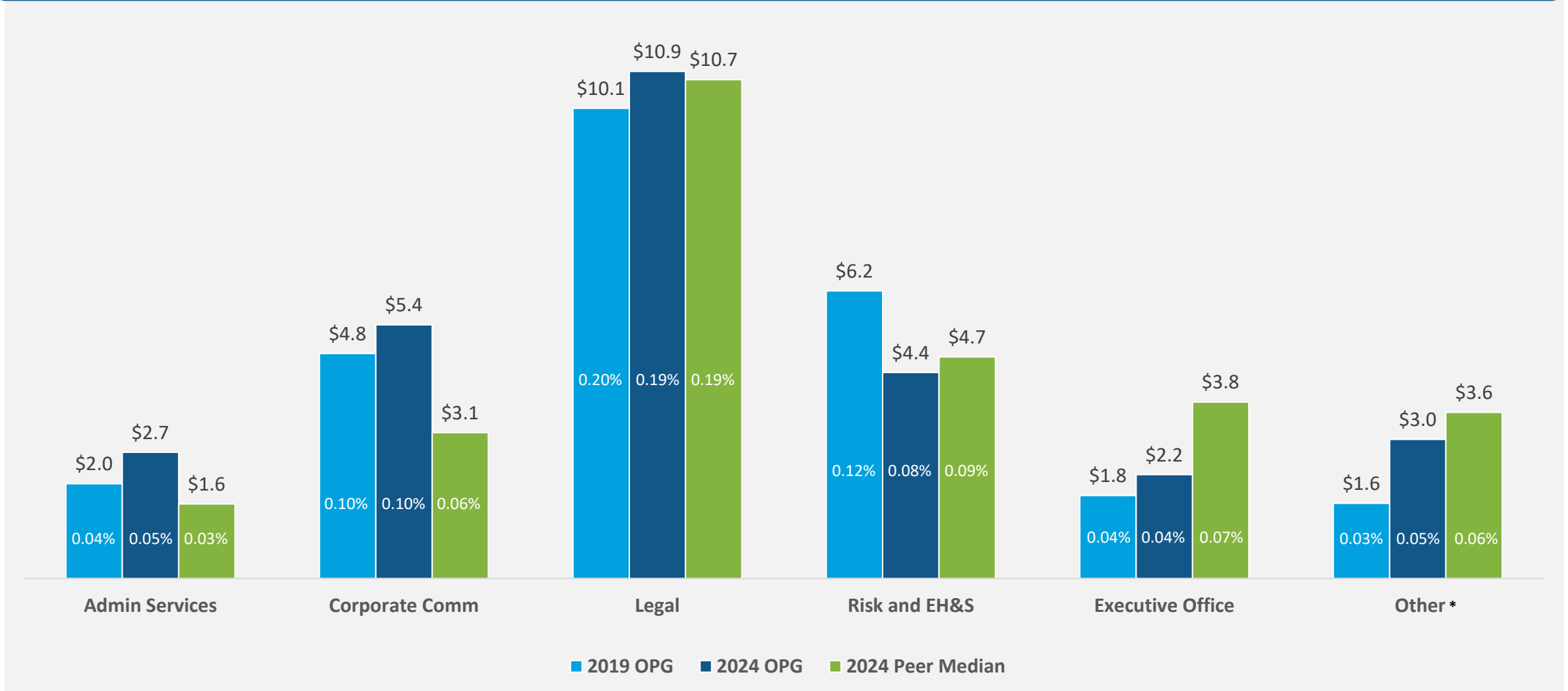


## ECS Quartile Analysis vs. Peer Group as a % of Revenue



# Executive & Corporate Services (ECS) Function by Sub-Process

## ECS Process Cost by Sub-Process in millions & % of revenue





[www.thehackettgroup.com](http://www.thehackettgroup.com)

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 1

Table 1  
 Corporate Support & Administrative Groups OM&A Costs - OPG (\$M)<sup>1</sup>

Line No.	Corporate Costs	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Base OM&amp;A</b>												
1	Corporate & Technology Services	148.1	159.1	165.2	168.2	180.4	173.5	187.3	188.2	196.7	207.9	218.2	240.0
2	Real Estate <sup>2</sup>	50.9	49.9	45.8	55.4	52.4	54.4	57.7	62.4	63.0	66.5	67.6	72.2
3	Supply Chain	48.2	47.1	49.3	56.3	56.1	50.4	51.1	52.0	49.6	51.4	53.3	62.9
4	Finance	41.3	38.1	41.4	47.9	48.9	59.6	63.7	65.8	67.6	71.0	72.9	75.2
5	Human Resources	32.3	32.1	36.8	48.0	41.4	45.6	40.9	36.6	37.9	39.3	39.9	43.6
6	Corporate Centre	52.5	53.9	49.8	59.2	59.4	69.0	71.2	68.5	67.3	71.2	76.4	76.6
7	<b>Total Base OM&amp;A</b>	<b>373.3</b>	<b>380.2</b>	<b>388.3</b>	<b>434.9</b>	<b>438.6</b>	<b>452.7</b>	<b>471.8</b>	<b>473.5</b>	<b>482.2</b>	<b>507.4</b>	<b>528.3</b>	<b>570.4</b>
8	<b>Leases &amp; Utilities</b>	<b>27.3</b>	<b>26.2</b>	<b>28.5</b>	<b>28.6</b>	<b>27.7</b>	<b>31.1</b>	<b>27.7</b>	<b>30.0</b>	<b>25.2</b>	<b>24.6</b>	<b>24.9</b>	<b>25.4</b>
9	<b>Project OM&amp;A</b>	<b>25.0</b>	<b>26.4</b>	<b>22.8</b>	<b>37.2</b>	<b>30.4</b>	<b>36.1</b>	<b>47.4</b>	<b>51.4</b>	<b>48.0</b>	<b>46.1</b>	<b>44.6</b>	<b>42.2</b>
10	<b>Total OM&amp;A</b>	<b>425.5</b>	<b>432.8</b>	<b>439.6</b>	<b>500.8</b>	<b>496.8</b>	<b>519.9</b>	<b>546.9</b>	<b>554.9</b>	<b>555.3</b>	<b>578.1</b>	<b>597.8</b>	<b>638.0</b>

Notes:

- 1 Corporate Support & Administrative costs have been restated from EB-2020-0290 for organizational changes and transfers to/from Enterprise Operations and Enterprise Projects as described in Ex. F3-1-1.
- 2 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 2

Table 2  
 Allocation of Corporate Support & Administrative OM&A Costs - Regulated Hydroelectric (\$M)

Line No.	Corporate Group	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Base OM&amp;A</b>												
1	Corporate & Technology Services	19.0	17.5	18.0	17.8	10.7	11.3	12.7	12.8	13.6	14.8	17.3	18.0
2	Real Estate <sup>1</sup>	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.9	1.0	0.9	1.1
3	Supply Chain	3.1	3.6	3.1	2.8	2.5	2.3	2.3	2.3	2.9	4.2	4.0	4.1
4	Finance	7.5	6.8	7.0	7.1	6.7	5.7	6.0	6.5	8.1	8.3	9.2	9.3
5	Human Resources	4.8	5.2	5.6	5.5	5.5	5.0	6.3	7.5	6.7	7.0	6.5	5.8
6	Corporate Centre	10.1	10.1	8.7	10.5	9.7	10.4	8.5	11.0	12.9	9.8	9.9	10.1
7	<b>Total Base OM&amp;A</b>	<b>45.0</b>	<b>43.6</b>	<b>43.0</b>	<b>44.3</b>	<b>35.6</b>	<b>35.3</b>	<b>36.4</b>	<b>40.8</b>	<b>45.2</b>	<b>45.2</b>	<b>47.7</b>	<b>48.5</b>
8	<b>Leases &amp; Utilities</b>	<b>0.2</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>	<b>0.8</b>	<b>1.2</b>	<b>1.8</b>	<b>1.7</b>	<b>2.9</b>	<b>3.1</b>	<b>4.1</b>	<b>2.8</b>
9	<b>Project OM&amp;A</b>	<b>5.9</b>	<b>4.1</b>	<b>3.0</b>	<b>1.9</b>	<b>2.1</b>	<b>2.2</b>	<b>1.7</b>	<b>2.8</b>	<b>1.9</b>	<b>2.5</b>	<b>2.2</b>	<b>4.1</b>
10	<b>Total OM&amp;A</b>	<b>51.0</b>	<b>48.4</b>	<b>47.1</b>	<b>47.1</b>	<b>38.4</b>	<b>38.7</b>	<b>39.9</b>	<b>45.3</b>	<b>50.0</b>	<b>50.7</b>	<b>54.0</b>	<b>55.3</b>

Notes:

1 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Filed: 2025-12-12

EB-2025-0297

Exhibit F3

Tab 1

Schedule 1

Table 3

Table 3

Allocation of Corporate Support & Administrative OM&A Costs - OPG Nuclear Facilities (\$M)<sup>1</sup>

Line No.	Corporate Group	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Base OM&amp;A</b>												
1	Corporate & Technology Services	130.1	139.6	144.5	145.4	157.9	149.2	152.3	149.6	154.5	164.4	172.8	191.5
2	Real Estate <sup>2</sup>	49.3	47.3	42.2	52.7	49.4	48.9	51.0	55.0	55.2	58.5	59.3	60.5
3	Supply Chain	44.2	43.0	45.8	52.5	51.4	44.5	44.3	44.6	41.9	43.6	43.9	50.4
4	Finance	27.2	26.7	29.1	33.4	31.2	38.5	38.4	38.0	38.5	40.9	41.4	42.5
5	Human Resources	24.5	24.8	28.1	37.3	32.2	35.2	30.2	26.4	27.2	28.4	28.7	31.2
6	Corporate Centre	34.1	34.0	31.0	32.8	33.7	42.2	40.4	38.5	37.2	39.8	42.1	42.3
7	<b>Total Base OM&amp;A</b>	309.4	315.3	320.8	354.1	355.8	358.5	356.6	352.1	354.6	375.5	388.2	418.3
8	<b>Leases &amp; Utilities</b>	22.7	22.5	23.1	22.9	20.8	26.8	21.9	25.8	21.1	20.9	20.9	20.5
9	<b>Project OM&amp;A</b>	20.6	21.9	22.3	29.3	24.3	26.2	37.6	39.6	36.5	36.3	35.6	32.8
10	<b>Total OM&amp;A</b>	352.7	359.7	366.2	406.3	400.8	411.5	416.1	417.5	412.1	432.7	444.7	471.6

Notes:

- 1 Corporate Support & Administrative costs have been restated from EB-2020-0290 for organizational changes and transfers to/from Enterprise Operations and Enterprise Projects as described in Ex. F3-1-1.
- 2 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 3a

Table 3a  
Allocation of Corporate Support & Administrative OM&A Costs - OPG Nuclear Facilities - Darlington (\$M)<sup>1</sup>

Line No.	Corporate Group	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Base OM&amp;A</b>												
1	Corporate & Technology Services	62.9	65.6	67.6	69.7	75.8	75.8	69.0	73.3	74.7	80.0	83.2	87.5
2	Real Estate <sup>2</sup>	23.2	23.0	20.2	27.9	26.8	29.0	31.5	33.0	33.0	34.4	34.8	35.8
3	Supply Chain	20.1	19.8	19.9	23.1	23.1	24.7	21.8	25.3	23.5	24.3	24.3	26.8
4	Finance	15.8	16.3	17.3	18.0	16.6	20.5	18.0	17.1	15.8	16.1	14.7	15.9
5	Human Resources	11.7	12.7	14.1	17.4	15.9	18.9	14.4	12.6	12.5	12.8	12.9	13.8
6	Corporate Centre	19.3	21.0	17.5	18.4	17.4	22.8	19.0	17.4	15.4	15.9	15.2	16.0
7	<b>Total Base OM&amp;A</b>	<b>153.0</b>	<b>158.3</b>	<b>156.6</b>	<b>174.5</b>	<b>175.6</b>	<b>191.7</b>	<b>173.8</b>	<b>178.6</b>	<b>174.9</b>	<b>183.5</b>	<b>185.1</b>	<b>195.7</b>
8	<b>Leases &amp; Utilities</b>	<b>11.1</b>	<b>11.8</b>	<b>11.8</b>	<b>11.0</b>	<b>10.3</b>	<b>13.9</b>	<b>11.2</b>	<b>13.4</b>	<b>10.9</b>	<b>10.8</b>	<b>10.7</b>	<b>10.6</b>
9	<b>Project OM&amp;A</b>	<b>11.1</b>	<b>12.2</b>	<b>10.8</b>	<b>13.7</b>	<b>11.0</b>	<b>14.0</b>	<b>15.6</b>	<b>21.8</b>	<b>20.0</b>	<b>20.6</b>	<b>18.8</b>	<b>16.2</b>
10	<b>Total OM&amp;A</b>	<b>175.2</b>	<b>182.3</b>	<b>179.2</b>	<b>199.2</b>	<b>196.9</b>	<b>219.6</b>	<b>200.6</b>	<b>213.7</b>	<b>205.8</b>	<b>214.9</b>	<b>214.6</b>	<b>222.4</b>

Notes:

- Corporate Support & Administrative costs have been restated from EB-2020-0290 for organizational changes and transfers to/from Enterprise Operations and Enterprise Projects as described in Ex. F3-1-1.
- Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

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 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 3b

Table 3b  
 Allocation of Corporate Support & Administrative OM&A Costs - OPG Nuclear Facilities - Pickering (\$M)<sup>1</sup>

Line No.	Corporate Group	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Base OM&amp;A</b>												
1	Corporate & Technology Services	67.2	74.0	76.9	75.7	82.1	73.4	83.3	76.3	79.9	84.3	89.6	104.1
2	Real Estate <sup>2</sup>	26.0	24.3	22.0	24.9	22.6	19.9	19.5	22.0	22.3	24.1	24.5	24.7
3	Supply Chain	24.1	23.2	25.9	29.4	28.3	19.8	22.5	19.3	18.3	19.2	19.6	23.6
4	Finance	11.4	10.4	11.8	15.4	14.7	18.0	20.3	20.9	22.7	24.8	26.7	26.6
5	Human Resources	12.8	12.1	14.0	19.8	16.3	16.3	15.8	13.8	14.7	15.6	15.8	17.4
6	Corporate Centre	14.8	13.0	13.6	14.4	16.2	19.4	21.4	21.1	21.8	24.0	26.9	26.3
7	<b>Total Base OM&amp;A</b>	156.4	157.0	164.2	179.6	180.2	166.8	182.7	173.5	179.7	192.0	203.1	222.7
8	<b>Leases &amp; Utilities</b>	11.6	10.7	11.3	11.9	10.4	12.9	10.7	12.4	10.2	10.1	10.2	10.0
9	<b>Project OM&amp;A</b>	9.5	9.7	11.5	15.6	13.3	12.2	22.0	17.8	16.5	15.7	16.9	16.5
10	<b>Total OM&amp;A</b>	177.5	177.4	187.0	207.1	203.9	191.9	215.5	203.7	206.4	217.8	230.1	249.1

Notes:  
 1 Corporate Support & Administrative costs have been restated from EB-2020-0290 for organizational changes and transfers to/from Enterprise Operations and Enterprise Projects as described in Ex. F3-1-1.  
 2 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

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 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 3c

Table 3c  
Allocation of Corporate Support & Administrative OM&A Costs - DNNP Facilities (\$M)

Line No.	Corporate Group	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
	<b>Base OM&amp;A</b>						
1	Corporate & Technology Services	8.4	10.9	13.0	13.7	14.6	15.5
2	Real Estate <sup>1</sup>	1.1	1.6	1.7	1.9	2.0	5.2
3	Supply Chain	0.9	1.4	1.7	1.9	3.3	6.0
4	Finance	4.0	5.5	6.5	7.2	8.9	8.4
5	Human Resources	1.4	1.7	2.0	2.1	2.3	2.7
6	Corporate Centre	3.2	4.6	5.2	6.0	7.9	7.0
7	<b>Total Base OM&amp;A</b>	19.0	25.5	30.1	32.7	39.0	44.7
8	<b>Leases &amp; Utilities</b>	0.1	0.2	0.3	0.3	0.7	1.5
9	<b>Project OM&amp;A</b>	4.8	4.8	4.5	3.5	3.0	3.7
10	<b>Total OM&amp;A</b>	23.9	30.5	34.8	36.5	42.7	49.8

Notes:

<sup>1</sup> Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 4

Table 4  
Corporate & Technology Services Base OM&A Costs - OPG (\$M)

Line No.	Costs	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Hardware / Software / Telecommunications</b>	32.2	39.5	48.8	55.1	61.9	61.6	74.7	81.4	87.7	95.0	102.8	115.4
2	NHSS Base Costs	55.9	54.9	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	IT Support Costs	28.7	33.1	48.4	78.8	83.6	76.7	79.7	78.5	80.0	82.9	84.6	90.1
4	<b>Total NHSS and IT Support Costs<sup>1</sup></b>	<b>84.7</b>	<b>88.1</b>	<b>82.4</b>	<b>78.8</b>	<b>83.6</b>	<b>76.7</b>	<b>79.7</b>	<b>78.5</b>	<b>80.0</b>	<b>82.9</b>	<b>84.6</b>	<b>90.1</b>
5	<b>Shared Services</b>	31.2	31.4	34.0	34.3	34.9	35.2	32.9	28.3	29.0	30.1	30.9	34.5
6	<b>Total</b>	<b>148.1</b>	<b>159.1</b>	<b>165.2</b>	<b>168.2</b>	<b>180.4</b>	<b>173.5</b>	<b>187.3</b>	<b>188.2</b>	<b>196.7</b>	<b>207.9</b>	<b>218.2</b>	<b>240.0</b>

Notes:

1 New Horizons System Solutions employees were

Numbers may not add due to rounding.

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 Tab 1  
 Schedule 1  
 Table 5

Table 5  
 Allocation of Corporate & Technology Services Base OM&A Costs - Regulated Hydroelectric (\$M)

Line No.	Costs	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Hardware / Software / Telecommunications</b>	2.7	2.7	2.7	3.1	2.2	2.7	3.5	4.1	4.6	5.1	6.7	7.6
2	NHSS Base Costs	7.1	5.8	5.5	5.8	3.9	3.7	2.5	0.0	0.0	0.0	0.0	0.0
3	IT Support Costs	4.4	4.7	7.0	6.2	2.0	2.3	3.4	5.6	5.9	5.9	6.8	7.0
4	<b>Total NHSS and IT Support Costs<sup>1</sup></b>	11.5	10.5	12.6	12.0	5.8	6.0	5.8	5.6	5.9	5.9	6.8	7.0
5	<b>Shared Services</b>	4.7	4.2	2.8	2.7	2.7	2.6	3.3	3.1	3.0	3.8	3.7	3.4
6	<b>Total</b>	19.0	17.5	18.0	17.8	10.7	11.3	12.7	12.9	13.6	14.8	17.3	18.0

Notes:

- 1 New Horizons System Solutions employees were repatriated to OPG in 2022 as described in Ex. F3-1-1.

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 6

Table 6  
Allocation of Corporate & Technology Services Base OM&A Costs - OPG Nuclear Facilities (\$M)

Line No.	Costs	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Hardware / Software / Telecommunications</b>	28.4	34.9	43.3	48.9	55.0	54.1	61.2	65.4	69.6	75.7	82.1	92.7
2	NHSS Base Costs	49.4	48.6	30.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	IT Support Costs	24.9	28.8	42.0	67.0	72.5	65.2	64.4	62.1	62.4	65.1	66.6	71.2
4	<b>Total NHSS and IT Support Costs<sup>1</sup></b>	<b>74.3</b>	<b>77.4</b>	<b>72.2</b>	<b>67.0</b>	<b>72.5</b>	<b>65.2</b>	<b>64.4</b>	<b>62.1</b>	<b>62.4</b>	<b>65.1</b>	<b>66.6</b>	<b>71.2</b>
5	<b>Shared Services</b>	27.4	27.3	29.0	29.5	30.5	29.9	26.7	22.1	22.5	23.5	24.1	27.6
6	<b>Total</b>	<b>130.1</b>	<b>139.6</b>	<b>144.5</b>	<b>145.4</b>	<b>157.9</b>	<b>149.2</b>	<b>152.3</b>	<b>149.6</b>	<b>154.5</b>	<b>164.4</b>	<b>172.8</b>	<b>191.5</b>

Notes:

- 1 New Horizons System Solutions employees were repatriated to OPG in 2022 as described in Ex. F3-1-1.

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 6a

Table 6a  
 Allocation of Corporate & Technology Services Base OM&A Costs - OPG Nuclear Facilities - Darlington (\$M)

Line No.	Costs	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Hardware / Software / Telecommunications</b>	13.4	15.8	19.6	22.8	26.1	27.5	27.4	31.0	32.8	36.0	38.6	41.6
2	NHSS Base Costs	23.4	22.0	13.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	IT Support Costs	11.8	13.0	19.0	31.2	34.3	32.9	28.8	29.8	29.7	31.3	31.6	32.3
4	<b>Total NHSS and IT Support Costs<sup>1</sup></b>	35.2	35.0	32.7	31.2	34.3	32.9	28.8	29.8	29.7	31.3	31.6	32.3
5	<b>Shared Services</b>	14.3	14.8	15.3	15.8	15.4	15.4	12.9	12.5	12.2	12.8	13.0	13.6
6	<b>Total</b>	62.9	65.6	67.6	69.7	75.8	75.8	69.0	73.3	74.7	80.0	83.2	87.5

Notes:

1 New Horizons System Solutions employees were repatriated to OPG in 2022 as described in Ex. F3-1-1.

Numbers may not add due to rounding.

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 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 6b

Table 6b  
Allocation of Corporate & Technology Services Base OM&A Costs - OPG Nuclear Facilities - Pickering (\$M)

Line No.	Costs	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Hardware / Software / Telecommunications</b>	15.0	19.1	23.7	26.1	28.9	26.6	33.9	34.4	36.8	39.7	43.5	51.1
2	NHSS Base Costs	26.1	26.6	16.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	IT Support Costs	13.0	15.8	22.9	35.8	38.2	32.2	35.6	32.4	32.7	33.9	35.0	38.9
4	<b>Total NHSS and IT Support Costs<sup>1</sup></b>	<b>39.1</b>	<b>42.4</b>	<b>39.5</b>	<b>35.8</b>	<b>38.2</b>	<b>32.2</b>	<b>35.6</b>	<b>32.4</b>	<b>32.7</b>	<b>33.9</b>	<b>35.0</b>	<b>38.9</b>
5	<b>Shared Services</b>	13.1	12.5	13.8	13.7	15.0	14.5	13.8	9.6	10.3	10.8	11.1	14.0
6	<b>Total</b>	<b>67.2</b>	<b>74.0</b>	<b>76.9</b>	<b>75.7</b>	<b>82.1</b>	<b>73.4</b>	<b>83.3</b>	<b>76.3</b>	<b>79.9</b>	<b>84.3</b>	<b>89.6</b>	<b>104.1</b>

Notes:

1 New Horizons System Solutions employees were repatriated to OPG in 2022 as described in Ex. F3-1-1.

Numbers may not add due to rounding.

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Exhibit F3

Tab 1

Schedule 1

Table 6c

Table 6c

Allocation of Corporate & Technology Services Base OM&A Costs - DNNP Facilities (\$M)

<b>Line No.</b>	<b>Costs</b>	<b>2026 Budget</b>	<b>2027 Plan</b>	<b>2028 Plan</b>	<b>2029 Plan</b>	<b>2030 Plan</b>	<b>2031 Plan</b>
		(a)	(b)	(c)	(d)	(e)	(f)
1	Hardware / Software / Telecommunications	3.6	4.9	5.9	6.4	6.9	7.6
2	IT Support Costs	3.6	4.5	5.2	5.3	5.4	5.7
3	Shared Services	1.2	1.5	1.9	2.0	2.3	2.1
4	<b>Total</b>	8.4	10.9	13.0	13.7	14.6	15.5

Numbers may not add due to rounding.

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Exhibit F3

Tab 1

Schedule 1

Table 7a

Table 7a

Allocation of Corporate Support Staff Summary - Regular and Non-Regular (FTEs) - Regulated Hydroelectric - 2016-2019

Line No.	Group	2016 Actual	2017 Actual	2018 Actual	2019 Actual
		(a)	(b)	(c)	(d)
	<b>Regulated Hydroelectric OM&amp;A:</b>				
1	<b>Regular Staff</b>	167.2	158.3	162.3	158.2
	<b>Non-Regular Staff</b>				
2	Temporary	9.5	9.5	9.9	11.7
3	<b>Subtotal Regulated Hydroelectric</b>	176.7	167.8	172.2	169.9
	<b>Regulated Hydroelectric Capital:</b>				
4	<b>Regular Staff</b>	2.2	3.0	3.8	6.4
	<b>Non-Regular Staff</b>				
5	Temporary	0.0	0.0	0.2	0.0
6	<b>Subtotal Regulated Hydroelectric</b>	2.2	3.0	4.0	6.4
7	<b>Total Regulated Hydroelectric</b>	179.0	170.8	176.2	176.3

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 7b

Table 7b  
Allocation of Corporate Support Staff Summary - Regular and Non-Regular (FTEs) - Regulated Hydroelectric - 2020-2027

Line No.	Group	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<b>Hydroelectric OM&amp;A:</b>								
1	<b>Regular Staff</b>	121.1	105.0	117.9	130.0	153.1	157.1	155.6	147.4
	<b>Non-Regular Staff</b>								
2	Temporary	10.5	12.7	15.1	14.2	13.7	12.8	8.4	6.2
3	<b>Subtotal Regulated Hydroelectric OM&amp;A</b>	131.6	117.6	133.0	144.3	166.8	169.9	164.0	153.6
	<b>Hydroelectric Capital:</b>								
4	<b>Regular Staff</b>	6.3	7.6	10.0	10.0	11.5	27.5	29.9	36.4
	<b>Non-Regular Staff</b>								
5	Temporary	0.1	0.1	0.0	0.9	0.7	0.1	0.0	0.4
6	<b>Subtotal Regulated Hydroelectric Capital</b>	6.4	7.7	10.0	10.9	12.2	27.5	29.9	36.8
7	<b>Total Regulated Hydroelectric</b>	137.9	125.4	143.0	155.1	179.0	197.5	193.9	190.3

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 1  
 Table 8

Table 8  
 Allocation of Corporate Support Staff Summary - Regular and Non-Regular (FTEs) - OPG Nuclear Facilities

Line No.	Group	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>Nuclear OM&amp;A:</b>												
1	<b>Regular Staff</b>	854.9	799.2	880.2	1,049.6	1,124.5	1,167.9	1,077.1	639.8	621.4	616.4	612.4	653.5
	<b>Non-Regular Staff</b>												
2	Term/ETE/PECO Temporary	57.4	76.1	79.2	61.9	53.0	39.0	33.3	0.0	0.0	0.0	0.0	0.0
3	Temporary	146.9	156.0	168.5	186.2	152.1	102.5	73.4	42.3	42.8	40.8	41.8	45.0
4	EPSCA	24.6	25.3	22.1	21.6	15.7	27.1	28.1	23.0	23.0	23.0	23.0	26.9
5	<b>Total Non-Regular Staff</b>	229.0	257.3	269.8	269.7	220.8	168.6	134.7	65.3	65.8	63.8	64.7	71.9
6	<b>Subtotal Nuclear OM&amp;A</b>	1,083.9	1,056.6	1,150.0	1,319.2	1,345.3	1,336.4	1,211.8	705.1	687.2	680.2	677.1	725.3
	<b>Nuclear Capital:</b>												
7	<b>Regular Staff</b>	14.7	14.2	21.5	42.5	45.5	111.2	116.3	86.1	84.4	86.3	83.8	78.2
	<b>Non-Regular Staff</b>												
8	Term/ETE/PECO Temporary	2.6	1.3	1.1	2.7	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Temporary	1.0	0.0	0.0	10.8	11.1	0.8	0.0	1.5	1.5	1.5	1.5	1.5
10	EPSCA	10.7	10.2	1.0	2.8	1.7	0.9	0.9	0.9	0.9	0.9	0.9	0.9
11	<b>Total Non-Regular Staff</b>	14.3	11.5	2.1	16.3	18.4	1.8	0.9	2.4	2.4	2.4	2.4	2.4
12	<b>Subtotal Nuclear Capital</b>	29.0	25.7	23.6	58.8	63.9	112.9	117.2	88.5	86.8	88.8	86.2	80.6
	<b>Darlington Refurbishment:</b>												
13	<b>Regular Staff</b>	37.4	33.4	31.5	32.4	37.3	38.2	17.0	0.0	0.0	0.0	0.0	0.0
	<b>Non-Regular Staff</b>												
14	Temporary	10.6	12.2	9.3	10.2	6.9	4.0	0.0	0.0	0.0	0.0	0.0	0.0
15	EPSCA	6.7	8.9	7.8	7.2	8.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
16	<b>Total Non-Regular Staff</b>	17.3	21.1	17.2	17.4	14.9	10.0	0.0	0.0	0.0	0.0	0.0	0.0
17	<b>Subtotal Darlington Refurbishment</b>	54.7	54.5	48.7	49.9	52.2	48.2	17.0	0.0	0.0	0.0	0.0	0.0
	<b>Pickering Refurbishment:</b>												
18	<b>Regular Staff</b>	0.0	0.0	0.0	0.9	29.7	104.7	145.7	672.4	675.4	684.2	688.0	636.0
	<b>Non-Regular Staff</b>												
19	Term/ETE/PECO Temporary	0.0	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Temporary	0.0	0.0	0.0	0.0	4.4	0.0	1.0	17.8	15.4	15.0	15.9	15.9
21	EPSCA	0.0	0.0	0.0	0.0	4.5	3.0	8.0	13.0	13.0	13.0	13.0	10.4
22	<b>Total Non-Regular Staff</b>	0.0	0.0	0.0	0.0	11.0	3.0	9.0	30.9	28.4	28.1	28.9	26.2
23	<b>Subtotal Pickering Refurbishment</b>	0.0	0.0	0.0	0.9	40.7	107.7	154.7	703.3	703.8	712.2	716.9	662.2
	<b>Darlington New Nuclear Program:</b>												
24	<b>Regular Staff</b>	0.0	0.0	9.9	14.0	21.9	33.3	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Non-Regular Staff</b>												
25	Temporary	0.0	0.0	0.2	0.3	1.7	2.0	0.0	0.0	0.0	0.0	0.0	0.0
26	EPSCA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	<b>Total Non-Regular Staff</b>	0.0	0.0	0.2	0.3	1.8	2.0	0.0	0.0	0.0	0.0	0.0	0.0
28	<b>Subtotal New Nuclear DN Capital</b>	0.0	0.0	10.2	14.2	23.7	35.3	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Darlington New Nuclear &amp; Other New Nuclear OM&amp;A:</b>												
29	<b>Regular Staff</b>	4.8	25.4	0.3	4.6	7.6	24.0	41.8	0.0	0.0	0.0	0.0	0.0
	<b>Non-Regular Staff</b>												
30	Temporary	0.4	2.1	0.0	0.2	0.3	1.0	1.0	0.0	0.0	0.0	0.0	0.0
31	<b>Subtotal Darlington &amp; Other New Nuclear OM&amp;A</b>	5.2	27.6	0.3	4.9	7.8	25.0	42.8	0.0	0.0	0.0	0.0	0.0
	<b>Nuclear Provision:</b>												
32	<b>Regular Staff</b>	16.3	14.5	16.1	15.3	27.6	65.5	59.1	58.1	56.5	49.1	50.2	50.4
	<b>Non-Regular Staff</b>												
33	Term/ETE/PECO Temporary	0.6	1.1	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Temporary	1.5	0.5	2.0	2.4	2.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
35	EPSCA	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	<b>Total Non-Regular Staff</b>	2.1	1.6	2.0	2.4	4.4	1.0	1.0	1.0	1.0	1.0	1.0	1.0
37	<b>Subtotal Nuclear Provision</b>	18.4	16.1	18.1	17.8	31.9	66.5	60.1	59.1	57.5	50.1	51.2	51.4
38	<b>Total Nuclear</b>	1,191.3	1,180.5	1,250.8	1,465.6	1,565.7	1,732.2	1,603.6	1,555.9	1,535.2	1,531.3	1,531.5	1,519.4

Numbers may not add due to rounding.

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EB-2025-0297

Exhibit F3

Tab 1

Schedule 1

Table 9

Table 9

Allocation of Corporate Support Staff Summary - Regular and Non-Regular (FTEs) - DNNP Facilities (\$M)

Line No.	Group	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
	<b>DNNP Facilities OM&amp;A:</b>						
1	<b>Regular Staff</b>	55.6	70.0	81.2	85.0	101.2	112.2
	<b>Non-Regular Staff</b>						
2	Temporary	7.1	10.6	11.2	11.2	7.0	4.5
3	EPSCA	0.0	0.0	0.0	0.0	0.1	0.2
4	<b>Total Non-Regular Staff</b>	7.1	10.6	11.2	11.2	7.1	4.6
5	<b>Subtotal DNNP Facilities OM&amp;A</b>	62.7	80.5	92.5	96.2	108.3	116.8
	<b>DNNP Facilities Capital:</b>						
6	<b>Regular Staff</b>	40.5	42.6	38.1	22.3	13.6	9.9
	<b>Non-Regular Staff</b>						
7	Temporary	0.0	0.2	0.3	0.3	0.3	0.3
8	<b>Subtotal DNNP Facilities Capital</b>	40.5	42.8	38.4	22.6	13.8	10.2
9	<b>Total DNNP Facilities</b>	103.1	123.4	130.8	118.8	122.1	127.0



1 Net reportable variances and period-over-period changes by category of expense (10% or  
2 greater at the function level, subject to a minimum materiality limit of \$1M) are discussed  
3 below.<sup>1</sup> Key drivers of variance are identified.

## 4 5 **2.0 PERIOD-OVER-PERIOD CHANGES – TEST YEAR, REGULATED**

### 6 **HYDROELECTRIC**

#### 7 **2027 Plan versus 2026 Budget**

8 Support Services costs in the 2027 Plan are \$55.3M, which is \$1.3M higher than the 2026  
9 Budget of \$54.0M.

10  
11 The reportable variances by category of expense are as follows:

- 12 • Leases and Utilities (\$1.3M or 31.0% decrease): due to a reduction in lease costs in 2027  
13 related to the assumed exit of the 800 Kipling Avenue lease that currently houses the  
14 existing Renewable Generation Training Centre. As discussed in Ex. D3-1-1, OPG will  
15 lease and fit out a new Renewable Generation Training Centre location as the current lease  
16 at 800 Kipling Avenue is not expected to extend past 2026.
- 17 • Project OM&A (\$1.9M or 83.1% increase): due to higher spend on information technology  
18 (“IT”) projects including hydroelectric applications and the progression of Enterprise  
19 System Modernization projects (e.g., Asset Management, Finance Enterprise Resource  
20 Planning (“ERP”) and Supply Chain ERP), discussed in Ex. D3-1-1 and Ex. D3-1-2.

## 21 22 **3.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEARS, REGULATED**

### 23 **HYDROELECTRIC**

#### 24 **2026 Budget versus 2025 Budget**

25 Support Services costs in the 2026 Budget are \$54.0M, which is \$3.3M higher than the 2025  
26 Budget of \$50.7M.

27  
28 The reportable variances by category of expenses are as follows:

---

<sup>1</sup> All comparisons are before OEB or settlement adjustments.

- 1 • Corporate & Technology Services (\$2.4M or 16.3% increase): due to increased  
2 requirements for and cost of digital tools across the business resulting in higher software  
3 and hardware costs (Ex. F3-1-1 and Ex. D3-1-1).  
4

5 **2025 Budget versus 2024 Actual**

6 Support Services costs in the 2025 Budget are \$50.7M, which is \$0.7M higher than the 2024  
7 Actual costs of \$50.0M. This is partly offset by the impact of the 53rd fiscal week in 2024.<sup>2</sup>  
8

9 In addition to the above, the reportable variances by category of expense are as follows:

- 10 • Supply Chain (\$1.3M or 44.2% increase): due to a refinement in the allocation of Supply  
11 Chain cost allocation methodology that resulted in a reallocation of costs to the regulated  
12 hydroelectric business (discussed in the report by Elenchus Research Associates at Ex.  
13 F3-1-4, Attachment 1, S. 3.1.1, “Elenchus Report”). Supply Chain’s Total OPG OM&A costs  
14 in 2025 are lower than in 2024 (Ex. F3-1-1, Table 1, lines 3, line 3).  
15 • Corporate Centre (\$3.1M or 24.0% decrease): due to a refinement in the Corporate Affairs  
16 cost allocation methodology that results in a reallocation of costs from the regulated  
17 hydroelectric business (discussed in the Elenchus Report, Ex. F3-1-4, Attachment 1, S.  
18 3.1.2). This is partly offset by higher Regulatory Affairs costs as discussed in Ex. F3-1-3.  
19

20 **4.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL YEARS, REGULATED**  
21 **HYDROELECTRIC**

22 **2024 Actual versus 2023 Actual**

23 Support Services 2024 Actual costs were \$50.0M, which is \$4.7M higher than the 2023 Actual  
24 costs of \$45.3M. All Support Services organizations were impacted by higher labour cost  
25 escalation in 2024 reflecting collective bargaining process outcomes including, as a result of  
26 the repeal of the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* (“Bill  
27 124”), as discussed in Ex. F4-3-1, Section 6.2. Another contributor to the increase in Base  
28 OM&A costs was the impact of the 53rd fiscal week in 2024.

---

<sup>2</sup> Annual labour cost budgets are calculated on a weekly basis times the number of weeks in the fiscal calendar year; most years have 52 weeks, but some years, like 2024, have 53 numbered weeks.

1 The reportable variances by category of expenses are as follows and are inclusive of the  
2 aforementioned higher labour cost escalation and 53rd fiscal week impact, with the additional  
3 drivers of variance identified below where applicable:

- 4 • Finance (\$1.6M or 25.4% increase): due to a higher portion of costs allocated to the  
5 regulated hydroelectric business as a result of their higher relative capital expenditures  
6 which are used as a cost driver under OPG's cost allocation methodology (Ex. F3-1-4).
- 7 • Corporate Centre (\$1.9M or 17.6% increase): due to higher Regulatory Affairs costs as  
8 discussed in Ex. F3-1-3 and costs in support of OPG's Reconciliation Action Plan (Ex. A2-  
9 2-1).
- 10 • Leases and Utilities (\$1.2M or 71.3% increase): due to an increase in the estimated use of  
11 the 800 Kipling Avenue site by the regulated hydroelectric business subsequent to the sale  
12 and leaseback of the building. Leases and Utilities' Total OPG OM&A costs are lower in  
13 2024 compared to 2023 (Ex. F3-1-1, Table 1, line 8).

14  
15 **2023 Actual versus 2022 Actual**

16 Support Services 2023 Actual costs were \$45.3M, which is \$5.4M higher than the 2022 Actual  
17 costs of \$39.9M. All Support Services organizations were impacted by higher labour cost  
18 escalation in 2023, reflecting collective bargaining process outcomes including, as a result of  
19 the repeal of Bill 124, as discussed in Ex. F4-3-1.

20  
21 The reportable variances by category of expenses are as follows and are inclusive of the  
22 aforementioned higher labour cost escalation, with the additional drivers of variance identified  
23 below where applicable:

- 24 • Human Resources (\$1.2M or 19.1% increase): due to temporarily higher staffing levels to  
25 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 26 • Corporate Centre (\$2.5M or 28.9% increase): due to higher Regulatory Affairs costs as  
27 discussed in Ex. F3-1-3 and costs in support of OPG's Reconciliation Action Plan (Ex. A2-  
28 2-1).
- 29 • Project OM&A (\$1.1M or 66.9% increase): due to a write-off in 2023 of the life-to-date costs  
30 incurred for the previously planned Clarington Corporate Campus project as discussed (Ex.  
31 H1-1-1, Section 5.23 and Ex. D3-1-1).

1    **2022 Actual versus 2021 Actual**

2    Support Services 2022 Actual costs were \$39.9M, which is \$1.2M higher than the 2021 Actual  
3    costs of \$38.7M.

4

5    The reportable variances by category of expenses are as follows:

- 6    • Corporate & Technology Services (\$1.4M or 12.3% increase): due to higher staffing levels  
7    to support increased IT requirements across OPG and increased requirements for and cost  
8    of digital tools across the business, resulting in higher software and hardware costs.
- 9    • Human Resources (\$1.2M or 24.5% increase): due to temporarily higher staffing levels to  
10   support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 11   • Corporate Centre (\$1.8M or 17.7% decrease): primarily due to lower Regulatory Affairs  
12   costs as discussed in Ex. F3-1-3.

13

14   **2021 Actual versus 2020 Actual**

15   Support Services 2021 Actual costs were \$38.7M, which is \$0.3M higher than the 2020 Actual  
16   costs of \$38.4M.

17

18   The reportable variances by category of expenses are as follows:

- 19   • Finance (\$1.0M or 15.3% decrease): due to lower staffing levels from unfilled vacancies.

20

21   **2020 Actual versus 2019 Actual**

22   Support Services 2020 Actual costs were \$38.4M, which is \$8.7M lower than the 2019 Actual  
23   costs of \$47.1M.

24

25   The reportable variances by category of expenses are as follows:

- 26   • Corporate & Technology Services (\$7.1M or 39.7% decrease): due to a change in  
27   allocation methodology to use IT end users as the cost driver, as discussed in EB-2020-  
28   0290, Ex. F3-1-4, Attachment 1, S. 4.1.4.

1    **2019 Actual versus 2018 Actual**

2    Support Services Actual 2019 costs were \$47.1M, which is \$0.1M higher than the 2018 Actual  
3    costs of \$47.1M.

4

5    The reportable variances by category of expenses are as follows:

- 6    • Corporate Centre (\$1.8M or 20.7% increase): due to higher Regulatory Affairs costs in  
7       2019 based on the OEB payment amounts application cycle.
- 8    • Project OM&A (\$1.2M or 39.2% decrease): due to projects in Corporate & Technology  
9       Services.

10

11   **2018 Actual versus 2017 Actual**

12   Support Services 2018 Actual costs were \$47.1M, which is \$1.4M lower than the 2017 Actual  
13   costs of \$48.4M, which includes the impact of the 53rd fiscal week in 2017.<sup>3</sup>

14

15   The reportable variances by category of expenses are as follows:

- 16   • Corporate Centre (\$1.4M or 13.4% decrease): due to lower Regulatory Affairs costs due  
17       to a smaller scale application in 2018 (EB-2018-0243) compared to 2017 (EB-2016-0152).  
18       Project OM&A (\$1.1M or 25.7% decrease): due to projects in Corporate & Technology  
19       Services.

20

21   **2017 Actual versus 2016 Actual**

22   Support Services Actual costs in 2017 were \$48.4M, which is \$2.6M lower than the 2016 Actual  
23   costs of \$51.0M. The decrease in Base OM&A costs would have been greater but for the  
24   impact of the 53rd fiscal week in 2017.

25   The reportable variances by category of expenses are as follows:

- 26   • Project OM&A (\$1.8M or 30.0% decrease): due to projects in Corporate & Technology  
27       Services.

---

<sup>3</sup> Annual labour cost budgets are calculated on a weekly basis times the number of weeks in the fiscal calendar year; most years have 52 weeks, but some years, like 2017, have 53 numbered weeks.

1 **5.0 TERM-OVER-TERM COMPARISON – PROJECT OM&A COSTS, REGULATED**  
2 **HYDROELECTRIC**

3 The Application is requesting the approval of forecasted regulated hydroelectric Support  
4 Services allocated project OM&A expenditures of \$4.1M in 2027. This represents an increase  
5 of \$1.9M from the previous period's average annual expenditure of \$2.2M over 2022-2026.  
6 The increase in project OM&A expenditures is primarily due to an increase in the scope and  
7 cost of technology projects allocated or directly supporting the regulated hydroelectric business  
8 in 2027, including hydroelectric applications and as part of the Enterprise System  
9 Modernization projects such as Asset Management, Finance ERP and Supply Chain ERP,  
10 further discussed in Ex. D3-1-1 and Ex. D3-1-2. Term-over-term amounts are shown in Ex. F3-  
11 1-2, Table 1b.

13 **6.0 PERIOD-OVER-PERIOD CHANGES – IR TERM, OPG NUCLEAR FACILITIES**

14 **2027 Plan versus 2026 Budget**

15 Support Services costs in the 2027 Plan are \$417.5M, which is \$1.4M higher than the 2026  
16 Budget of \$416.1M.

18 The reportable variances by category of expense are as follows:

- 19 • Human Resources (\$3.8M or 12.6% decrease): due to staff being deployed to support the  
20 Pickering Refurbishment Program ("PRP") directly.
- 21 • Leases and Utilities (\$3.9M or 17.8% increase): due to lease costs for the planned lease  
22 of a Nuclear central warehouse to replace the existing Nuclear warehouse in the Durham  
23 Region in support of increased storage requirements, whereby there is a period of overlap  
24 in lease costs to support the retrofit of the newly leased warehouse and relocate the  
25 material (Ex. D3-1-1).

27 **2028 Plan versus 2027 Plan**

28 Support Services costs in the 2028 Plan are \$412.1M, which is \$5.3M lower than the 2027  
29 Plan of \$417.5M.

31 The reportable variances by category of expense are as follows:

- 1 • Leases and Utilities (\$4.7M or 18.4% decrease): due to a reduction in the leasing footprint  
2 in the Durham Region through continued workplace optimization and higher costs in 2027  
3 due to an overlap in lease costs to support the retrofit of the newly leased warehouse.  
4

5 **2029 Plan versus 2028 Plan**

6 Support Services costs in the 2029 Plan are \$432.7M, which is \$20.6M higher than the 2028  
7 Plan of \$412.1M  
8

9 There are no reportable variances by category of expense.  
10

11 **2030 Plan versus 2029 Plan**

12 Support Services costs in the 2030 Plan are \$444.7M, which is \$12.0M higher than the 2029  
13 Plan of \$432.7M.  
14

15 There are no reportable variances by category of expense.  
16

17 **2031 Plan versus 2030 Plan**

18 Support Services costs in the 2031 Plan are \$471.6M, which is \$26.8M higher than the 2030  
19 Plan of \$444.7M.  
20

21 The reportable variances by category of expense are as follows:<sup>4</sup>

- 22 • Corporate & Technology Services (\$18.8M or 10.9% increase): due to the increased cost  
23 of digital tools resulting in higher software costs, and the return of staff from the PRP to  
24 support operations following Pickering Unit 5 returning to service.  
25 • Supply Chain (\$6.5M or 14.7% increase): due to the return of staff from the PRP to support  
26 operations following Pickering Unit 5 returning to service.

---

<sup>4</sup> Support Services groups including Corporate & Technology Services and Supply Chain are expected to deploy staff directly to the PRP in 2027 which reduces their Base OM&A costs. The variance is not reportable in 2027 as a result of offsetting factors in both organizations.

1 **7.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEARS, OPG NUCLEAR**

2 **FACILITIES**

3 **2026 Budget versus 2026 OEB-Approved**

4 Support Services costs in the 2026 Budget are \$416.1M, which is \$165.6M higher than the  
5 2026 OEB-approved amount of \$250.5M.

6  
7 The reportable variances are largely due to the planned extension of Pickering Units 5-8  
8 operations until September 2026, prior to refurbishment, while the OEB-approved costs  
9 reflected the then-anticipated permanent shutdown of the entire Pickering station by the end  
10 of 2025. In addition, all Support Services organizations were impacted by higher labour cost  
11 escalation than forecasted in EB-2020-0290, reflecting collective bargaining process outcomes  
12 including, as a result of the repeal of Bill 124, as discussed in Ex. F4-3-1. There are no  
13 reportable variances by category of expenses that are not explained by these drivers.

14  
15 **2026 Budget versus 2025 Budget**

16 Support Services costs in the 2026 Budget are \$416.1M, which is \$4.5M higher than the 2025  
17 Budget of \$411.5M.

18  
19 The reportable variances by category of expenses are as follows:

- 20 • Human Resources (\$4.9M or 14.0% decrease): due to lower staffing levels to support  
21 operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 22 • Leases and Utilities (\$4.9M or 18.4% decrease): due to a reduction in leases following the  
23 move to OPG's new Corporate Headquarters, discussed in Ex. D3-1-1.
- 24 • Project OM&A (\$11.4M or 43.5% increase): due to site specific Real Estate projects and  
25 projects in Corporate & Technology Services including the progression of Enterprise  
26 System Modernization projects (e.g., Asset Management, Finance ERP and Supply Chain  
27 ERP), discussed in Ex. D3-1-1 and Ex. D3-1-2.

28  
29 **2025 Budget versus 2025 OEB-Approved**

30 Support Services costs in the 2025 Budget are \$411.5M, which is \$87.1M higher than the 2025  
31 OEB-approved amount of \$324.5M. All Support Services organizations were impacted by

1 higher labour cost escalation than forecasted in EB-2020-0290, reflecting collective bargaining  
2 process outcomes including, as a result of the repeal of Bill 124, as discussed in Ex. F4-3-1.

3  
4 The reportable variances by category of expenses are as follows and are inclusive of the  
5 aforementioned higher labour cost escalation, with additional drivers of variance identified  
6 below where applicable:

- 7 • Corporate & Technology Services (\$28.1M or 23.2% increase): due to increased  
8 requirements for and cost of digital tools across the business resulting in higher software  
9 and hardware costs (discussed in Ex. F3-1-1 and Ex. D3-1-1) and higher staffing levels  
10 including information management and administrative services to support Pickering Units  
11 5-8 extension to September 2026 and through to the Pickering Refurbishment.
- 12 • Supply Chain (\$11.2M or 33.5% increase): due to higher staffing levels to support Pickering  
13 Units 5-8 extension to September 2026 and through to the Pickering Refurbishment,  
14 increased project activity in the business, advancing of procurement strategies, vendor  
15 diversification efforts (Ex. F3-3-1), and costs in support of OPG's Reconciliation Action  
16 Plan (Ex. A2-2-1).
- 17 • Finance (\$9.6M or 33.0% increase): due to higher staffing levels and third-party services  
18 costs to support increased project activity across the business, corporate financing  
19 activities, and OEB payment amounts application preparation.
- 20 • Human Resources (\$12.0M or 51.9% increase): due to temporarily higher staffing levels to  
21 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 22 • Corporate Centre (\$14.8M or 54.1% increase): due to a refinement in the Corporate Affairs  
23 cost allocation methodology that results in a reallocation of costs to OPG's nuclear  
24 business (discussed in the Elenchus Report at Ex. F3-1-4, Attachment 1, S. 3.1.2) and  
25 higher Regulatory Affairs costs as discussed in Ex. F3-1-3.
- 26 • Leases and Utilities (\$6.5M or 32.0% increase): due to changes in the timing of previously  
27 assumed lease exits as the then-planned Clarington Corporate Campus was assumed to  
28 be completed in 2024 (EB-2020-0290) while OPG's new Corporate Headquarters became  
29 available in 2025.
- 30 • Project OM&A (\$8.3M or 46.2% increase): due to the reprioritization of Real Estate projects  
31 and projects in Corporate & Technology Services, and the initiation of Enterprise System

1 Modernization projects (e.g., Asset Management, Finance ERP and Supply Chain ERP),  
2 discussed in Ex. D3-1-1 and Ex. D3-1-2.

3  
4 **2025 Budget versus 2024 Actual**

5 Support Services costs in the 2025 Budget are \$411.5M, which is \$10.7M higher than the 2024  
6 Actual costs of \$400.8M. All Support Services organizations were impacted by higher labour  
7 cost escalation in 2025 reflecting collective bargaining process outcomes including, as a result  
8 of the repeal of Bill 124, as discussed in Ex. F4-3-1, partly offset by the impact of the 53rd  
9 fiscal week in 2024.

10  
11 The reportable variances by category of expenses are as follows and are inclusive of the  
12 aforementioned higher labour cost escalation and 53rd fiscal week impact, with additional  
13 drivers of variance identified below where applicable:

- 14 • Supply Chain (\$6.8M or 13.3% decrease): due to reduced support required for Pickering  
15 operations reflecting the shutdown of Units 1 and 4 in 2024 and Units 5-8 approaching the  
16 planned refurbishment.
- 17 • Finance (\$7.3M or 23.3% increase): due to higher staffing levels and third-party services  
18 costs, including in support of increased project activity across the business, increased  
19 corporate financing activities, and the OEB payment amounts application preparation.
- 20 • Corporate Centre (\$8.6M or 25.4% increase): due to a refinement in the Corporate Affairs  
21 cost allocation methodology that results in a reallocation of costs to OPG's nuclear  
22 business (discussed in the Elenchus Report at Ex. F3-1-4, Attachment 1, S. 3.1.2) and  
23 higher Regulatory Affairs costs as discussed in Ex. F3-1-3
- 24 • Leases and Utilities Costs (\$6.1M or 29.2% increase): primarily due to higher utilities costs  
25 and an over accrual of costs in 2023 that was subsequently reversed in 2024.

26  
27 **8.0 PERIOD-OVER-PERIOD CHANGES - HISTORICAL YEARS, OPG NUCLEAR**  
28 **FACILITIES**

29 **2024 Actual versus 2024 OEB-Approved**

30 Support Services 2024 Actual costs were \$400.8M, which is \$42.0M higher than the 2024  
31 OEB-approved amount of \$358.8M. All Support Services organizations were impacted by

1 higher labour cost escalation than forecasted in EB-2020-0290, reflecting collective bargaining  
2 process outcomes including, as a result of the repeal of Bill 124, as discussed in Ex. F4-3-1.

3  
4 The reportable variances by category of expenses are as follows and are inclusive of the  
5 aforementioned higher labour cost escalation, with additional drivers of variance identified  
6 below where applicable:

- 7 • Corporate & Technology Services (\$26.2M or 19.9% increase): increased requirements for  
8 and cost of digital tools across the business resulting in higher software and hardware  
9 costs.
- 10 • Supply Chain (\$9.9M or 23.9% increase): due to higher staffing levels to support increased  
11 project activity across the business, advancing of procurement strategies, vendor  
12 diversification efforts (Ex. F3-3-1), and costs in support of OPG's Reconciliation Action  
13 Plan (discussed in Ex. A2-2-1).
- 14 • Human Resources (\$8.8M or 37.6% increase): due to temporarily higher staffing levels to  
15 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 16 • Corporate Centre (\$3.4M or 11.2% increase): due to costs in support of OPG's  
17 Reconciliation Action Plan (discussed in Ex. A2-2-1) and higher community engagement  
18 costs.
- 19 • Leases and Utilities (\$5.6M or 21.1% decrease): due to lower costs from an over accrual  
20 in 2023 that was subsequently reversed in 2024.
- 21 • Project OM&A (\$2.4M or 10.8% increase): due to a reprioritization of Real Estate and  
22 Corporate & Technology Services projects.

#### 23 24 **2024 Actual versus 2023 Actual**

25 Support Services Actual costs in 2024 were \$400.8M, which is \$5.5M lower than the 2023  
26 Actual costs of \$406.3M. All Support Services organizations were impacted by higher labour  
27 cost escalation in 2024 reflecting collective bargaining process outcomes including, as a result  
28 of the repeal of Bill 124, as discussed in Ex. F4-3-1. Another contributor to the increase in Base  
29 OM&A costs is the impact of the 53rd fiscal week in 2024.<sup>5</sup>

---

<sup>5</sup> Annual labour cost budgets are calculated on a weekly basis times the number of weeks in the fiscal calendar year; most years have 52 weeks, but some years, like 2024, have 53 numbered weeks.

1 The reportable variances by category of expenses are as follows and are inclusive of the  
2 aforementioned higher labour cost escalation and the 53rd fiscal week impact, with additional  
3 drivers of variance identified below where applicable:

- 4 • Human Resources (\$5.1M or 13.6% decrease): due to lower staffing levels to support  
5 operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 6 • Project OM&A (\$5.1M or 17.2% decrease): due to a write-off in 2023 of the life-to-date  
7 costs incurred for the previously planned Clarington Corporate Campus project (discussed  
8 in Ex. H1-1-1, Section 5.23, Ex. D3-1-1, Section 3).

9  
10 **2023 Actual versus 2023 OEB-Approved**

11 Support Services 2023 Actual costs were \$406.3M, which is \$38.5M higher than the 2023  
12 OEB-approved amount of \$367.8M. All Support Services organizations were impacted by  
13 higher labour cost escalation than forecasted in EB-2020-0290, reflecting collective bargaining  
14 process outcomes including, as a result of the repeal of Bill 124, as discussed in Ex. F4-3-1.

15  
16 The reportable variances by category of expenses are as follows and are inclusive of the  
17 aforementioned higher labour cost escalation, with additional drivers of variance identified  
18 below where applicable:

- 19 • Supply Chain (\$10.5M or 25.0% increase): due to higher staffing levels to support  
20 increased project activity across the business, advancing of procurement strategies,  
21 vendor diversification efforts (Ex. F3-3-1), and costs in support of OPG's Reconciliation  
22 Action Plan (Ex. A2-2-1).
- 23 • Human Resources (\$11.9M or 47.2% increase): due to temporarily higher staffing levels to  
24 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 25 • Leases and Utilities (\$3.9M or 14.6% decrease): due to lower leasing costs for buildings in  
26 the Durham Region and lower utilities costs, partly offset by an over accrual of costs in  
27 2023 that was subsequently reversed in 2024.
- 28 • Project OM&A (\$10.0M or 51.5% increase): primarily due to a write-off in 2023 of the life-  
29 to-date costs incurred for the previously planned Clarington Corporate Campus project  
30 (discussed in Ex. D3-1-1) and recorded in the Clarington Corporate Campus Deferral  
31 Account (Ex. H1-1-1, Section 5.23).

1     **2023 Actual versus 2022 Actual**

2     Support Services 2023 Actual costs were \$406.3M, which is \$40.1M higher than the 2022  
3     Actual costs of \$366.2M. All Support Services organizations were impacted by higher labour  
4     cost escalation in 2023 reflecting collective bargaining process outcomes including, as a result  
5     of the repeal of Bill 124, as discussed in Ex. F4-3-1.

6

7     The reportable variances by category of expenses are as follows and are inclusive of the  
8     aforementioned higher labour cost escalation, with additional drivers of variance identified  
9     below where applicable:

- 10    • Real Estate (\$10.5M or 25.0% increase): due to increased nuclear site-specific  
11    infrastructure repairs and other support requirements, and higher staffing levels from  
12    previously unfilled vacancies.
- 13    • Supply Chain (\$6.7M or 14.6% increase): due to higher staffing levels to support increased  
14    project activity, advancing of procurement strategies, vendor diversification efforts (Ex. F3-  
15    3-1), and costs in support of OPG's Reconciliation Action Plan (Ex. A2-2-1).
- 16    • Finance (\$4.3M or 14.7% increase): due to higher staffing levels from previously unfilled  
17    vacancies.
- 18    • Human Resources (\$9.2M or 32.9% increase): due to temporarily higher staffing levels to  
19    support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 20    • Project OM&A (\$7.0M or 31.5% increase): due to a write-off in 2023 of the life-to-date costs  
21    incurred for the previously planned Clarington Corporate Campus project (discussed in Ex.  
22    H1-1-1, Section 5.23 and Ex. D3-1-1).

23

24    **2022 Actual versus 2022 OEB-Approved**

25    Support Services 2022 Actual costs were \$366.2M, which is \$10.0M lower than the 2022 OEB-  
26    approved amount of \$376.3M.

27

28    The reportable variances by category of expenses are as follows:

- 1 • Real Estate (\$10.2M or 19.5% decrease): due to lower staffing levels from the assumed  
2 ongoing enhanced cleaning protocol requirements not materializing, and unfilled  
3 vacancies.
- 4 • Human Resources (\$2.7M or 10.6% increase): due to temporarily higher staffing levels to  
5 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.
- 6 • Leases and Utilities (\$4.8M or 17.3% decrease): due to lower occupancy across company  
7 buildings through transition out of COVID-19 protocols.
- 8 • Project OM&A (\$3.7M or 14.1% decrease): due to reprioritization of projects in Corporate  
9 & Technology Services.

10

11 **2022 Actual versus 2021 Actual**

12 Support Services Actual costs are \$366.2M, which is \$6.5M higher than the 2021 Actual costs  
13 of \$359.7M.

14

15 The reportable variances by category of expenses are as follows:

- 16 • Real Estate (\$5.0M or 10.7% decrease): primarily due to lower staffing levels from a  
17 reduction in enhanced cleaning protocols through transition out of COVID-19 protocols.
- 18 • Human Resources (\$3.3M or 13.1% increase): due to temporarily higher staffing levels to  
19 support operations recruitment and onboarding requirements as discussed in Ex. F4-3-1.

20

21 **2021 Actual versus 2021 OEB-Approved Budget**

22 Support Services 2021 Actual costs were \$359.7M, which is \$9.2M lower than the 2021 OEB-  
23 approved amount of \$368.9M.

24

25 The reportable variances by category of expenses are as follows:

- 26 • Corporate & Technology Services (\$15.5M or 12.5% increase): due to increased  
27 requirements for and cost of digital tools resulting in higher software and hardware costs  
28 and higher staffing levels.
- 29 • Supply Chain (\$7.4M or 14.7% decrease): due to lower staffing levels.

- 1 • Finance (\$11.6M or 30.3% decrease): due to lower staffing levels and temporarily unfilled  
2 vacancies.
- 3 • Leases and Utilities (\$10.8M or 32.3% decrease): due to vacating three floors at 700  
4 University Avenue office and lower occupancy in company buildings as a result of COVID-  
5 19 protocols.
- 6 • Project OM&A (\$8.5M or 63.4% increase): reprioritization of projects in Corporate &  
7 Technology Services.

8

### 9 **2021 Actual versus 2020 Actual**

10 Support Services 2021 Actual costs were \$359.7M, which is \$7.1M higher than the 2020 Actual  
11 costs of \$352.7M.

12

13 There are no reportable variances by category of expense.

14

### 15 **2020 Actual versus 2020 OEB-Approved**

16 Support Services 2020 Actual costs in 2020 were \$352.7M, which is \$8.6M lower than the  
17 2020 OEB-approved amount of \$361.3M.

18 The reportable variances by category of expense are as follows:

- 19 • Finance (\$10.6M or 28.1% decrease): due to lower staffing levels and temporarily unfilled  
20 vacancies.
- 21 • Leases and Utilities (\$8.9M or 28.3% decrease): due to lower occupancy in buildings  
22 because of COVID-19 protocols.
- 23 • Project OM&A (\$7.4M or 56.1% increase): due to the reprioritization of projects in  
24 Corporate & Technology Services.

25

### 26 **9.0 TERM-OVER-TERM COMPARISON – PROJECT OM&A, OPG NUCLEAR** 27 **FACILITIES**

28 The Application is requesting the approval of forecasted OPG nuclear Support Services  
29 allocated project OM&A expenditures of \$180.7M during the IR term. This represents an  
30 increase of \$41.0M from the previous period's expenditures of \$139.7M over 2022-2026. The  
31 increase in project OM&A expenditures is primarily due to an increase in the scope and cost

1 of technology projects allocated or directly supporting OPG's nuclear business over the 2027-  
2 2031 term, including as part of Enterprise System Modernization project such as Asset  
3 Management, Finance ERP and Supply Chain ERP, further discussed in Ex. D3-1-1 and Ex.  
4 D3-1-2. Term-over-term amounts are shown in Ex. F3-1-2, Table 2b.

5  
6 **10.0 PERIOD-OVER-PERIOD CHANGES – IR TERM, DNNP FACILITIES**

7 Exhibit F3-1-1, Table 3c, provides the OM&A Support Services costs for the IR term. Corporate  
8 Support costs allocated to the DNNP facilities are consistent with OPG's Cost allocation  
9 methodology as described in Ex. F3-1-4, Elenchus Report. Upon commercial operations of  
10 Unit 1 in late 2030 and all of 2031, additional costs to support the station such as facilities  
11 maintenance, information technology requirements, finance controllership, Human Resource  
12 business partners and other support are described.

13  
14 **2027 Plan versus 2026 Budget**

15 Support Services costs in the 2027 Plan are \$30.5M, which is \$6.6M higher than the 2026  
16 Budget of \$23.9M.

17  
18 The reportable variances by category of expense are as follows:

- 19 • Corporate & Technology Services (\$2.4M or 29.1% increase): due to a higher portion of  
20 costs allocated to the DNNP facilities as a result of an increase in the number of their IT  
21 end users which are used as a cost driver under OPG's cost allocation methodology (Ex.  
22 F3-1-4).
- 23 • Finance (\$1.5M or 36.8% increase): due to a higher portion of costs allocated to the DNNP  
24 facilities as a result of their higher relative capital expenditures which are used a cost driver  
25 under OPG's cost allocation methodology (Ex. F3-1-4).
- 26 • Corporate Centre (\$1.4M or 43.4% increase): due to a higher portion of costs allocated to  
27 DNNP facilities as a result of their higher relative capital expenditures which are used as a  
28 cost driver under OPG's cost allocation methodology, and higher Regulatory Affairs costs  
29 as discussed in Ex. F3-1-3.

1     **2028 Plan versus 2027 Plan**

2     Support Services costs in the 2028 Plan are \$34.8M, which is \$4.3M higher than the 2027 Plan  
3     of \$30.5M.

4

5     The reportable variances by category of expense are as follows:

- 6     • Corporate & Technology Services (\$2.1M or 19.3% increase): due to a higher portion of  
7       costs allocated to the DNNP facilities as a result of an increase in the number of IT end  
8       users which are used as a cost driver under OPG's cost allocation methodology (Ex. F3-  
9       1-4).
- 10    • Finance (\$1.0M or 18.3% increase): due to a higher portion of costs allocated to the DNNP  
11    facilities as a result of their higher relative capital expenditures which are used a cost driver  
12    under OPG's cost allocation methodology (Ex. F3-1-4).

13

14    **2029 Plan versus 2028 Plan**

15    Support Services costs in the 2029 Plan are \$36.5M, which is \$1.6M higher than the 2028 Plan  
16    of \$34.8M.

17

18    The reportable variances by category of expense are as follows:

- 19    • Project OM&A (\$1.0M or 23.3% decrease): due to lower Corporate & Technology Services  
20    projects costs related to DNNP Enterprise Asset Management and Finance ERP.

21

22    **2030 Plan versus 2029 Plan**

23    Support Services costs in the 2030 Plan are \$42.7M, which is \$6.2M higher than the 2029 Plan  
24    of \$36.5M.

25

26    The reportable variances by category of expense are as follows:

- 27    • Supply Chain (\$1.4M or 74.3% increase): due to expected procurement, category  
28    management, and warehousing requirements upon DNNP facilities Unit 1 entering  
29    commercial operations in 2030.
- 30    • Finance (\$1.7M or 23.4% increase): due to expected controllership and other finance  
31    support upon DNNP facilities Unit 1 entering commercial operations in 2030.

- 1 • Corporate Centre (\$1.9M or 31.5% increase): due to expected support from various  
2 corporate functions upon DNNP facilities Unit 1 entering commercial operations in 2030  
3 and higher Regulatory Affairs costs as discussed in Ex. F3-1-3.  
4

5 **2031 Plan versus 2030 Plan**

6 Support Services costs in the 2031 Plan are \$49.8M, which is \$7.2M higher than the 2030 Plan  
7 of \$42.7M.  
8

9 The reportable variances by category of expense are as follows:

- 10 • Real Estate (\$3.1M or 154.8% increase): due to a full year of expected facilities  
11 maintenance requirements compared to less than three months in 2030.  
12 • Supply Chain (\$2.7M or 82.5% increase): Due to a full year of expected procurement,  
13 category management, and warehousing requirements compared to less than three  
14 months in 2030  
15

16 **11.0 TERM-OVER-TERM COMPARISON – PROJECT OM&A, DNNP FACILITIES**

17 The DNNP Facilities do not have any Project OM&A expenditures prior to 2026 in the 2022-  
18 2026 term. For purposes of comparison, the 2022-2026 term is represented by the 2026  
19 budget of \$4.8M as shown in Ex. F3-1-1, Table 3c. The Application is requesting the approval  
20 of forecasted DNNP facilities Support Services allocated Project OM&A expenditures of  
21 \$19.5M during the IR term, which averages to \$3.9M per year and represents an annual  
22 decrease of \$0.9M compared to the previous period's expenditure in 2026. This decrease is  
23 primarily related to IT OM&A project costs allocated or directly supporting the DNNP facilities  
24 over the 2027-2031 term including Finance ERP and DNNP Enterprise Asset Management,  
25 further discussed in Ex. D3-1-1 and Ex. D3-1-2. Exhibit F3-1-2, Table 2d provides the term-  
26 over-term amounts.  
27

28 **12.0 PROJECT SPECIFIC INFORMATION – PROJECT OM&A – TIER 1 PROJECTS**

29 There is one Tier 1 OM&A project with costs greater than \$20M and is within the category of  
30 New Projects approved since EB-2020-0290. Ex. F3-1-2, Table 3 presents the Tier 1 project  
31 discussed below. The business case summary is provided in Ex. D3-1-2, Attachment 1, Tab

1 4. Other projects with Project OM&A amounts, by tier, including descriptions as required, are  
2 shown in Ex. D3-1-2, Tables 4, 5, and 6.

3

4 **12.1 New Projects not in EB-2020-0290**

5 **Finance Enterprise Resource Planning Solution** (89274) is a sustaining project to update  
6 the current SAP on-premise system, which is at its end-of-life, with SAP S/4 HANA and update  
7 the associated business processes. The project is expected to result in improved data  
8 integration, business agility and decision-making. SAP S/4HANA Enterprise Resource  
9 Planning solution optimizes Finance processes and services in line with industry best practice  
10 and digitizes them with a modern technology solution, to ensure business continuity and  
11 support OPG's current and future needs. This is part of OPG's Enterprise System  
12 Modernization, discussed further in Ex. D3-1-1. The project started in 2025 and is scheduled  
13 to be completed in December 2031 with an estimated OM&A project cost of \$22.4M.

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 2  
 Table 1a

Table 1a  
 Comparison of Allocation of Corporate Support & Administrative Costs (\$M) 2016-2026  
 Regulated Hydroelectric

Line No.	Business Unit	2016 Actual	(c)-(a) Change	2017 Actual	(e)-(c) Change	2018 Actual	(g)-(e) Change	2019 Actual	(i)-(g) Change	2020 Actual	(k)-(i) Change	2021 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<b>Base OM&amp;A</b>											
1	Corporate & Technology Services	19.0	(1.5)	17.5	0.6	18.0	(0.3)	17.8	(7.1)	10.7	0.6	11.3
2	Real Estate <sup>1</sup>	0.5	0.0	0.5	0.0	0.5	(0.0)	0.5	(0.0)	0.5	0.1	0.6
3	Supply Chain	3.1	0.5	3.6	(0.5)	3.1	(0.3)	2.8	(0.4)	2.5	(0.1)	2.3
4	Finance	7.5	(0.7)	6.8	0.2	7.0	0.2	7.1	(0.4)	6.7	(1.0)	5.7
5	Human Resources	4.8	0.4	5.2	0.4	5.6	(0.1)	5.5	(0.0)	5.5	(0.5)	5.0
6	Corporate Centre	10.1	(0.0)	10.1	(1.4)	8.7	1.8	10.5	(0.9)	9.7	0.7	10.4
7	<b>Total Base OM&amp;A</b>	<b>45.0</b>	<b>(1.3)</b>	<b>43.6</b>	<b>(0.6)</b>	<b>43.0</b>	<b>1.3</b>	<b>44.3</b>	<b>(8.7)</b>	<b>35.6</b>	<b>(0.3)</b>	<b>35.3</b>
8	<b>Lease/Utilities</b>	<b>0.2</b>	<b>0.5</b>	<b>0.7</b>	<b>0.3</b>	<b>1.0</b>	<b>(0.0)</b>	<b>1.0</b>	<b>(0.2)</b>	<b>0.8</b>	<b>0.4</b>	<b>1.2</b>
9	<b>Project OM&amp;A</b>	<b>5.9</b>	<b>(1.8)</b>	<b>4.1</b>	<b>(1.1)</b>	<b>3.0</b>	<b>(1.2)</b>	<b>1.9</b>	<b>0.2</b>	<b>2.1</b>	<b>0.1</b>	<b>2.2</b>
10	<b>Total OM&amp;A</b>	<b>51.0</b>	<b>(2.6)</b>	<b>48.4</b>	<b>(1.4)</b>	<b>47.1</b>	<b>0.1</b>	<b>47.1</b>	<b>(8.7)</b>	<b>38.4</b>	<b>0.2</b>	<b>38.7</b>

Line No.	Business Unit	2021 Actual	(c)-(a) Change	2022 Actual	(e)-(c) Change	2023 Actual	(g)-(e) Change	2024 Actual	(i)-(g) Change	2025 Budget	(k)-(i) Change	2026 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<b>Base OM&amp;A</b>											
11	Corporate & Technology Services	11.3	1.4	12.7	0.2	12.8	0.7	13.6	1.2	14.8	2.4	17.3
12	Real Estate <sup>1</sup>	0.6	0.1	0.6	0.1	0.7	0.2	0.9	0.1	1.0	(0.1)	0.9
13	Supply Chain	2.3	(0.1)	2.3	0.1	2.3	0.6	2.9	1.3	4.2	(0.2)	4.0
14	Finance	5.7	0.3	6.0	0.5	6.5	1.6	8.1	0.1	8.3	0.9	9.2
15	Human Resources	5.0	1.2	6.3	1.2	7.5	(0.7)	6.7	0.3	7.0	(0.6)	6.5
16	Corporate Centre	10.4	(1.8)	8.5	2.5	11.0	1.9	12.9	(3.1)	9.8	0.1	9.9
17	<b>Total Base OM&amp;A</b>	<b>35.3</b>	<b>1.1</b>	<b>36.4</b>	<b>4.4</b>	<b>40.8</b>	<b>4.4</b>	<b>45.2</b>	<b>0.0</b>	<b>45.2</b>	<b>2.5</b>	<b>47.7</b>
18	<b>Lease/Utilities</b>	<b>1.2</b>	<b>0.6</b>	<b>1.8</b>	<b>(0.1)</b>	<b>1.7</b>	<b>1.2</b>	<b>2.9</b>	<b>0.1</b>	<b>3.1</b>	<b>1.0</b>	<b>4.1</b>
19	<b>Project OM&amp;A</b>	<b>2.2</b>	<b>(0.5)</b>	<b>1.7</b>	<b>1.1</b>	<b>2.8</b>	<b>(0.9)</b>	<b>1.9</b>	<b>0.6</b>	<b>2.5</b>	<b>(0.2)</b>	<b>2.2</b>
20	<b>Total OM&amp;A</b>	<b>38.7</b>	<b>1.2</b>	<b>39.9</b>	<b>5.4</b>	<b>45.3</b>	<b>4.7</b>	<b>50.0</b>	<b>0.7</b>	<b>50.7</b>	<b>3.3</b>	<b>54.0</b>

Notes:

<sup>1</sup> Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Filed: 2025-12-12

EB-2025-0297

Exhibit F3

Tab 1

Schedule 2

Table 1b

Table 1b

Comparison of Allocation of Corporate Support & Administrative Costs (\$M) 2026-2027  
Regulated Hydroelectric

Line No.	Business Unit	2026 Budget	(c)-(a) Change	2027 Plan
		(a)	(b)	(c)
	<b>Base OM&amp;A</b>			
1	Corporate & Technology Services	17.3	0.7	18.0
2	Real Estate <sup>1</sup>	0.9	0.2	1.1
3	Supply Chain	4.0	0.1	4.1
4	Finance	9.2	0.1	9.3
5	Human Resources	6.5	(0.6)	5.8
6	Corporate Centre	9.9	0.2	10.1
7	<b>Total Base OM&amp;A</b>	47.7	0.7	48.5
8	<b>Lease/Utilities</b>	4.1	<b>(1.3)</b>	2.8
9	<b>Project OM&amp;A</b>	2.2	<b>1.9</b>	4.1
10	<b>Total OM&amp;A</b>	54.0	1.3	55.3

Line No.	Business Unit	2022-2026 Average	(c)-(a) Change	2027 Plan
		(a)	(b)	(c)
11	<b>Project OM&amp;A</b>	2.2	<b>1.9</b>	4.1

Notes:

1 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 2  
 Table 2a

Table 2a  
 Comparison of Allocation of Corporate Support & Administrative Costs (\$M)<sup>1</sup> 2020-2025  
 OPG Nuclear Facilities

Line No.	Business Unit	2020 OEB Approved	(c)-(a) Change	2020 Actual	(g)-(c) Change	2021 OEB Approved	(g)-(e) Change	2021 Actual	(k)-(g) Change	2022 OEB Approved	(k)-(i) Change	2022 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<b>Base OM&amp;A</b>											
1	Corporate & Technology Services	122.8	7.3	130.1	9.5	124.1	<b>15.5</b>	139.6	4.9	137.1	7.4	144.5
2	Real Estate <sup>2</sup>	45.2	4.1	49.3	(2.0)	46.5	0.8	47.3	<b>(5.0)</b>	52.4	<b>(10.2)</b>	42.2
3	Supply Chain	49.0	(4.8)	44.2	(1.2)	50.4	<b>(7.4)</b>	43.0	2.8	42.3	3.6	45.8
4	Finance	37.8	<b>(10.6)</b>	27.2	(0.4)	38.3	<b>(11.6)</b>	26.7	2.4	32.2	(3.1)	29.1
5	Human Resources	24.9	(0.4)	24.5	0.3	25.4	(0.6)	24.8	<b>3.3</b>	25.4	<b>2.7</b>	28.1
6	Corporate Centre	36.9	(2.7)	34.1	(0.1)	37.5	(3.5)	34.0	(2.9)	32.9	(1.9)	31.0
7	<b>Total Base OM&amp;A</b>	<b>316.5</b>	<b>(7.1)</b>	<b>309.4</b>	<b>6.0</b>	<b>322.2</b>	<b>(6.9)</b>	<b>315.3</b>	<b>5.4</b>	<b>322.3</b>	<b>(1.5)</b>	<b>320.8</b>
8	<b>Lease/Utilities</b>	<b>31.6</b>	<b>(8.9)</b>	<b>22.7</b>	<b>(0.1)</b>	<b>33.3</b>	<b>(10.8)</b>	<b>22.5</b>	<b>0.6</b>	<b>28.0</b>	<b>(4.8)</b>	<b>23.1</b>
9	<b>Project OM&amp;A</b>	<b>13.2</b>	<b>7.4</b>	<b>20.6</b>	<b>1.2</b>	<b>13.4</b>	<b>8.5</b>	<b>21.9</b>	<b>0.4</b>	<b>26.0</b>	<b>(3.7)</b>	<b>22.3</b>
10	<b>Total OM&amp;A Before Adjustments</b>	<b>361.3</b>	<b>(8.6)</b>	<b>352.7</b>	<b>7.1</b>	<b>368.9</b>	<b>(9.2)</b>	<b>359.7</b>	<b>6.5</b>	<b>376.3</b>	<b>(10.0)</b>	<b>366.2</b>
11	<b>OEB/Settlement Adjustments<sup>3</sup></b>	<b>(45.0)</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(45.0)</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(11.3)</b>	<b>11.3</b>	<b>0.0</b>
12	<b>Total OM&amp;A Including Adjustments</b>	<b>316.3</b>	<b>36.4</b>	<b>352.7</b>	<b>7.1</b>	<b>323.9</b>	<b>35.8</b>	<b>359.7</b>	<b>6.5</b>	<b>365.0</b>	<b>1.3</b>	<b>366.2</b>

Line No.	Business Unit	2022 Actual	(e)-(a) Change	2023 OEB Approved	(e)-(c) Change	2023 Actual	(i)-(e) Change	2024 OEB Approved	(i)-(g) Change	2024 Actual	(k)-(i) Change	2025 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<b>Base OM&amp;A</b>											
13	Corporate & Technology Services	144.5	0.9	137.3	8.1	145.4	12.6	131.7	<b>26.2</b>	157.9	(8.7)	149.2
14	Real Estate <sup>2</sup>	42.2	<b>10.5</b>	52.5	0.3	52.7	(3.3)	51.8	(2.4)	49.4	(0.5)	48.9
15	Supply Chain	45.8	<b>6.7</b>	42.0	<b>10.5</b>	52.5	(1.2)	41.5	<b>9.9</b>	51.4	<b>(6.8)</b>	44.5
16	Finance	29.1	<b>4.3</b>	32.4	1.0	33.4	(2.1)	31.9	(0.7)	31.2	<b>7.3</b>	38.5
17	Human Resources	28.1	<b>9.2</b>	25.3	<b>11.9</b>	37.3	<b>(5.1)</b>	23.4	<b>8.8</b>	32.2	3.0	35.2
18	Corporate Centre	31.0	1.7	32.1	0.7	32.8	0.9	30.3	<b>3.4</b>	33.7	<b>8.6</b>	42.2
19	<b>Total Base OM&amp;A</b>	<b>320.8</b>	<b>33.3</b>	<b>321.6</b>	<b>32.5</b>	<b>354.1</b>	<b>1.7</b>	<b>310.6</b>	<b>45.2</b>	<b>355.8</b>	<b>2.7</b>	<b>358.5</b>
20	<b>Lease/Utilities</b>	<b>23.1</b>	<b>(0.3)</b>	<b>26.8</b>	<b>(3.9)</b>	<b>22.9</b>	<b>(2.1)</b>	<b>26.3</b>	<b>(5.6)</b>	<b>20.8</b>	<b>6.1</b>	<b>26.8</b>
21	<b>Project OM&amp;A</b>	<b>22.3</b>	<b>7.0</b>	<b>19.3</b>	<b>10.0</b>	<b>29.3</b>	<b>(5.1)</b>	<b>21.9</b>	<b>2.4</b>	<b>24.3</b>	<b>1.9</b>	<b>26.2</b>
22	<b>Total OM&amp;A Before Adjustments</b>	<b>366.2</b>	<b>40.1</b>	<b>367.8</b>	<b>38.5</b>	<b>406.3</b>	<b>(5.5)</b>	<b>358.8</b>	<b>42.0</b>	<b>400.8</b>	<b>10.7</b>	<b>411.5</b>
23	<b>OEB/Settlement Adjustments<sup>3</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>(11.1)</b>	<b>11.1</b>	<b>0.0</b>	<b>0.0</b>	<b>(10.9)</b>	<b>10.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
24	<b>Total OM&amp;A Including Adjustments</b>	<b>366.2</b>	<b>40.1</b>	<b>356.7</b>	<b>49.6</b>	<b>406.3</b>	<b>(5.5)</b>	<b>347.9</b>	<b>52.9</b>	<b>400.8</b>	<b>10.7</b>	<b>411.5</b>

Notes

1 Corporate Support & Administrative costs have been restated from EB-2020-0290 for organizational changes and transfers to/from Enterprise Operations and Enterprise Projects as described in Ex. F3-1-1.

2 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

3 OEB Adjustments to approved values in 2020-2021 include the annual \$30M disallowed in compensation (EB-2016-0152 Decision and Order, p. 84). Per EB-2020-0290 OEB Decision and Order, Schedule A, p. 25, OM&A costs are reduced by 3% per year over the 2022-2026 period.



Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 2  
 Table 2c

Table 2c  
 Comparison of Allocation of Corporate Support & Administrative Costs (\$M) 2026-2031  
DNNP Facilities

Line No.	Business Unit	2026 Budget	(e)-(c) Change	2027 Plan	(g)-(e) Change	2028 Plan	(i)-(g) Change	2029 Plan	(k)-(i) Change	2030 Plan	(c)-(a) Change	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<b>Base OM&amp;A</b>											
1	Corporate & Technology Services	8.4	<b>2.4</b>	10.9	<b>2.1</b>	13.0	0.7	13.7	0.9	14.6	0.8	15.5
2	Real Estate <sup>1</sup>	1.1	0.5	1.6	0.1	1.7	0.1	1.9	0.2	2.0	<b>3.1</b>	5.2
3	Supply Chain	0.9	0.4	1.4	0.3	1.7	0.2	1.9	<b>1.4</b>	3.3	<b>2.7</b>	6.0
4	Finance	4.0	<b>1.5</b>	5.5	1.0	6.5	0.7	7.2	<b>1.7</b>	8.9	(0.5)	8.4
5	Human Resources	1.4	0.3	1.7	0.3	2.0	0.1	2.1	0.2	2.3	0.4	2.7
6	Corporate Centre	3.2	<b>1.4</b>	4.6	0.7	5.2	0.7	6.0	<b>1.9</b>	7.9	(0.9)	7.0
7	<b>Total Base OM&amp;A</b>	19.0	<b>6.5</b>	25.5	<b>4.5</b>	30.1	2.6	32.7	<b>6.3</b>	39.0	<b>5.7</b>	44.7
8	<b>Lease/Utilities</b>	0.1	0.0	0.2	0.1	0.3	0.0	0.3	0.4	0.7	0.8	1.5
9	<b>Project OM&amp;A</b>	4.8	0.1	4.8	(0.3)	4.5	<b>(1.0)</b>	3.5	(0.5)	3.0	0.7	3.7
10	<b>Total OM&amp;A</b>	23.9	<b>6.6</b>	30.5	<b>4.3</b>	34.8	1.6	36.5	<b>6.2</b>	42.7	<b>7.2</b>	49.8

Line No.	Business Unit	2026 Budget	(g)-(e) Change	2027-2031 Average
		(a)	(b)	(c)
	<b>Base OM&amp;A</b>			
1	Corporate & Technology Services	8.4	<b>5.1</b>	13.5
2	Real Estate <sup>1</sup>	1.1	<b>1.4</b>	2.5
3	Supply Chain	0.9	<b>1.9</b>	2.8
4	Finance	4.0	<b>3.3</b>	7.3
5	Human Resources	1.4	0.7	2.1
6	Corporate Centre	3.2	<b>2.9</b>	6.1
7	<b>Total Base OM&amp;A</b>	19.0	<b>15.3</b>	34.4
8	<b>Lease/Utilities</b>	0.1	0.5	0.6
9	<b>Project OM&amp;A</b>	4.8	(0.9)	3.9
10	<b>Total OM&amp;A</b>	23.9	<b>14.9</b>	38.9

Notes

1 Excludes amounts captured in the Asset Service Fee (Ex. F3-2-1).

Numbers may not add due to rounding.

Table 3  
 OM&A Project Listing - Corporate  
 Projects ≥ \$20M Total Project Cost (Allocated)

Line No.	Facility	Project Name	Project No.	Allocation	Category	Start Date	Final Completion Date	Total Project Cost (\$M)	Partial/Devmt Release (\$M)	Initial Full Release (\$M)	Superceding Full Release (\$M)	2020 Actual (\$M)	2021 Actual (\$M)	2022 Actual (\$M)	2023 Actual (\$M)	2024 Actual (\$M)	2025 Budget (\$M)	2026 Budget (\$M)	2027 Plan (\$M)	2028 Plan (\$M)	2029 Plan (\$M)	2030 Plan (\$M)	2031 Plan (\$M)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)
		<b>PROJECTS NOT IN EB-2020-0290</b>																					
1	Corporate	Finance ERP Solution	89274	Common	Sustaining- Enterprise System Modernization Projects	Jul-25	Dec-31	22.4	4.7	n/a	n/a	0.0	0.0	0.0	0.0	1.6	0.0	1.0	5.2	7.6	2.3	2.3	2.3
2		<b>Subtotal</b>						22.4				0.0	0.0	0.0	0.0	1.6	0.0	1.0	5.2	7.6	2.3	2.3	2.3

Notes:  
 1 Projects with expenditures during IR Term.

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 1  
 Schedule 2  
 Table 4

Table 4  
 OM&A Project Listing - Corporate<sup>1</sup>  
 Projects \$5M - \$20M Total Project Cost (Allocated)

Line No.	Facility	Project Name	Project No.	Category	Project Description	Start Date	Final Completion Date	Total Project Cost (M\$)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<b>PROJECTS NOT IN EB-2020-0290</b>								
1	Corporate	Demo Building 125, 302FST, 125BH, and 311SS	84381	Sustaining	Address the outdated and end of life Real Estate Facilities infrastructure at Darlington.	Mar-19	Dec-20	11.5
2	Corporate	Asset Suite 9 Upgrade	84976	Sustaining	Complete the upgrade of Asset Suite to avoid technical obsolescence and address the potential operational and cyber security risk associated with an outdated version.	Jul-20	Dec-22	7.0
3	Corporate	Nuclear East Facilities Building Demo	84401	Sustaining	Revitalize and reconfigure the Pickering site with the plan to end commercial operations in 2025.	Dec-21	May-23	6.2
4	Corporate	Phase 2 Info Protection	87251	Sustaining	Execute the discovery, requirements gathering, and procurement of cybersecurity improvements to data protection/data loss prevention controls.	Dec-23	Dec-24	5.7
5	Corporate	Darlington Road Resurfacing & Line Painting	86948	Sustaining	Develop a strategic site-wide plan to execute the required roadway repairs, resurfacing, and line painting at the Darlington site.	Oct-25	Dec-31	8.5
6		<b>Subtotal</b>						<b>38.9</b>

Notes:

- 1 Projects with expenditures during IR Term.

Numbers may not add due to rounding.

Filed: 2025-12-12

EB-2025-0297

Exhibit F3

Tab 1

Schedule 2

Table 5

Table 5  
OM&A Project Listing - Corporate  
Projects < \$5M Total Project Cost<sup>1</sup>

Line No.	Sponsoring Division	Number of Projects	Total Project Cost (\$M)	Average Cost Of All Projects (\$M)
	(a)	(b)	(c)	(d)
1	Digital Technology & Services	241	149.7	0.6
2	Real Estate	37	36.9	1.0
3	<b>Total</b>	278	186.6	0.7

Notes:

- 1 Projects with expenditures during IR Term.

Table 6  
 OM&A Project Listing - Corporate  
Portfolio Projects (Unallocated)<sup>1</sup>

Line No.	Project Name	Category	Potential Start Date
	(a)	(b)	(c)
	<b>Projects With Potential Cost &gt;\$5M and &lt; \$20M</b>		
1	Supply Chain Enterprise Resource Planning	Sustaining	2026
	<b>Projects With Potential Cost ≥ \$20M</b>		
2	Enterprise Asset Management	Sustaining	2026

Notes:

- 1 Projects with planned expenditures during the IR Term without a current approved BCS.

Table 7  
 OM&A Projects - Corporate  
Listing of Business Case Summaries Filed<sup>1</sup>

Line No.	Business Case Summary (BCS) Title	Project Number	BCS Approval Date	Project Stage	BCS Status	BCS Status in EB-2020-0290
	(a)	(b)	(c)	(d)	(e)	(f)
1	ERP Finance Solution <sup>2</sup>	89274	Oct-25	Ongoing	Development	n/a

Notes:

- 1 Projects with expenditures during IR Term.
- 2 BCS filed in Ex. D3-1-2

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## COMPARISON OF REGULATORY AFFAIRS COSTS

### **1.0 PURPOSE**

This exhibit describes the period-over-period changes in Regulatory Affairs Department costs allocated to the regulated businesses.<sup>1</sup> A description of the Regulatory Affairs Department is outlined in Ex. F3-1-1, Attachment 1. These costs are set out in Ex. F3-1-3, Table 1.

### **2.0 PERIOD-OVER-PERIOD CHANGES – IR TERM**

#### **2027 Plan versus 2026 Budget**

Regulatory Affairs costs are \$1.0M higher in the 2027 Plan compared to the 2026 Budget. This is driven by an increase of \$2.2M in Intervenor Cost Awards, partly offset by a decrease of \$1.4M in Expert Witness/Consultants costs due to OPG's OEB payment amounts application cycle anticipated to be completed in 2026 with costs awards processed in 2027.

External legal costs in the 2027 Plan are \$2.2M lower than 2026 Budget primarily due to the completion of OPG's OEB payment amounts application cycle anticipated to be completed in 2026.

#### **2028 Plan versus 2027 Plan**

Regulatory Affairs costs are planned to decrease by approximately \$2.2M in the 2028 Plan compared to the 2027 Plan. This is driven by a decrease of \$2.4M in Intervenor Cost Awards due to anticipated processing of costs in 2027. This is partly offset by an increase in Expert Witness/Consultants of \$0.3M due to timing of OPG's OEB payment amounts application.

#### **2029 Plan versus 2028 Plan**

Regulatory Affairs costs are planned to increase by approximately \$2.4M in the 2029 Plan compared to the 2028 Plan. This is primarily driven by an increase of \$1.9M in Expert

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<sup>1</sup> Amounts shown in this exhibit may not add due to rounding.

1 Witness/Consultants, \$0.3M in Intervenor Costs Awards and \$0.3M in Salaries/Wages and  
2 Operating Expenses largely due to a planned Deferral and Variance Account application.

3  
4 External legal costs in the 2029 Plan are approximately \$0.2M lower than 2028 Plan.

5  
6 **2030 Plan versus 2029 Plan**

7 Regulatory Affairs costs are planned to increase by approximately \$1.6M in the 2030 Plan  
8 compared to the 2029 Plan. This is driven by an increase of \$0.8M in Expert  
9 Witnesses/Consultants, and \$0.7M in Salaries/Wages and Operating Expenses, to enable  
10 appropriate resourcing to prepare for a Market Assessment and Compliance Division non-  
11 Critical Infrastructure Protection (“CIP”) audit in 2030 and OPG’s OEB payment amounts  
12 application (2032-2036).

13  
14 External legal costs in the 2030 Plan are approximately \$1.9M higher than 2029 Plan due to  
15 anticipated costs to support preparation for OPG’s OEB payment amounts application (2032-  
16 2036).

17  
18 **2031 Plan versus 2030 Plan**

19 Regulatory Affairs costs decreased by approximately \$1.8M in the 2031 Plan compared to the  
20 2030 Plan. This is driven by a decrease of \$1.7M in Expert Witness/Consultants costs due to  
21 the planned timing of OPG’s OEB payment amounts application (2032-2036) and a decrease  
22 of \$0.1M in Salaries/Wages and Operating Expenses.

23  
24 External legal costs in the 2030 Plan are approximately \$0.6M higher than 2031 Plan due to  
25 an anticipated increase in costs to support OPG’s OEB payment amounts application (2032-  
26 2036).

27  
28 **3.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEARS**

29 **2026 Budget versus 2026 OEB-Approved**

30 Regulatory Affairs costs increase by approximately \$0.1M in the 2026 Budget compared to the  
31 2026 OEB-approved amount. This is largely driven by an increase of \$2.0M in Salaries/Wages

1 and Operating Expenses, and \$0.8M in Expert Witnesses/Consultants, to support OPG's OEB  
2 payment amounts application and Regulatory Compliance audits, and \$0.4M in OEB Annual  
3 Assessment and Section 30 Fees. This is largely offset by a decrease of \$3.1M in Intervenor  
4 Cost Awards due to differences in the timing of the payment relative to EB-2020-0290  
5 assumptions. The payment is expected in 2027.

6  
7 External legal costs in the 2026 Budget are approximately \$1.3M higher than 2026 OEB-  
8 approved due to an anticipated increase in costs to support OPG's OEB payment amounts  
9 application.

10

#### 11 **2026 Budget versus 2025 Budget**

12 Regulatory Affairs costs decrease by approximately \$1.0M in the 2026 Budget compared to  
13 the 2025 Budget. This is driven by a decrease of \$1.3M in Expert Witnesses/Consultants for  
14 OPG's OEB payment amounts application, partly offset by an increase in Salaries/Wages and  
15 Operating Expenses of \$0.3M.

16

17 External legal costs in the 2026 Budget are approximately \$0.5M higher than 2025 Budget  
18 driven by anticipated costs to support OPG's OEB payment amounts application.

19

#### 20 **2025 Budget versus 2025 OEB-Approved**

21 Regulatory Affairs costs increase by approximately \$2.7M in the 2025 Budget compared to the  
22 2025 OEB-approved amount. This is largely driven by an increase of \$1.3M in Salaries/Wages  
23 and Operating Expenses and \$1.2M in Expert Witness/Consultants due to timing in the  
24 preparation of OPG's OEB payment amounts application relative to EB-2020-0290  
25 assumptions, and \$0.2M in OEB Annual Assessment and Section 30 Fees.

26

27 External legal costs in the 2025 Budget are approximately \$1.2M higher than 2025 OEB-  
28 approved due to timing of preparation for OPG's OEB payment amounts application relative to  
29 EB-2020-0290 assumptions.

1 **2025 Budget versus 2024 Actual**

2 Regulatory Affairs costs are planned to be \$3.6M higher in 2025 Budget compared to the 2024  
3 Actual. This is due to an increase in Expert Witness/Consultants of \$2.6M, an increase in  
4 Salaries/Wages and Operating Expenses of \$0.7M, and an increase in Intervenor Cost Awards  
5 \$0.2M primarily due to preparation for OPG's OEB payment amounts application.

6

7 External legal cost for the 2025 Budget is greater than 2024 Actual costs by \$1.5M to support  
8 OPG's OEB payment amounts application.

9

10 **4.0 PERIOD-OVER-PERIOD CHANGES HISTORICAL YEARS**

11 **2024 Actual versus 2024 OEB-Approved**

12 Regulatory Affairs costs in 2024 Actual were approximately \$1.4M lower than 2024 OEB-  
13 approved. This is largely driven by a decrease of \$1.5M in Expert Witness/Consultants and  
14 \$0.2M lower Intervenor Cost Awards due to timing in the preparation of OPG's OEB payment  
15 amounts application relative to EB-2020-0290 assumptions, partly offset by \$0.2M in OEB  
16 Annual Assessment and Section 30 Fees.

17

18 External legal costs in 2024 Actual were approximately \$0.5M more than 2024 OEB-approved  
19 due to timing of preparation for OPG's OEB payment amounts application relative to EB-2020-  
20 0290 assumptions.

21

22 **2024 Actual versus 2023 Actual**

23 Regulatory Affairs costs in 2024 Actual were approximately \$1.8M higher than 2023 Actual.  
24 This is primarily due to \$1.3M for additional resourcing for the Reliability Compliance and  
25 Market Compliance groups, \$0.3M in Expert Witnesses/Consultants, \$0.1M in Intervenor Cost  
26 Awards and \$0.1M in OEB Annual Assessments and Section 30 Fees due to the EB-2023-  
27 0098 Application for an accounting order establishing a variance account to capture the nuclear  
28 revenue requirement of the repeal of the *Protecting a Sustainable Public Sector for Future*  
29 *Generations Act, 2019* ("Bill 124"), as discussed in Ex. F4-3-1, Section 6.2.

1 External legal costs in 2024 Actual were approximately \$0.2M higher than 2023 Actual,  
2 primarily due to legal support required for EB-2023-0098 Application.

3  
4 **2023 Actual versus 2023 OEB-Approved**

5 Regulatory Affairs costs in 2023 Actual were approximately \$1.8M lower than 2023 OEB-  
6 approved. The primary driver of this decrease was approximately \$1.2M less in  
7 Salaries/Wages and Operating Expenses due to unfilled vacancies, \$0.4M less in Intervenor  
8 Costs Awards and \$0.4M less in Expert Witnesses/Consultants, partly offset by \$0.2M more  
9 in OEB Annual Assessment and Section 30 Fees.

10  
11 External legal costs in 2023 Actual were approximately \$0.1M higher than 2023 OEB-  
12 approved, due to the unplanned EB-2023-0098 Application for a variance account to capture  
13 Bill 124 impacts.

14  
15 **2023 Actual versus 2022 Actual**

16 Regulatory Affairs costs were approximately \$0.3M higher in 2023 Actual than 2022 Actual.  
17 This is primarily due to \$0.2M in higher Expert Witnesses/Consultants costs due to EB-2023-  
18 0098 Application to capture Bill 124 impacts and \$0.2M higher OEB Annual Assessment and  
19 Section 30 Fees, partly offset by \$0.1M less in Salaries/Wages and Operating Expenses.

20  
21 External Legal Costs in 2023 Actual compared to 2022 Actual were \$0.3M higher due to the  
22 EB-2023-0098 Application for a variance account to capture Bill 124 impacts.

23  
24 **2022 Actual versus 2022 OEB-Approved**

25 Regulatory Affairs costs for 2022 Actual were approximately \$4.2M less than 2022 OEB-  
26 approved. The main drivers of this decrease were \$2.7M less in Intervenor Costs Awards and  
27 \$0.5M less for Expert Witnesses/Consultants due to the settlement of OPG's 2022-2026  
28 payment amounts application, and \$0.9M less in Salaries/Wages and Operating Expenses due  
29 to unfilled vacancies.

1 The 2022 Actual External Legal costs were \$0.2M lower than the OEB-approved 2022 costs  
2 primarily due to the settlement of OPG's 2022-2026 payment amounts application.

3  
4 **2022 Actual versus 2021 Actual**

5 Regulatory Affairs costs were approximately \$3.6M lower in 2022 Actual than 2021 Actual. The  
6 main drivers of this decrease were lower Expert Witnesses/Consultants costs of \$1.9M and  
7 \$1.1M in lower Intervener Cost Awards due to timing of OPG's 2022-2026 payment amounts  
8 application, and \$0.9M less in Salaries/Wages and Operating Expenses due to unfilled  
9 vacancies.

10  
11 External legal costs in 2022 Actual were approximately \$0.7M lower than 2021 Actual due to  
12 the timing of OPG's 2022-2026 payment amounts application.

13  
14 **2021 Actual versus 2021 OEB-Approved**

15 Regulatory Affairs costs for 2021 Actual were approximately \$1.1M higher than 2021 OEB-  
16 approved. The main drivers of the increase were \$1.0M of higher Salaries/Wages and  
17 Operating Expenses due to the reorganization of Regulatory Affairs near the end of 2018 to  
18 include the Market Compliance groups and \$0.3M of Expert Witnesses/Consultants costs from  
19 OPG's 2022-2026 payment amounts application. This was offset by approximately \$0.1M less  
20 in Intervenor Costs Awards and \$0.1M less in Other costs.

21  
22 External legal costs in 2021 Actual were approximately \$0.7M less than 2021 OEB-approved  
23 due to lower costs as a result of the settlement of OPG's 2022-2026 payment amounts  
24 application.

25  
26 **2021 Actual versus 2020 Actual**

27 Regulatory Affairs costs in 2021 Actual were \$0.1M lower than 2020 Actual. The main drivers  
28 of this decrease were lower Expert Witnesses/Consultants costs of \$1.2M, largely offset by  
29 \$1.1M of higher Intervener Cost Awards due to timing of OPG's 2022-2026 payment amounts  
30 application.

1 External legal costs in 2021 Actual were approximately \$0.2M higher than 2020 Actual due to  
2 the timing of OPG's 2022-2026 payment amounts application.

3

4 **2020 Actual versus 2020 OEB-Approved**

5 Regulatory Affairs costs for 2020 Actual were approximately \$3.2M higher than 2020 OEB-  
6 Approved. This is driven by an increase of \$2.7M in Expert Witness/Consultants, and \$0.9M  
7 in Salaries/Wages and Operating Expenses for OPG's 2022-2026 payment amounts  
8 application, and \$0.1M in OEB Annual Assessment and Section 30 Fees. The increase in  
9 Salaries/Wages and Operating Expenses also reflects the reorganization of Regulatory Affairs  
10 near the end of 2018 to include the Market Surveillance and Market Compliance groups. This  
11 is offset by a decrease of \$0.4M in Intervenor Cost Awards costs stemming from OPG not  
12 having the mid-term review originally anticipated in EB-2016-0152.

13

14 External legal costs in 2020 Actual were \$0.3M higher than 2020 OEB-approved. This increase  
15 is due to OPG starting to prepare for its 2022-2026 payment amounts application earlier than  
16 initially planned.

Numbers may not add due to rounding.

Filed: 2025-12-12  
Exhibit F3  
Tab 1  
Schedule 3  
Table 1

Table 1  
Comparison of Base OM&A Costs Allocated to Regulated Operations (\$K)  
Regulatory Affairs Department

Line No.	Group	2020 OEB Approved	(c)-(a) Change	2020 Actual	(g)-(c) Change	2021 OEB Approved	(g)-(e) Change	2021 Actual	(k)-(g) Change	2022 OEB Approved	(k)-(i) Change	2022 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Recurring Costs:</b>												
1	Salaries/wages, operating expenses	2,821.5	916.5	3,738.0	81.2	2,863.2	956.1	3,819.3	(877.3)	3,850.8	(908.8)	2,941.9
<b>Regulatory Proceeding Costs:</b>												
2	Expert Witnesses/Consultants	530.5	2,661.5	3,191.9	(1,181.2)	1,722.0	288.7	2,010.7	(1,860.5)	675.7	(525.5)	150.2
3	Intervenor cost awards	424.4	(424.4)	0.0	1,060.4	1,148.0	(87.7)	1,060.4	(1,060.4)	2,715.0	(2,715.0)	0.0
4	Other	233.4	(110.6)	122.8	(8.9)	238.1	(124.1)	113.9	13.1	159.6	(32.7)	127.0
5	<b>Total Regulatory Proceeding Costs</b>	<b>1,188.2</b>	<b>2,126.5</b>	<b>3,314.7</b>	<b>(129.7)</b>	<b>3,108.1</b>	<b>76.9</b>	<b>3,185.0</b>	<b>(2,907.8)</b>	<b>3,550.4</b>	<b>(3,273.1)</b>	<b>277.2</b>
6	OEB Annual Assessment and Sect 30	1,379.2	143.6	1,522.8	(6.5)	1,406.8	109.6	1,516.3	144.7	1,655.4	5.6	1,661.0
7	<b>Total Regulatory Affairs Division</b>	<b>5,388.9</b>	<b>3,186.7</b>	<b>8,575.5</b>	<b>(54.9)</b>	<b>7,378.1</b>	<b>1,142.5</b>	<b>8,520.6</b>	<b>(3,640.4)</b>	<b>9,056.6</b>	<b>(4,176.4)</b>	<b>4,880.2</b>
8	<b>External Legal Costs</b>	<b>300.0</b>	<b>262.0</b>	<b>562.0</b>	<b>228.3</b>	<b>1,500.0</b>	<b>(709.7)</b>	<b>790.3</b>	<b>(748.4)</b>	<b>275.0</b>	<b>(233.0)</b>	<b>42.0</b>

Line No.	Group	2022 Actual	(e)-(a) Change	2023 OEB Approved	(e)-(c) Change	2023 Actual	(i)-(e) Change	2024 OEB Approved	(i)-(g) Change	2024 Actual	(k)-(i) Change	2025 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Recurring Costs:</b>												
9	Salaries/wages, operating expenses	2,941.9	(61.4)	4,085.5	(1,204.9)	2,880.6	1,267.2	4,104.6	43.2	4,147.8	705.5	4,853.3
<b>Regulatory Proceeding Costs:</b>												
10	Expert Witnesses/Consultants	150.2	161.3	688.7	(377.2)	311.5	258.3	2,047.9	(1,478.1)	569.8	2,591.2	3,161.0
11	Intervenor cost awards	0.0	25.6	408.0	(382.4)	25.6	142.7	416.2	(247.9)	168.3	181.7	350.0
12	Other	127.0	10.4	162.3	(24.9)	137.4	9.9	165.1	(17.8)	147.3	67.6	214.9
13	<b>Total Regulatory Proceeding Costs</b>	<b>277.2</b>	<b>197.3</b>	<b>1,259.1</b>	<b>(784.5)</b>	<b>474.6</b>	<b>410.8</b>	<b>2,629.1</b>	<b>(1,743.7)</b>	<b>885.4</b>	<b>2,840.5</b>	<b>3,725.9</b>
14	OEB Annual Assessment and Sect 30	1,661.0	190.6	1,688.5	163.1	1,851.7	123.9	1,722.3	253.3	1,975.6	20.4	1,996.0
15	<b>Total Regulatory Affairs Division</b>	<b>4,880.2</b>	<b>326.6</b>	<b>7,033.1</b>	<b>(1,826.3)</b>	<b>5,206.8</b>	<b>1,802.0</b>	<b>8,456.0</b>	<b>(1,447.2)</b>	<b>7,008.8</b>	<b>3,566.3</b>	<b>10,575.1</b>
16	<b>External Legal Costs</b>	<b>42.0</b>	<b>316.2</b>	<b>275.0</b>	<b>83.2</b>	<b>358.2</b>	<b>181.0</b>	<b>75.0</b>	<b>464.2</b>	<b>539.2</b>	<b>1,460.8</b>	<b>2,000.0</b>

Line No.	Group	2025 OEB Approved	(c)-(a) Change	2025 Budget	(g)-(c) Change	2026 OEB Approved	(g)-(e) Change	2026 Budget	(i)-(g) Change	2027 Plan	(k)-(i) Change	2028 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Recurring Costs:</b>												
17	Salaries/wages, operating expenses	3,520.3	1,332.9	4,853.3	292.7	3,099.5	2,046.4	5,145.9	190.1	5,336.0	(120.2)	5,215.7
<b>Regulatory Proceeding Costs:</b>												
18	Expert Witnesses/Consultants	1,959.2	1,201.8	3,161.0	(1,294.3)	1,062.1	804.6	1,866.7	(1,371.7)	495.0	261.3	756.3
19	Intervenor cost awards	424.5	(74.5)	350.0	0.0	3,498.6	(3,148.6)	350.0	2,150.0	2,500.0	(2,399.5)	100.5
20	Other	219.4	(4.5)	214.9	(47.1)	170.7	(3.0)	167.7	5.9	173.7	4.8	178.5
21	<b>Total Regulatory Proceeding Costs</b>	<b>2,603.1</b>	<b>1,122.8</b>	<b>3,725.9</b>	<b>(1,341.4)</b>	<b>4,731.4</b>	<b>(2,347.0)</b>	<b>2,384.4</b>	<b>784.2</b>	<b>3,168.7</b>	<b>(2,133.4)</b>	<b>1,035.3</b>
22	OEB Annual Assessment and Sect 30	1,756.7	239.3	1,996.0	60.0	1,623.0	433.0	2,056.0	61.7	2,117.7	52.9	2,170.6
23	<b>Total Regulatory Affairs Division</b>	<b>7,880.1</b>	<b>2,695.0</b>	<b>10,575.1</b>	<b>(988.8)</b>	<b>9,453.9</b>	<b>132.5</b>	<b>9,586.3</b>	<b>1,036.0</b>	<b>10,622.3</b>	<b>(2,200.7)</b>	<b>8,421.6</b>
24	<b>External Legal Costs</b>	<b>770.9</b>	<b>1,229.1</b>	<b>2,000.0</b>	<b>500.0</b>	<b>1,243.6</b>	<b>1,256.4</b>	<b>2,500.0</b>	<b>(2,172.5)</b>	<b>327.5</b>	<b>142.8</b>	<b>470.3</b>

Line No.	Group	2028 Plan	(c)-(a) Change	2029 Plan	(e)-(c) Change	2030 Plan	(g)-(e) Change	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Recurring Costs:</b>								
25	Salaries/wages, operating expenses	5,215.7	254.5	5,470.2	677.3	6,147.5	(139.7)	6,007.8
<b>Regulatory Proceeding Costs:</b>								
26	Expert Witnesses/Consultants	756.3	1,873.5	2,629.8	810.7	3,440.5	(1,706.6)	1,733.9
27	Intervenor cost awards	100.5	251.3	351.8	0.0	351.8	0.0	351.8
28	Other	178.5	3.0	181.5	60.1	241.7	(53.8)	187.8
29	<b>Total Regulatory Proceeding Costs</b>	<b>1,035.3</b>	<b>2,127.8</b>	<b>3,163.1</b>	<b>870.8</b>	<b>4,033.9</b>	<b>(1,760.4)</b>	<b>2,273.5</b>
30	OEB Annual Assessment and Sect 30	2,170.6	54.3	2,224.9	55.6	2,280.5	57.0	2,337.5
31	<b>Total Regulatory Affairs Division</b>	<b>8,421.6</b>	<b>2,436.6</b>	<b>10,858.2</b>	<b>1,603.7</b>	<b>12,461.9</b>	<b>(1,843.1)</b>	<b>10,618.8</b>
32	<b>External Legal Costs</b>	<b>470.3</b>	<b>(167.8)</b>	<b>302.5</b>	<b>1,922.5</b>	<b>2,225.0</b>	<b>550.0</b>	<b>2,775.0</b>

## ASSET SERVICE FEES

### 1.0 PURPOSE

This evidence describes OPG's Asset Service Fee ("ASF") methodology and explains the calculation of the proposed service fees for the IR term.

### 2.0 BACKGROUND

Virtually all of OPG's in-service fixed and intangible assets continue to be exclusively or near exclusively associated with specific generation facilities or groups of hydroelectric generation facilities. As in prior OPG proceedings, OPG's fixed and intangible assets used by multiple generating businesses or those within a generating business used by both regulated and unregulated operations, are not included in the rate base or the associated depreciation and amortization expense component of the revenue requirement. Instead, the corresponding generating businesses, now including the Darlington New Nuclear Program ("DNNP") facilities, are charged an ASF for the use of these assets, which are included in the respective OM&A expenses presented in this Application.

The ASF methodology used in this Application is the same as that accepted in the EB-2020-0290 OEB-approved settlement proposal and by the OEB in previous OPG applications. In its review of OPG's cost allocation methodology for this proceeding, Elenchus Research Associates ("Elenchus") has concluded that OPG's ASF approach remains reasonable given the operation of OPG's business and is consistent with the cost causality principle.<sup>1</sup> This conclusion is similar to that reached in prior independent expert reviews of OPG's cost allocation methodology.

The ASF methodology considers that to the extent that 90% or more of the beneficial use of a joint-use asset relates to a particular business, the related assets are fully attributed to that business. For an OPG regulated business, this means that such assets are included in the rate base.

---

<sup>1</sup> Ex. F3-1-4, Attachment 1, S. 3.5.

1 As discussed in Ex. A1-4-4, Darlington New Nuclear Program Limited Partnership Inc. (“DNNP  
2 LP”) is entering into a lease for the DNNP facilities with OPG. DNNP LP will undertake the  
3 development, construction, and operation of the DNNP facilities, with OPG contracted to act  
4 as the project manager and operator of the facilities. The Application assumes that DNNP LP  
5 enters into the lease and associated arrangements at the end of 2025. OPG’s fixed and  
6 intangible assets to be used exclusively or near exclusively for the DNNP facilities are not  
7 included in OPG or DNNP LP’s rate base or associated depreciation and amortization expense  
8 component of the revenue requirement. Instead, the DNNP facilities are expected to be  
9 charged a corresponding ASF under the respective agreement between the parties.

10  
11 Beginning in the IR term, asset services fees are no longer charged for the leasehold  
12 improvements at 700 University Avenue and the Wesleyville site. The ASF for the 800 Kipling  
13 Avenue site was discontinued following the site's sale in 2022.

### 14 15 **3.0 ASSET SERVICE FEES**

16 Asset Service Fees are computed in a cost-based manner. The costs included in the  
17 computation of the ASF, as applicable, are depreciation expense, certain operating costs, and  
18 property taxes, and a tax-adjusted return on capital to be earned by OPG on these assets.

19  
20 OPG’s facilities, including the DNNP facilities and excluding its wholly owned subsidiaries, are  
21 charged an ASF for the use of the following assets, which are discussed below:

- 22 • The OPG Corporate Headquarters (“CHQ”) located in Oshawa, Ontario.
- 23 • Corporate Information Technology (together, “IT Assets”).<sup>2</sup>

24 In addition, during the IR term, OPG includes ASFs for:

- 25 • Joint-use Renewable Generation assets which are shared by the regulated and  
26 unregulated business.
- 27 • Nuclear Isotopes Asset Usage Fee – This fee represents a fee charged by the regulated  
28 nuclear business for the use of the Darlington nuclear facility for the production of medical

---

<sup>2</sup> IT Assets include Energy Market related assets that support OPG’s facilities, such as the Market Renewal Program tools implemented by OPG’s Corporate & Technology Services department.

1 isotopes by the unregulated business. It is reflected as a credit to the regulated nuclear  
2 business.

- 3 • DNNP IT Asset Service Fees – A fee charged to the DNNP facilities for DNNP IT  
4 operational readiness projects that OPG is undertaking.

5  
6 Ex. F3-2-1, Table 1 provides the ASF amounts charged by asset category to the regulated  
7 hydroelectric facilities in the years 2016-2027 and Table 2 provides the ASF amounts charged  
8 by asset category to the OPG Nuclear facilities for the years 2020-2031 and the DNNP facilities  
9 for the years 2026-2031. A summary of each asset category and the amounts for the IR term  
10 are discussed below.

#### 11 12 **OPG Corporate Headquarters (“CHQ”)**

13 OPG’s CHQ is used by employees from OPG’s regulated and unregulated business and is  
14 discussed further in Ex. D3-1-1 and Ex. D3-1-2. The ASF for the use of the CHQ site is  
15 computed based on an allocation of depreciation expense, operating costs related to  
16 maintaining the building, property taxes, and a tax-adjusted return on the capital invested in  
17 these assets. The building acquisition cost and subsequent renovations are included in the  
18 ASF. The costs are allocated to the regulated business based on a blend of planned OM&A  
19 costs and capital expenditures, which is the primary cost driver of Support Services costs under  
20 OPG’s cost allocation methodology (Ex. F3-1-4). OPG also owns undeveloped land on the  
21 CHQ site which is not included in the ASF.

22  
23 The return on capital amounts are computed using after-tax rates of return which are consistent  
24 with the proposed weighted average cost of capital rates for OPG’s regulated operations as  
25 per Exhibit C1-1-1, Tables 1-5. The return on equity portion is grossed up by OPG’s budgeted  
26 statutory tax rate over the IR term. The tax-adjusted rate of return is applied to the average  
27 undepreciated net book value of the assets for the respective year.

28 The ASF for the CHQ is shown below in Charts 1, 2, and 3:

1 **Chart 1 – OPG Nuclear Facilities Components of CHQ ASF – 2027-2031\***

<b>CHQ</b>	<b>OPG Nuclear Facilities</b>				
<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	3.6	3.8	4.1	4.2	4.4
Tax-adjusted Return	11.9	12.6	12.5	12.0	12.1
Other Costs	5.6	5.7	5.8	5.8	6.0
<b>Total</b>	<b>\$21.1</b>	<b>\$22.1</b>	<b>\$22.4</b>	<b>\$22.0</b>	<b>\$22.6</b>

2 \*Numbers may not add due to rounding

3  
4

**Chart 2 – DNNP Facilities Components of CHQ ASF – 2027-2031\***

<b>CHQ</b>	<b>DNNP Facilities</b>				
<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	0.5	0.6	0.7	0.9	0.8
Tax-adjusted Return	1.6	2.1	2.2	2.7	2.1
Other Costs	0.7	0.9	1.0	1.2	1.0
<b>Total</b>	<b>\$2.9</b>	<b>\$3.7</b>	<b>\$4.0</b>	<b>\$4.9</b>	<b>\$3.9</b>

5 \*Numbers may not add due to rounding

6  
7

**Chart 3 – Regulated Hydroelectric Components of CHQ ASF – 2027\***

<b>CHQ</b>	<b>Regulated Hydroelectric</b>
<b>\$M</b>	<b>2027</b>
Depreciation Expense	0.7
Tax-adjusted Return	2.2
Other Costs	1.0
<b>Total</b>	<b>\$4.0</b>

8 \*Numbers may not add due to rounding

9

10 **Corporate Information Technology Assets**

11 Corporate IT assets during the IR term include computer systems and applications used  
 12 throughout the enterprise. Examples include the enterprise resource planning and asset  
 13 management systems, human resources and payroll enterprise systems, corporate cyber  
 14 security assets, document management and archiving systems, computer network hardware  
 15 and the remote access system, as well as information technology systems, applications, and

1 infrastructure related to generation portfolio management and related administrative functions  
 2 such as transaction settlements. OPG's IT ASF capital expenditures are discussed in  
 3 Ex. D3-1-1 and Ex. D3-1-2.

4  
 5 These assets are used by the regulated businesses and the Support Services groups that  
 6 support them. The ASF for the use of IT assets is computed based on a portion of depreciation  
 7 expense and a tax-adjusted return on capital. The costs are allocated to the regulated business  
 8 based on the number of IT-end users which is the primary cost driver of IT related Support  
 9 Services costs under OPG's cost allocation methodology (Ex. F3-1-4). The return on capital  
 10 amounts are calculated in the same manner as the CHQ ASF described above.

11  
 12 The ASFs and associated components for IT Assets are presented below in Chart 4, 5, and 6:

13  
 14 **Chart 4 – OPG Nuclear Facilities Components of Corporate IT ASF – 2027-2031\***

<b>Corporate IT Assets</b>	<b>OPG Nuclear Facilities</b>				
<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	59.8	70.6	82.6	89.3	86.5
Tax-adjusted Return	13.6	15.8	19.6	20.2	21.8
<b>Total</b>	<b>\$73.4</b>	<b>\$86.3</b>	<b>\$102.3</b>	<b>\$109.5</b>	<b>\$108.3</b>

15 \*Numbers may not add due to rounding

16  
 17 **Chart 5 – DNNP Components of Corporate IT ASF – 2027-2031\***

<b>Corporate IT Assets</b>	<b>DNNP Facilities</b>				
<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	4.4	6.0	7.0	7.5	7.1
Tax-adjusted Return	1.0	1.3	1.7	1.7	1.8
<b>Total</b>	<b>\$5.4</b>	<b>\$7.4</b>	<b>\$8.6</b>	<b>\$9.2</b>	<b>\$8.9</b>

18 \*Numbers may not add due to rounding

**Chart 6 – Regulated Hydroelectric Components of Corporate IT ASF – 2027-2031\***

<b>Corporate IT Assets</b>	<b>Regulated Hydroelectric</b>
<b>\$M</b>	<b>2027</b>
Depreciation Expense	7.0
Tax-adjusted Return	1.6
<b>Total</b>	<b>\$8.5</b>

\*Numbers may not add due to rounding

Being the single largest ASF category, a detailed calculation of the Corporate IT ASF, by above component for each of the OPG nuclear, regulated hydroelectric business and DNNP facilities, is provided in Ex F3-3-1, Table 3.

**Joint-use Renewable Generation Assets**

OPG’s hydroelectric business contains both regulated and unregulated renewable generation facilities, including the Company’s thermal and solar generating facilities. Certain facilities such as work centers and dams or water control structures may support both regulated and unregulated assets (Ex. D1-1-1, Section 6).

To the extent that 90% or more of aggregate station capacity, as measured by the Maximum Continuous Rating,<sup>3</sup> serviced by the joint-use asset relates to the regulated facilities, the related assets are included in rate base. Joint-use assets not passing this use test are not included in regulated rate base but are subject to the ASF’s charged to the regulated and unregulated renewable generation facilities based on the relative direct base OM&A of the stations that benefit from the joint-use assets. The ASF structure is otherwise the same as that used to charge for CHQ and Corporate IT assets.

The components used to establish the ASF for Joint-use Renewable Generation Assets are presented below in Chart 7.

<sup>3</sup> MCR is the maximum electrical power output that can be continuously generated, provided adequate inflow is available. The unit is assumed to be operating at unity power factor and at the indicated reference gross head. MCR observes generator and turbine limitations.

1 **Chart 7 – Regulated Hydroelectric Components of Joint Use ASF – 2027\***

<b>\$M</b>	<b>2027</b>
Depreciation Expense	8.3
Tax-adjusted Return	3.8
Other Costs	0.5
<b>Total</b>	<b>\$12.7</b>

2 \*Numbers may not add due to rounding

3

4 **Nuclear Isotopes Asset Usage Fee**

5 Beginning in 2025, Darlington reactors are expected to be utilized for the commercial  
 6 production of medical isotopes such as Molybdenum-99, Yttrium-90, and Lutetium-177 by  
 7 OPG’s unregulated subsidiary, Laurentis Energy Partners, and Cobalt-60 by OPG. Consistent  
 8 with OPG’s approach to the production of the Molybdenum-99 isotope accepted by the OEB  
 9 in EB-2020-0290 through the approval of a settlement proposal<sup>4</sup> (as outlined in EB-2020-0290,  
 10 Ex. F3-1-4, Section 4.0) and validated by Elenchus in Ex. F3-1-4, Attachment 1, OPG will  
 11 charge an asset usage fee for the use of the Darlington reactors by the unregulated business.<sup>5</sup>  
 12 Neither the costs of the modifications required to be made at Darlington to enable this isotope  
 13 production nor the associated ongoing operating costs are included in OPG’s rate base or  
 14 revenue requirement.

15

16 The components of the asset usage fee are based on the depreciation expense and the return  
 17 on capital component for the applicable Darlington reactor assets to be used in the production  
 18 of medical isotopes. The depreciation expense and return components are apportioned  
 19 between the Nuclear generation business and the unregulated business using the relative  
 20 undepreciated book value of investments into the Darlington generation assets and the  
 21 respective modifications required to produce the isotopes. The after-tax rates of return used  
 22 are consistent with the proposed weighted average cost of capital rates for OPG’s regulated  
 23 operations as per Exhibit C1-1-1, Tables 1-5. Chart 8 below reflects the components of this  
 24 asset usage fee. The amounts in the table are presented as negative as they represent a

<sup>4</sup> Decision and Order, EB-2020-0290, November 15, 2021, Schedule A, pp. 41-43.

<sup>5</sup> Ex. F3-1-4, Attachment 1, S. 3.5.

1 recovery by the nuclear business, and therefore, a reduction in OPG’s proposed nuclear  
2 revenue requirement over the IR term.

3  
4

**Chart 8 – Components of Nuclear Isotopes Asset Usage Fees – 2027-2031\***

<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	(7.0)	(10.9)	(10.9)	(10.7)	(10.6)
Tax-adjusted Return	(13.9)	(20.9)	(20.1)	(19.1)	(18.1)
Other Costs	(1.0)	(2.8)	(4.2)	(2.8)	(2.9)
<b>Total</b>	<b>\$(21.9)</b>	<b>\$(34.5)</b>	<b>\$(35.2)</b>	<b>\$(32.6)</b>	<b>\$(31.5)</b>

5 \*Numbers may not add due to rounding.

6  
7

7 Consistent with EB-2020-0290 and confirmed in the current review of OPG’s cost allocation  
8 methodology, Elenchus has concluded that the isotope ASF methodology continues to  
9 reasonably align with sound cost allocation principles for the reasons set out in the previous  
10 review.<sup>6</sup>

11

**DNNP Facilities Information Technology Assets**

12 During the IR term, OPG will undertake IT projects to enable the operational readiness of  
13 DNNP facilities Unit 1 in 2030 such as DNNP’s Enterprise Asset Management solution. The  
14 ASF for the exclusive or near exclusive use<sup>7</sup> of these assets is expected to be computed based  
15 on the depreciation expense and a tax-adjusted return on capital amount for these  
16 investments. The after-tax rates of return are consistent with the proposed weighted average  
17 cost of capital rates for DNNP facilities as per Exhibit C1-1-1, Tables 1-5. Further details on  
18 the DNNP IT assets are discussed in Ex. D3-1-1 and Ex. D3-1-2. The ASFs and associated  
19 components for DNNP IT Assets for the years 2027-2031 are presented below in Chart 9:  
20

<sup>6</sup> Ex. F3-1-4, Attachment 1, S. 3.5.

<sup>7</sup> As DNNP facilities unit 1 approaches commercial operations, OPG and DNNP LP will assess the extent to which any of the assets included in the rate base for OPG’s nuclear facilities should be considered joint-use assets amongst the combined nuclear facilities and where material, implement additional asset service fee mechanisms in subsequent applications. At the time of this Application, no such material joint-use assets have been identified.

**Chart 9 – Components of DNNP Facilities IT Asset Service Fee – 2027-2031\***

<b>\$M</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Depreciation Expense	-	-	-	5.5	27.2
Tax-adjusted Return	-	-	-	3.0	14.2
<b>Total</b>	-	-	-	<b>\$8.5</b>	<b>\$41.4</b>

\*Numbers may not add due to rounding

As it relates to the figures in Chart 9, Elenchus has concluded that OPG’s treatment of the ASF associated directly with the DNNP facilities is reasonable, consistent with the overall methodology of an ASF and ensures proper attribution of the underlying costs.<sup>8</sup>

A detailed calculation of the DNNP IT Assets by component is included in Ex. F3-3-1, Table 2.

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<sup>8</sup> Ex. F3-1-4, Attachment 1, S. 3.5.

Numbers may not add due to rounding.

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 Table 1

Table 1  
 Corporate Asset Service Fees - Regulated Hydroelectric (\$M)

Line No.	Business Unit	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<b>Corporate Information Technology Assets</b>	2.7	3.0	3.4	4.4	3.8	4.5	5.9	5.6	5.8	6.8	8.4	8.5
2	<b>Kipling Ave. Office, Wesleyville Property &amp; 700 University Ave. Office</b>	3.2	2.9	2.5	3.5	2.3	2.2	2.0	1.1	1.3	0.5	0.3	0.0
3	<b>OPG Corporate Headquarters</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.8	3.1	4.0
4	<b>Joint-use Renewable Generation Assets</b>	0.9	1.6	1.3	1.2	2.6	3.9	5.8	8.3	8.3	9.5	9.6	12.7
5	<b>Total</b>	6.8	7.5	7.1	9.1	8.6	10.6	13.7	15.0	16.0	18.7	21.5	25.2

Numbers may not add due to rounding.

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 Table 2

Table 2  
 Corporate Asset Service Fees - Combined Nuclear (\$M)

Line No.	Business Unit	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	<b>OPG Nuclear Facilities</b>												
1	Corporate Information Technology Assets	48.2	58.2	65.4	67.5	70.1	72.7	76.5	73.4	86.3	102.3	109.5	108.3
2	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	7.4	6.8	5.6	5.6	5.1	2.7	1.8	0.0	0.0	0.0	0.0	0.0
3	OPG Corporate Headquarters	0.0	0.0	0.0	1.2	1.9	10.4	16.6	21.1	22.1	22.4	22.0	22.6
4	Nuclear Isotopes Asset Usage Fee	0.0	0.0	0.0	0.0	0.0	(0.2)	(1.7)	(21.9)	(34.5)	(35.2)	(32.6)	(31.5)
5	<b>Total OPG Nuclear Facilities</b>	<b>55.6</b>	<b>65.0</b>	<b>71.1</b>	<b>74.3</b>	<b>77.1</b>	<b>85.6</b>	<b>93.3</b>	<b>72.7</b>	<b>73.9</b>	<b>89.5</b>	<b>99.0</b>	<b>99.4</b>
	<b>DNNP Facilities</b>												
6	DNNP Information Technology Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	41.4
7	Corporate Information Technology Assets	0.0	0.0	0.0	0.0	0.0	0.0	4.5	5.4	7.4	8.6	9.2	8.9
8	OPG Corporate Headquarters	0.0	0.0	0.0	0.0	0.0	0.0	1.6	2.9	3.7	4.0	4.9	3.9
9	<b>Total DNNP Facilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>8.4</b>	<b>11.0</b>	<b>12.6</b>	<b>22.6</b>	<b>54.2</b>

Numbers may not add due to rounding.

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Table 3  
 Nuclear Fuel Service Fee - DNNP Facilities (\$M)

Line No.	Cost Item	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)
1	Depreciation <sup>1</sup>	0.0	0.0	0.0	0.3	1.5
2	<b>Cost of Capital</b>					
3	DNNP Fuel Rate Base <sup>1</sup>	75.0	114.0	104.6	87.2	168.2
4	Cost of Debt	0.0	0.0	0.0	0.0	0.0
5	Return On Equity <sup>2</sup>	6.8	10.4	9.5	7.9	15.3
6	<b>Total Cost of Capital (Line 4 + Line 5)</b>	6.8	10.4	9.5	7.9	15.3
7	Tax gross up (Line 5 * (25% / (1 - 25%)))	2.3	3.5	3.2	2.6	5.1
8	<b>ASF Tax-Adjusted Return (Line 6 + Line 7)</b>	9.1	13.8	12.7	10.6	20.4
9	<b>Nuclear Fuel Expense<sup>3</sup></b>	0.0	0.0	0.0	7.2	27.8
10	<b>Total DNNP Facilities Fuel Service Fee (Line 1 + Line 8 + Line 9)</b>	9.1	13.8	12.7	18.1	49.8

Notes:

1

Line No.	Rate Base Item	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)
1	Gross Plant at Cost Opening Balance (Line 3 of preceding year)	0.0	0.0	0.0	0.0	78.1
2	In- Service Additions- DNNP Capitalized Fuel (Ex D 2-1-3, Table 4b, Line 77)	0.0	0.0	0.0	78.1	25.0
3	Gross Plant at Cost Ending Balance (Line 1 + Line 2)	0.0	0.0	0.0	78.1	103.2
4	Accumulated Depreciation and Amortization Opening Balance	0.0	0.0	0.0	0.0	0.3
5	Depreciation on DNNP New Fuel (60 year depreciation life)*	0.0	0.0	0.0	0.3	1.5
6	Accumulated Depreciation and Amortization Ending Balance	0.0	0.0	0.0	0.3	1.8
7	Net Plant Opening Balance (Line 1 - Line 4)	0.0	0.0	0.0	0.0	77.8
8	Net Plant Change (Line 2 -Line 5)	0.0	0.0	0.0	77.8	23.5
9	Net Plant Ending Balance (Line 3 - Line 6)	0.0	0.0	0.0	77.8	101.4
10	Net Plant - Rate Base (line 7 + line 9)/2*	0.0	0.0	0.0	16.1	89.6
11	Opening Fuel Inventory (Ex. B1-1-1, Chart 2, Line 20)	45.4	104.7	123.3	86.0	56.2
12	Ending Fuel Inventory (Ex. B1-1-1, Chart 2, Line 20)	104.7	123.3	86.0	56.2	101.0
13	Fuel Inventory- Rate Base (Line 11 + Line 12)/2	75.0	114.0	104.6	71.1	78.6
14	<b>Total Rate Base (Line 10 + Line 13)</b>	75.0	114.0	104.6	87.2	168.2

\* 2030 weighted for unit 1 in-service date of October 17, 2030 (2.5 months); (Line 7 + Line 9 - Line 2)/2 + Line 2 x 2.5 months/12 months

2 Line 3 x Ex. C1-1-1 Tables 14 -18, col. (b), Line 4 x Ex. C1-1-1 Tables 14 -18, col. (c), Line 4

3 Ex. F2-5-1, Table 1b, Line 5

4 All components of the DNNP Fuel Service Fee is 100% attributable to the DNNP Facilities

Numbers may not add due to rounding.

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Exhibit F3

Tab 2

Schedule 1

Table 4

Table 4  
IT Asset Service Fee - DNNP Facilities (\$M)

Line No.	Cost Item	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)
1	Depreciation <sup>1</sup>	0.0	0.0	0.0	5.5	27.2
2	<u>Cost of Capital</u>					
3	Total Rate Base <sup>1</sup>	0.0	0.0	0.0	24.9	116.8
4	Cost of Debt	0.0	0.0	0.0	0.0	0.0
5	Return On Equity <sup>2</sup>	0.0	0.0	0.0	2.3	10.6
6	Total Cost of Capital (Line 4 + Line 5)	0.0	0.0	0.0	2.3	10.6
7	Tax gross up (Line 5 * (25% / (1 - 25%)))	0.0	0.0	0.0	0.8	3.5
8	ASF Tax-Adjusted Return (Line 6 + Line 7)	0.0	0.0	0.0	3.0	14.2
9	Total DNNP Facilities IT Asset Service Fee (Line 1 + Line 8)	0.0	0.0	0.0	8.5	41.4

Notes:

1

Line No.	Rate Base Item	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)
1	Gross Plant at Cost Opening Balance	0.0	0.0	0.0	0.0	132.6
2	In- Service Additions- DNNP IT Capital (D3-1-2, Table 5b, Line 17)	0.0	0.0	0.0	132.6	6.5
3	Gross Plant at Cost Ending Balance (Line 1 + Line 2)	0.0	0.0	0.0	132.6	139.2
4	Accumulated Depreciation and Amortization Opening Balance	0.0	0.0	0.0	0.0	5.5
5	Depreciation on DNNP IT Assets (5 year depreciation life)*				5.5	27.2
6	Accumulated Depreciation and Amortization Ending Balance	0.0	0.0	0.0	5.5	32.7
7	Net Plant Opening Balance (Line 1 - Line 4)	0.0	0.0	0.0	0.0	127.1
8	Net Plant Change (Line 2 - Line 5)	0.0	0.0	0.0	127.1	(20.7)
9	Net Plant Ending Balance (Line 3 - Line 6)	0.0	0.0	0.0	127.1	106.5
10	Net Plant - Rate Base (Line 7 + Line 9)/2*	0.0	0.0	0.0	24.9	116.8

\* 2030 weighted for unit 1 in-service date of October 17, 2030 (2.5 months); (Line 7 + Line 9 - Line 2)/2 + Line 2 x 2.5 months/12 months

2 Line 3 x Ex. C1-1-1 Tables 14 -18, col. (b), Line 4 x Ex. C1-1-1 Tables 14 -18, col. (c), Line 4

3 All components of the DNNP Fuel Service Fee is 100% attributable to the DNNP Facilities

Numbers may not add due to rounding.

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 Table 5

Table 5  
 Corporate Information Technology Assets - OPG (\$M)

Line No.	Cost Item	OPG Nuclear Facilities					Darlington New Nuclear Program (DNNP) Facilities					Regulated Hydroelectric
		2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	<b>Total Depreciation</b>	74.2	88.6	103.3	111.3	106.8	74.2	88.6	103.3	111.3	106.8	74.2
2	<b>% Allocated</b>	81%	80%	80%	80%	81%	6%	7%	7%	7%	7%	9%
3	<b>ASF Depreciation (Line 1 x Line 2)</b>	59.8	70.6	82.6	89.3	86.5	4.4	6.0	7.0	7.5	7.1	7.0
4	<b>Cost of Capital</b>											
5	<b>Total Rate Base</b>	197.6	229.6	282.8	289.7	309.5	197.6	229.6	282.8	289.7	309.5	197.6
6	<b>Cost of Debt<sup>1</sup></b>	4.4	5.3	6.7	6.9	7.4	4.4	5.3	6.7	6.9	7.4	4.4
7	<b>Return On Equity<sup>2</sup></b>	9.4	10.9	13.4	13.7	14.7	9.4	10.9	13.4	13.7	14.7	9.4
8	<b>Total Cost of Capital (Line 6 + Line 7)</b>	13.7	16.1	20.0	20.6	22.1	13.7	16.1	20.0	20.6	22.1	13.7
9	<b>ASF Cost of Capital (Line 2 x Line 8)</b>	11.1	12.9	16.0	16.6	17.9	0.8	1.1	1.4	1.4	1.5	1.3
10	<b>Tax gross up (Line 7 * Line 2 * (25% / (1-25%)))</b>	2.5	2.9	3.6	3.7	4.0	0.2	0.2	0.3	0.3	0.3	0.3
11	<b>ASF Tax-Adjusted Return (Line 9 + Line 10)</b>	13.6	15.8	19.6	20.2	21.8	1.0	1.3	1.7	1.7	1.8	1.6
12	<b>Total Asset Service Fee (Line 3 + Line 11)</b>	73.4	86.3	102.3	109.5	108.3	5.4	7.4	8.6	9.2	8.9	8.5

Notes:

- 1 Line 5 x Ex. C1-1-1 Tables 1-5, col. (c), Line 4 x Ex. C1-1-1 Tables 1-5, col. (b), Line 4
- 2 Line 5 x Ex. C1-1-1 Tables 1-5, col. (c), Line 5a x Ex. C1-1-1 Tables 1-5, col. (b), Line 5b

## COMPARISON OF ASSET SERVICE FEES

### 1.0 PURPOSE

This evidence presents the period-over-period changes in the Asset Service Fees (“ASF”) charged to the regulated business.

### 2.0 OVERVIEW

This evidence supports the ASF set out in Ex. F3-2-2, Tables 1, 2a, and 2b and provides a comparison of year over year for the regulated business and actual to OEB approved for the nuclear business.

### 3.0 TERM-OVER-TERM CHANGES – IR TERM, REGULATED HYDROELECTRIC

#### 2027 Plan versus 2026 Budget

The ASF in the 2027 Plan is \$25.2M, which is \$3.7M higher than the 2026 Budget amount of \$21.5M. The increase is primarily due to the in-service of the Kenora Work Centre Building (Ex. D1-1-2, Table 2b) and the relocated Renewable Generation Training Centre in 2027 (Ex. D3-1-2 Table 2e). The Kenora Work Centre Building supports staff servicing five Western Region stations and the relocation of the Renewable Generation Training Centre is required following OPG’s exit of the 800 Kipling Avenue lease.

### 4.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEARS, REGULATED HYDROELECTRIC

#### 2026 Budget versus 2025 Budget

The ASF in the 2026 Budget is \$21.5M, which is \$2.8M higher than the 2025 Budget of \$18.7M. The increase is primarily due to the full year impact of the Company’s Integrated HR Service Delivery project (discussed in Ex. D3-1-2, Section 3.3). The increase is also driven by the full year of operation of the OPG Corporate Headquarters (“CHQ”), Ex. D3-1-1.

1 **2025 Budget versus 2024 Actual**

2 The ASF in the 2025 Budget is \$18.7M, which is \$2.7M higher than the 2024 Actual of \$16.0M.  
3 The increase is primarily due to the in-service of CHQ and the Integrated HR Service Delivery  
4 project part way through 2025. In addition, Renewable Generation joint-use assets increased  
5 due to the in-service of a Supervisory Control and Data Acquisition software system to monitor  
6 and control generating assets and auxiliary equipment.

7

8 **2024 Actual versus 2023 Actual**

9 The ASFs are relatively stable in the 2024 actual compared to the 2023 actual.

10

11 **2023 Actual versus 2022 Actual**

12 The ASFs are relatively stable in the 2023 actual compared to the 2022 actual.

13

14 **2022 Actual versus 2021 Actual**

15 The ASF Actual in 2022 is \$13.7M, which is \$3.1M higher than the 2021 Actual of \$10.6M.  
16 This increase is primarily due to the full year impact of the Asset Suite 9 (“AS9”) upgrade that  
17 was placed in-service in 2021, and a further in-service in 2022 (discussed in Ex. D3-1-2,  
18 Section 3). The increase was also due to higher asset service fees for joint-use projects  
19 supporting RG operations.

20

21 **2021 Actual versus 2020 Actual**

22 The ASF Actual in 2021 is \$10.6M, which is \$1.9M higher than the 2020 Actual of \$8.6M. This  
23 increase is partially due to the initial in-service of the AS9 upgrade project at the end of 2021.  
24 In addition, hydroelectric Joint-use assets increased primarily due to Renewable Generation’s  
25 operational information systems upgrade.

26

27 **2020 Actual vs 2019 Actual**

28 The ASFs are relatively stable in the 2020 actual compared to the 2019 actual.

1 **2019 Actual versus 2018 Actual**

2 The ASF Actual in 2019 is \$9.1M, which is \$2.0M higher than the 2018 Actual of \$7.1M. This  
3 increase is primarily due to the in-service of the Company's IT and Real Estate assets driven  
4 by the Network Segmentation project and the 700 University Avenue Workplace  
5 Transformation project.

6

7 **2018 Actual vs 2017 Actual**

8 The ASFs are relatively stable in the 2018 actual compared to the 2017 actual.

9

10 **2017 Actual vs 2016 Actual**

11 The ASFs are relatively stable in the 2017 actual compared to the 2016 actual.

12

13 **5.0 PERIOD-OVER-PERIOD CHANGES – IR TERM, OPG NUCLEAR FACILITIES**

14 **2027 Plan vs 2026 Budget**

15 The ASF in the 2027 Plan is \$72.7M, which is \$20.6M lower than the 2026 Budget amount of  
16 \$93.3M. The decrease is primarily due to the increase in the service fee charged to the  
17 unregulated business reflecting the forecast in-service of additional modifications on the  
18 Darlington reactors to produce medical isotopes (discussed in Ex. F3-2-1).

19

20 **2028 Plan versus 2027 Plan**

21 The ASFs are relatively stable in the 2028 Plan compared to the 2027 Plan.

22

23 **2029 Plan versus 2028 Plan**

24 The ASF in the 2029 Plan is \$89.5M, which is \$15.6M higher than the 2028 Plan amount of  
25 \$73.9M. The increase is primarily due to the partial planned in-service of the Supply Chain  
26 ERP Solution project, the full year impact of the planned in-service of the Finance ERP Solution  
27 project in 2028 and further planned in-service of the Finance ERP Solution project in 2029.

1 **2030 Plan versus 2029 Plan**

2 The ASF in the 2030 Plan is \$99.0M, which is \$9.5M higher than the 2029 Plan amount of  
3 \$89.5M. The increase is primarily due to the planned partial in-service of the Company's  
4 Enterprise Asset Management project, Supply Chain ERP Solution project, and the remaining  
5 in-service of the Finance ERP Solution project.

6

7 **2031 Plan versus 2030 Plan**

8 The ASFs are relatively stable in the 2031 Plan compared to the 2030 Plan.

9

10 **6.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEARS, NUCLEAR FACILITIES**

11 **2026 Budget versus 2026 OEB-Approved**

12 The ASF in the 2026 Budget is \$93.3M, which is \$28.7M higher than the 2026 OEB-approved  
13 amount of \$64.6M. The main driver is higher than planned in-service for the AS9 upgrade  
14 project and new projects since EB-2020-0290 such as the Integrated HR Service Delivery  
15 cloud platform, Finance ERP Solution, and Enterprise Asset Management projects (discussed  
16 in Ex. D3-1-2).

17

18 **2026 Budget versus 2025 Budget**

19 The ASFs are relatively stable in the 2026 budget compared to the 2025 budget.

20

21 **2025 Budget versus 2025 OEB-Approved**

22 The ASF in the 2025 Budget is \$85.6M, which is \$16.5M higher than the 2025 OEB-approved  
23 amount of \$69.0M. The main driver is higher than planned in-service for the AS9 upgrade  
24 project and new projects since EB-2020-0290 such as the Integrated HR Service Delivery  
25 cloud platform, and Enterprise Service Management projects (discussed in Ex. D3-1-2).

26

27 **2025 Budget versus 2024 Actual**

28 The ASF in the 2025 Budget is \$85.6M, which is \$8.5M higher than the 2024 Actual amount  
29 of \$77.1M. The increase is primarily due to the in-service of CHQ part way in 2025.

1 **7.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL YEARS, NUCLEAR**  
2 **FACILITIES**

3 **2024 Actual versus 2024 OEB-Approved**

4 The Actual ASF in 2024 is \$77.1M, which is \$12.8M higher than the 2024 OEB-approved  
5 amount of \$64.3M. The increase is primarily due to higher in-service from the AS9 upgrade  
6 project and new projects since EB-2020-0290 such as the Data Center Migration and  
7 Enterprise Service Management projects.

8

9 **2024 Actual versus 2023 Actual**

10 The ASFs are relatively stable in the 2024 actual compared to the 2023 actual.

11

12 **2023 Actual versus 2023 OEB-Approved**

13 The Actual ASF in 2023 is \$74.3M, which is \$20.1M higher than the 2023 OEB-approved  
14 amount of \$54.3M. The increase is primarily due to higher in-service from the AS9 upgrade  
15 project and new projects since EB-2020-0290 such as the Data Center Migration and  
16 Enterprise Service Management projects.

17

18 **2023 Actual versus 2022 Actual**

19 The ASFs are relatively stable in the 2023 actual compared to the 2022 actual.

20

21 **2022 Actual versus 2022 OEB-Approved**

22 The Actual ASF in 2022 is \$71.1M, which is \$20.4M higher than the 2022 OEB-approved  
23 amount of \$50.7M. The increase is primarily due to higher in-service for new projects since  
24 EB-2020-0290 such as the Data Center Migration and the Equipment Status Monitoring II  
25 Lifecycle projects.

26

27 **2022 Actual versus 2021 Actual**

28 The ASFs are relatively stable in the 2022 actual compared to the 2021 actual.

1 **2021 Actual versus 2021 OEB-Approved Budget**

2 The Actual ASF in 2021 is \$65.0M, which is \$44.3M higher than the 2021 OEB-approved  
3 amount of \$20.8M. The main driver is higher than planned in-service as a result of the  
4 advancement of the IT digital strategy underpinning the EB-2020-0290 application.

5

6 **2021 Actual versus 2020 Actual**

7 The Actual ASF in 2021 is \$65.0M, which is \$9.4M higher than the 2020 actuals of \$55.6M.  
8 The increase is primarily due to higher in-service for the Reimagine project and Reimagine 2.0  
9 project (see Ex. D3-1-2, Table 2a).

10

11 **2020 Actual versus 2020 OEB-Approved**

12 The Actual ASF in 2020 is \$55.6M, which is \$32.7M higher than the 2020 OEB-approved  
13 amount of \$22.9M. The main driver is higher than planned in-service as a result of the  
14 advancement of the IT digital strategy underpinning the EB-2020-0290 application.

15

16 **8.0 PERIOD-OVER-PERIOD CHANGES - IR TERM, DNNP FACILITIES**

17 **2027 Plan vs 2026 Budget**

18 The ASF in the 2027 Plan is \$8.4M, which is \$2.3M higher than the 2026 Budget amount of  
19 \$6.0M. The increase is primarily due to the increase in the in-service of IT portfolio projects  
20 with smaller individual in-service amounts.

21

22 **2028 Plan vs 2027 Plan**

23 The ASF in the 2028 Plan is \$11.0M, which is \$2.7M higher than the 2027 Plan amount of  
24 \$8.4M. The increase is primarily due to the partial planned in-service of the Finance ERP  
25 Solution project in 2028.

26

27 **2029 Plan vs 2028 Plan**

28 The ASF in the 2029 Plan is \$12.6M, which is \$1.6M higher than the 2028 Plan amount of  
29 \$11.0M. The increase is primarily due to the partial planned in-service of the Enterprise System  
30 Modernization projects including the full year impact of the planned in-service of the Finance  
31 ERP Solution project in 2028 and its further planned in-service in 2029.

1     **2030 Plan versus 2029 Plan**

2     The ASF in the 2030 Plan is \$22.6M, which is \$10.0M higher than the 2029 Plan amount of  
3     \$12.6M. The increase is primarily due to the partial planned in-service of the Operational  
4     Readiness Technology projects, including the DNNP Enterprise Asset Management project  
5     discussed in Ex. D3-1-1 and described in Ex. D3-1-2.

6

7     **2031 Plan versus 2030 Plan**

8     The ASF in the 2031 Plan is \$54.2M, which is \$31.6M higher than the 2030 Plan amount of  
9     \$22.6M. The increase is primarily due to the full year impact of the DNNP Operational  
10    Readiness Technology projects including the DNNP Enterprise Asset Management project  
11    discussed in Ex. D3-1-1 and described in Ex. D3-1-2.

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 2  
 Schedule 2  
 Table 1

Table 1  
 Comparison of Corporate Asset Service Fees - Regulated Hydroelectric (\$M)

Line No.	Business Unit	2016 Actual	(c)-(a) Change	2017 Actual	(e)-(c) Change	2018 Actual	(g)-(e) Change	2019 Actual	(i)-(g) Change	2020 Actual	(k)-(i) Change	2021 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Corporate Information Technology Assets	2.7	0.3	3.0	0.3	3.4	1.0	4.4	(0.6)	3.8	0.8	4.5
2	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	3.2	(0.3)	2.9	(0.4)	2.5	1.0	3.5	(1.2)	2.3	(0.1)	2.2
3	OPG Corporate Headquarters	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Joint-use Renewable Generation Assets	0.9	0.7	1.6	(0.3)	1.3	(0.0)	1.2	1.3	2.6	1.3	3.9
5	<b>Total</b>	<b>6.8</b>	<b>0.7</b>	<b>7.5</b>	<b>(0.4)</b>	<b>7.1</b>	<b>2.0</b>	<b>9.1</b>	<b>(0.5)</b>	<b>8.6</b>	<b>1.9</b>	<b>10.6</b>

Line No.	Business Unit	2021 Actual	(c)-(a) Change	2022 Actual	(e)-(c) Change	2023 Actual	(g)-(e) Change	2024 Actual	(i)-(g) Change	2025 Budget	(k)-(i) Change	2026 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
6	Corporate Information Technology Assets	4.5	1.4	5.9	(0.3)	5.6	0.2	5.8	1.1	6.8	1.6	8.4
7	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	2.2	(0.2)	2.0	(0.9)	1.1	0.3	1.3	(0.8)	0.5	(0.2)	0.3
8	OPG Corporate Headquarters	0.0	0.0	0.0	0.0	0.0	0.5	0.5	1.3	1.8	1.3	3.1
9	Joint-use Renewable Generation Assets	3.9	1.9	5.8	2.5	8.3	0.0	8.3	1.2	9.5	0.0	9.6
10	<b>Total</b>	<b>10.6</b>	<b>3.1</b>	<b>13.7</b>	<b>1.3</b>	<b>15.0</b>	<b>1.0</b>	<b>16.0</b>	<b>2.7</b>	<b>18.7</b>	<b>2.8</b>	<b>21.5</b>

Line No.	Business Unit	2026 Budget	(c)-(a) Change	2027 Plan
		(a)	(b)	(c)
11	Corporate Information Technology Assets	8.4	0.1	8.5
12	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	0.3	(0.3)	0.0
13	OPG Corporate Headquarters	3.1	0.9	4.0
14	Joint-use Renewable Generation Assets	9.6	3.1	12.7
15	<b>Total</b>	<b>21.5</b>	<b>3.7</b>	<b>25.2</b>

Numbers may not add due to rounding.

Filed: 2025-12-12  
 EB-2025-0297  
 Exhibit F3  
 Tab 2  
 Schedule 2  
 Table 2a

Table 2a  
 Comparison of Corporate Asset Service Fees - OPG Nuclear Facilities (\$M)

Line No.	Business Unit	2020 OEB Approved	(c)-(a) Change	2020 Actual	(g)-(c) Change	2021 OEB Approved	(g)-(e) Change	2021 Actual	(k)-(g) Change	2022 OEB Approved	(k)-(i) Change	2022 Actual	(m)-(k) Change	2023 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	<b>OPG Nuclear Facilities</b>													
1	Corporate Information Technology Assets	19.4	28.8	48.2	10.0	17.2	41.0	58.2	7.2	48.0	17.4	65.4	2.1	67.5
2	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	3.5	3.9	7.4	(0.6)	3.5	3.3	6.8	(1.2)	5.0	0.6	5.6	(0.0)	5.6
3	OPG Corporate Headquarters	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.2
4	Nuclear Isotopes Asset Usage Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.3)	2.3	0.0	0.0	0.0
5	<b>Total OPG Nuclear Facilities before adjustments</b>	<b>22.9</b>	<b>32.7</b>	<b>55.6</b>	<b>9.4</b>	<b>20.8</b>	<b>44.3</b>	<b>65.0</b>	<b>6.0</b>	<b>50.7</b>	<b>20.4</b>	<b>71.1</b>	<b>3.3</b>	<b>74.3</b>
6	OEB/Settlement Adjustments <sup>1,2</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.5)	1.5	0.0	0.0	0.0
7	<b>Total OPG Nuclear Facilities including adjustments</b>	<b>22.9</b>	<b>32.7</b>	<b>55.6</b>	<b>9.4</b>	<b>20.8</b>	<b>44.3</b>	<b>65.0</b>	<b>6.0</b>	<b>49.2</b>	<b>21.9</b>	<b>71.1</b>	<b>3.3</b>	<b>74.3</b>

Line No.	Business Unit	2023 OEB Approved	(c)-(a) Change	2023 Actual	(g)-(c) Change	2024 OEB Approved	(g)-(e) Change	2024 Actual	(k)-(g) Change	2025 OEB Approved	(k)-(i) Change	2025 Budget	(m)-(k) Change	2026 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	<b>OPG Nuclear Facilities</b>													
8	Corporate Information Technology Assets	51.8	15.7	67.5	2.5	54.0	16.1	70.1	2.6	53.8	18.9	72.7	3.9	76.5
9	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	4.6	1.0	5.6	(0.5)	4.4	0.8	5.1	(2.4)	2.8	(0.1)	2.7	(0.9)	1.8
10	OPG Corporate Headquarters	0.0	1.2	1.2	0.7	8.0	(6.0)	1.9	8.5	16.0	(5.6)	10.4	6.2	16.6
11	Nuclear Isotopes Asset Usage Fee	(2.2)	2.2	0.0	0.0	(2.0)	2.0	0.0	(0.2)	(3.5)	3.3	(0.2)	(1.5)	(1.7)
12	<b>Total OPG Nuclear Facilities before adjustments</b>	<b>54.3</b>	<b>20.1</b>	<b>74.3</b>	<b>2.8</b>	<b>64.3</b>	<b>12.8</b>	<b>77.1</b>	<b>8.5</b>	<b>69.0</b>	<b>16.5</b>	<b>85.6</b>	<b>7.7</b>	<b>93.3</b>
13	OEB/Settlement Adjustments <sup>1,2</sup>	(1.6)	1.6	0.0	0.0	(9.7)	9.7	0.0	0.0	(17.6)	17.6	0.0	0.0	0.0
14	<b>Total OPG Nuclear Facilities including adjustments</b>	<b>52.6</b>	<b>21.7</b>	<b>74.3</b>	<b>2.8</b>	<b>54.6</b>	<b>22.5</b>	<b>77.1</b>	<b>8.5</b>	<b>51.4</b>	<b>34.1</b>	<b>85.6</b>	<b>7.7</b>	<b>93.3</b>

Notes:

- Per EB-2020-0290 OEB Decision and Order, Schedule A, p. 25, OM&A costs are reduced by 3% per year over the 2022-2026 period.
- OEB approved values reflect settlement adjustments for Clarington Corporate Campus (2024-2026) per p. 25 of the Settlement Proposal.

Numbers may not add due to rounding.

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 EB-2025-0297  
 Exhibit F3  
 Tab 2  
 Schedule 2  
 Table 2b

Table 2b  
 Comparison of Corporate Asset Service Fees - Combined Nuclear (\$M)

Line No.	Business Unit	2026 OEB Approved	(c)-(a) Change	2026 Budget	(e)-(c) Change	2027 Plan	(g)-(e) Change	2028 Plan	(i)-(g) Change	2029 Plan	(k)-(i) Change	2030 Plan	(m)-(k) Change	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<b>OPG Nuclear Facilities</b>														
1	Corporate Information Technology Assets	51.3	25.3	76.5	(3.1)	73.4	12.9	86.3	15.9	102.3	7.3	109.5	(1.2)	108.3
2	Kipling Ave. Office, Wesleyville Property & 700 University Ave. Office	1.3	0.5	1.8	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	OPG Corporate Headquarters	15.3	1.4	16.6	4.5	21.1	1.0	22.1	0.4	22.4	(0.4)	22.0	0.6	22.6
4	Nuclear Isotopes Asset Usage Fee	(3.2)	1.6	(1.7)	(20.2)	(21.9)	(12.6)	(34.5)	(0.7)	(35.2)	2.6	(32.6)	1.1	(31.5)
5	<b>Total OPG Nuclear Facilities before adjustments</b>	<b>64.6</b>	<b>28.7</b>	<b>93.3</b>	<b>(20.6)</b>	<b>72.7</b>	<b>1.2</b>	<b>73.9</b>	<b>15.6</b>	<b>89.5</b>	<b>9.5</b>	<b>99.0</b>	<b>0.5</b>	<b>99.4</b>
6	OEB/Settlement Adjustments <sup>1,2</sup>	(16.7)	16.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	<b>Total OPG Nuclear Facilities including adjustments</b>	<b>47.8</b>	<b>45.4</b>	<b>93.3</b>	<b>(20.6)</b>	<b>72.7</b>	<b>1.2</b>	<b>73.9</b>	<b>15.6</b>	<b>89.5</b>	<b>9.5</b>	<b>99.0</b>	<b>0.5</b>	<b>99.4</b>
<b>DNNP Facilities</b>														
8	DNNP Information Technology Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	8.5	32.8	41.4
9	Corporate Information Technology Assets	0.0	4.5	4.5	1.0	5.4	1.9	7.4	1.3	8.6	0.6	9.2	(0.3)	8.9
10	OPG Corporate Headquarters	0.0	1.6	1.6	1.4	2.9	0.8	3.7	0.3	4.0	0.9	4.9	(1.0)	3.9
11	<b>Total DNNP Facilities</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.3</b>	<b>8.4</b>	<b>2.7</b>	<b>11.0</b>	<b>1.6</b>	<b>12.6</b>	<b>10.0</b>	<b>22.6</b>	<b>31.6</b>	<b>54.2</b>

Notes:  
 1 OEB approved values reflect settlement adjustments for Clarington Corporate Campus (2024-2026) per p. 25 of the Settlement Proposal.  
 2 Per EB-2020-0290 OEB Decision and Order, Schedule A, p. 25, OM&A costs are reduced by 3% per year over the 2022-2026 period.

# OPG PROCUREMENT PROCESS

## 1.0 PURPOSE

This evidence describes key aspects of OPG's procurement process that underpins expenditures made across the organization.

## 2.0 OVERVIEW OF PROCUREMENT PROCESS

As discussed in Ex. A1-3-1, Section 1.1, OPG's Ontario-based supply chain focus is a key element of the company's role in supporting the reliability of province's electricity system by mitigating international supply risks and enabling timely access to critical materials and services. In describing OPG's procurement process, this exhibit explains updates made since EB-2020-0290, including changes such as the scoped exemption from the Ontario Public Service procurement directive, and describes how category management and strategic sourcing continue to support the procurement process. This exhibit provides an overview of OPG's supplier relationship management, quality assurance programs, and the technology and processes implemented to improve sourcing efficiencies and lower procurement cycle times.

## 3.0 THE TRANSACTIONAL PROCUREMENT PROCESS

On January 1, 2023, OPG received a scoped exemption from the Ontario Public Service procurement directive for energy related work. This exemption enables the necessary flexibility, timeliness to market and greater control for OPG's procurement strategies in order to ensure competitiveness with other utilities. The scope of the exemption from the procurement directive allows OPG to achieve the following in the procurement process:

- Secure supply and stabilize prices by awarding contracts to suppliers qualified and experienced in the provision of work in the energy sector.
- Establish innovative procurement approaches such as early supplier engagement through collaborative contracting models with long term agreements.
- Improve efficiencies through a streamlined procurement process which reduces the overall level of effort and time required to execute large competitive procurements.

- 1 • Support spending in Ontario, including attracting new investment and manufacturing by  
2 consolidating demand and committing to future needs where aligned to business  
3 objectives.
- 4 • More quickly secure supply for critical equipment and services.

5

6 OPG's procurement process is conducted as follows:<sup>1</sup>

- 7 • The need for a service or item is identified, and a requisition is created and approved by  
8 the appropriate authority as per OPG's Organizational Authority Register ("OAR").
- 9 • If no existing agreement is in place that can satisfy the need for the product or service,  
10 Supply Chain, in consultation with the requisitioner, seeks quotations<sup>2</sup> or proposals<sup>3</sup> using  
11 the following methods:
  - 12 ○ Open Competitive Process: this process involves posting procurement documents  
13 using an approved OPG electronic sourcing system where OPG's procurement is open  
14 or available for any supplier to respond to a procurement.
  - 15 ○ Invitation Competitive Process: this process involves posting procurement documents  
16 using an approved OPG electronics sourcing system where OPG invites suppliers to  
17 respond to a procurement.
  - 18 ○ Single/Sole Source Process: exceptions to a competitive procurement process are  
19 allowed under certain circumstances. Exceptions must be justified in accordance with  
20 OPG's governance with prior approval from the appropriate OAR authority.
- 21 • OPG's process requires that the evaluation criteria and weightings be established by  
22 Supply Chain and the requisitioner/project manager in advance of issuing the request for  
23 quotation or request for proposal. The criteria, weightings and evaluation methodology (the  
24 process used to assess, evaluate, and score supplier submissions) are fully disclosed to  
25 participating suppliers in the request for quotation or request for proposal and typically  
26 include the following:

---

<sup>1</sup> This process applies to the acquisition of products or services above a threshold value of \$10k. Below this threshold value, purchasing authority is delegated to the businesses with a purchasing card or local purchasing authority (purchase order-based transactions).

<sup>2</sup> A request for quotation is a request for price and availability of items/services based on specified technical, quality, and commercial requirements where the value is estimated up to \$100k.

<sup>3</sup> A Request For Proposal is a formal request for price and availability of an item and/or service based on specified technical quality and commercial requirements where the value is estimated to be greater than \$100k.

- 1     ○ Mandatory requirements, which are criteria that are assessed on a pass/fail basis.
- 2     ○ Rated requirements, which include all weights and sub-weights and a description of
- 3         any short-listing processes including any minimum rated score requirements and the
- 4         role and weighting, if applicable, of reference checks, oral interviews, demonstrations
- 5         and site visits, as may be applicable to the specific procurement process.
- 6     ○ Price/cost and a description of the evaluation methodology that may include the use of
- 7         scenarios to determine cost for specific volumes and service levels. The evaluation of
- 8         price/cost is only completed if mandatory and minimum rated requirements are met.
- 9     ● For services performed on OPG premises, potential suppliers are pre-qualified with respect
- 10        to safety performance.
- 11     ● To ensure the integrity of the procurement process, Supply Chain acts as the single point
- 12        of contact with potential suppliers until the evaluation of submissions is completed and a
- 13        supplier has been selected. The purchase price is part of the total lifecycle cost criteria
- 14        used in evaluating submissions. Additionally, the relative weighting of the selection criteria
- 15        can vary, and there may be instances when the lowest cost supplier is not selected.
- 16     ● Supply Chain leads the negotiation and finalization of the purchase order and/or agreement
- 17        with support from other internal subject matter experts along with the requisitioner, as
- 18        required. An agreement and/or purchase order is issued once Supply Chain receives a
- 19        requisition approved by the appropriate OAR authority.
- 20     ● Once the supplier is awarded business, depending on the complexity and financial
- 21        implications, an OPG contract administrator is assigned to monitor the contract to ensure
- 22        the supplier meets all contractual obligations, to confirm receipt of the product or service,
- 23        and to approve submitted invoices for payment. The performance of the supplier is
- 24        assessed by the contract administrator. Supply Chain utilizes this assessment when
- 25        selecting suppliers to participate in future procurement events.
- 26     ● The requisitioner notifies Supply Chain once the contract requirements are complete and
- 27        final payment has been made. The purchase order is subsequently closed out by Supply
- 28        Chain.

1 Supply Chain market risks have been a continued area of focus and OPG has taken a proactive  
2 approach to identifying, mitigating and monitoring a range of emerging and evolving  
3 challenges. In recent years, OPG has focused on managing key risks including inflationary  
4 cost pressures impacting materials and services, supplier capacity constraints driven by  
5 market demand and global disruptions, and tariff-related risks impacting cross border trade. In  
6 response, where possible, OPG has implemented targeted mitigations such as qualifying  
7 alternate suppliers, advancing domestic sourcing opportunities, and adjusting commercial  
8 strategies as necessary.  
9

#### 10 **4.0 CATEGORY MANAGEMENT AND STRATEGIC SOURCING**

11 Category management and strategic sourcing practices in the procurement process help to  
12 ensure that OPG meets operational goals and maintains a competitive procurement position.  
13 A structured, data-driven approach ensures that procurement decisions align with OPG's  
14 objectives while driving value, improving efficiency and mitigating risks. Supply Chain seeks to  
15 achieve these outcomes by strategically identifying needs, prioritizing criteria, and applying  
16 category strategies to drive long-term value in procurement execution and contract  
17 management. By organizing procurements into specific categories, Supply Chain can focus on  
18 identifying new suppliers within each category. This involves assessing potential suppliers'  
19 capabilities, reviewing qualifications (e.g., nuclear qualifications if applicable), and  
20 collaborating on improvement initiatives to ensure they meet the required standards. The  
21 assessment process involves the following steps:  
22

- 23 • **Strategic Needs Identification** aligns the procurement process to OPG's requirements.  
24 By assessing upcoming projects, operational demands, and maintenance requirements,  
25 procurement strategies are better able to align with broader company objectives. This  
26 proactive approach allows OPG to better anticipate sourcing needs, manage risks, and  
27 minimize cost.
- 28 • **Strategic Sourcing Plans** help OPG to prioritize opportunities with the greatest value in  
29 the procurement process. The sourcing plan prioritizes these opportunities, including cost-  
30 savings opportunities, impact on operations, project timelines, and supply chain stability.  
31 By evaluating market conditions, supplier capabilities, and internal requirements, the

1 sourcing plan ensures that procurement supports both short and long-term business goals.  
2 Through strategic sourcing, category managers can negotiate terms and conditions with  
3 suppliers that better ensure suppliers' capacity to meet demand. This includes long-term  
4 contracts and agreements that secure supply and stabilize prices.

- 5 • **Category Strategies** help to drive long-term efficiency and ensure that each strategic  
6 sourcing event drives longer-term value. Market trends, supplier performance, and  
7 technological advancements are leveraged to continuously refine sourcing strategies that  
8 support operational and project excellence. Deep expertise in each category supports  
9 strong supplier collaboration, to ensure that sourcing strategies create opportunities for  
10 innovation and continuous improvement. Category management provides greater visibility  
11 into the spending categories to monitor supplier performance and capacity. This visibility  
12 helps in the early identification of potential capacity issues and enables proactive measures  
13 to address these issues.
- 14 • **Strategic Sourcing Event Execution** ensures procurements leverage market  
15 intelligence, team negotiation expertise, and competitive sourcing processes.
- 16 • **Contract Management** ensures that suppliers deliver on their commitments and seeks to  
17 maximize the value of procurement transaction. OPG actively manages contracts to ensure  
18 performance standards are met, risks are mitigated, and opportunities for continuous cost  
19 savings are realized throughout the life of the contract.

20  
21 The benefit of these strategic practices include:

- 22 • Optimized long-term agreements that provide cost savings, favourable contract terms,  
23 budget predictability, and less price volatility.
- 24 • Reduced risk by addressing critical gaps in key categories, ensuring compliance with  
25 contract terms, and proactively managing emerging issues.
- 26 • Faster procurement cycle times and improved operational agility.
- 27 • Enhanced project execution and operational efficiency by aligning sourcing strategies with  
28 project timelines, operational requirements, and demand forecasts.

1 An example of Category Management practices is the Renewable Generation Programmatic  
2 Collaboration Agreements (further discussed in Ex. F1-1-1) that support the refurbishment of  
3 OPG's large hydroelectric generating stations across the province. Through these strategic  
4 agreements, Supply Chain was able to foster early contractor engagement to secure supplier  
5 capacity, enable effective planning for resources across projects and drive long-term value.  
6

## 7 **5.0 SUPPLIER RELATIONSHIP MANAGEMENT**

8 OPG evaluates critical suppliers against performance scorecards through the Supplier  
9 Relationship Management program. The program has been in place since 2009 and was  
10 updated in 2024 to expand the number of suppliers in the program. Four main categories are  
11 evaluated: Operational Excellence, Financial Integrity, Business Value Creation and  
12 Environmental, Social and Governance, to ensure OPG's suppliers are delivering value for  
13 money while driving performance in alignment with OPG's strategic objectives. The scorecard  
14 performance is used to facilitate performance-based meetings with critical suppliers, enabling  
15 OPG to identify and communicate any performance issues and create corrective actions with  
16 the leadership of the subject suppliers.  
17

## 18 **6.0 SUPPLIER QUALITY**

19 OPG is committed to ensuring operational reliability, efficiency, and compliance through the  
20 qualification, monitoring, and continuous development of suppliers. This approach aligns with  
21 industry standards, regulatory requirements, and OPG's performance expectations, ultimately  
22 supporting the safe, reliable, and cost-effective energy production.  
23

24 To achieve this, OPG uses a rigorous supplier qualification program that starts with a risk-  
25 based assessment of supplier capabilities before a contract is awarded. This process includes  
26 pre-qualification assessments to ensure contractors meet technical, safety, and quality  
27 standards, technical evaluations such as facility audits and material inspections, and regulatory  
28 compliance checks to meet Canadian Nuclear Safety Commission, ISO 9001, CSA, and other  
29 applicable industry standards. Supplier performance is continuously monitored through key  
30 performance indicators, which track metrics such as on-time delivery, defect rates, and  
31 adherence to nuclear safety protocols.

1 In addition to qualification, OPG's Quality Assurance and Quality Control programs provide  
2 ongoing oversight of supplier performance. These programs include source surveillance and  
3 inspection to verify compliance with nuclear-grade material specifications before shipment, in-  
4 process quality verification where OPG observes critical manufacturing and testing activities,  
5 and reviews supplier audits to ensure that any non-conformances are promptly identified,  
6 addressed, and prevented in future procurements. Quality Management is also used to  
7 advance strategic partnerships with suppliers and implement performance improvement plans  
8 to enhance quality outcomes.

9  
10 To ensure a fully integrated approach to supplier quality, OPG Supply Chain Quality Team  
11 collaborates closely with other parts of the organization, including Projects, Engineering and  
12 Operations. This cross-functional coordination ensures that supplier quality requirements are  
13 aligned with project specifications, operational needs and overall system reliability. This  
14 approach helps OPG proactively address potential quality risks, optimize supplier  
15 performance, and drive continuous improvement.

16  
17 By maintaining a robust supplier quality program, OPG ensures the integrity, safety, and  
18 reliability of its nuclear supply chain, reducing risks and supporting the long-term performance  
19 of OPG's operating facilities, and supports project execution.

## 20 21 **7.0 SOCIAL LICENSE AND PROCUREMENT**

22 OPG's procurement process also considers environmental sustainability, ensures ethical  
23 sourcing, and reflects a commitment to advancing procurement from Indigenous and diverse  
24 businesses. In particular, OPG has implemented practices and initiatives that promote the  
25 expansion and capacity of diverse suppliers, and Indigenous economic empowerment and  
26 growth in alignment with OPG's Reconciliation Action Plan (see Ex. A2-2-1, Section 3.4). This  
27 commitment helps OPG to foster local economic development and community investment that  
28 align with the values of Indigenous Nations. OPG's engagement with communities,  
29 stakeholders, and Indigenous Nations helps build sustainable relationships that promote  
30 economic development, social responsibility, and further broadens OPG's localized Ontario  
31 supplier base.

1 **8.0 PROCESS AND TECHNOLOGY**

2 Process optimization and technology improvements in procurement continue to be a focus for  
3 OPG. Since EB-2020-0290, OPG has invested in such improvements as self-service  
4 procurement tools that ensure users follow the appropriate governance, an on-line catalogue  
5 to improve cycle time on small procurements, and an AI tool to improve the use of demand  
6 signals in the business.

7

8 While incremental improvements have been gained through existing systems, OPG's future  
9 requirements cannot be met by the supply chain system in its existing form due to its  
10 limitations. As such, OPG is preparing to modernize its core procurement and supply chain  
11 enterprise system through a broader Enterprise System Modernization program in preparation  
12 for Pickering "second-life" operations at the beginning at the end of the IR term. The investment  
13 in a modern Enterprise Resource Planning supply chain system seeks to enhance overall  
14 effectiveness, streamline planning, procurement, and supply chain operations while  
15 addressing the uncertainty of the current technology's future roadmap. The system is expected  
16 to provide real-time data visibility, improve decision-making, and increase procurement and  
17 broader supply chain operational capabilities in support of OPG's requirements. Further details  
18 of the modernization are discussed in Ex. D3-1-1, Section 2.

## OM&A PURCHASED SERVICES – SUPPORT SERVICES

### 1.0 PURPOSE

This evidence presents the purchases of OM&A services and products by Support Services that meet the threshold in the OEB filing guidelines of \$20M in total OM&A expense before taxes.

### 2.0 OVERVIEW

An overview of OPG’s procurement process is presented in Ex. F3-3-1. Information on contractor contracts for OM&A purchased services for Support Services that are equal to or more than the \$20M threshold, per supplier, for the years 2020-2024. The information presented represents the total for Support Services groups, and not an allocation to the regulated facilities.

**Chart 1 - Purchased Services – Support Services OM&A Contracts**

Contractor Name	Description/Nature of Activities	Procurement Process		Rationale if Single Source
		Competitive	Single Source	
CAPGEMENI Canada Inc	Provide OPG with Technology Consulting Services	✓		
Hellman Worldwide	Provide OPG with logistic and freight services	✓		
Microsoft Canada Inc.	Provide OPG with information technology services and licenses as specified in Ex. F3-1-1	✓		
New Horizon System Solutions	Provide OPG with information technology services as specified in Ex. F3-1-1	✓		
Softchoice Corporation	Provide OPG with information technology services and licenses as discussed in Ex. F3-1-1	✓		
Torys LLP	Legal Services	✓	✓	Due to expertise, knowledge of OPG and continuity of services.

Total 2020 spend = \$151M

Total 2021 spend = \$173M

Total 2022 spend = \$150M

Total 2023 spend = \$155M

Total 2024 spend = \$152M