DEFERRAL AND VARIANCE ACCOUNTS

1.0 PURPOSE

This evidence describes OPG and DNNP LP's existing deferral and variance accounts and presents the amounts recorded in OPG's accounts as of December 31, 2024 that are proposed for clearance in this Application. The accounts were established pursuant to Ontario Regulation 53/05 ("O. Reg. 53/05") and past OEB decisions and orders. This evidence also describes new deferral and variance accounts that the Application proposes to establish for OPG and DNNP LP.

To distinguish between existing or new accounts by the same name for OPG and DNNP LP, a corresponding notation of "(OPG)" or "(DNNP)" has been added to the account nomenclature throughout this Application, where applicable.

2.0 OVERVIEW

The Application proposes to clear the audited balances in all of OPG's deferral and variance accounts as at December 31, 2024, less amortization amounts previously approved by the OEB in EB-2023-0336 and EB-2020-0290 for the 2025-2026 period, with the exceptions noted below. The Application is not seeking clearance of the following balances in OPG's accounts: the hydroelectric components of the Capacity Refurbishment Variance Account ("CRVA"), the components of the Nuclear Development Variance Account ("NDVA") not related to the Darlington New Nuclear Program ("DNNP"), and the Pickering B Variance Account.[1] OPG proposes to defer the clearance of these balances to a future application for the reasons discussed later in this exhibit. The proposal to clear the remaining account balances is consistent with the OEB's expectation that "all accounts should be reviewed and disposed of in a cost of service proceeding unless there is a compelling reason to not do so."[2]

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[1] The following deferral and variance accounts have a zero balance as at December 31, 2024: Gross Revenue Charge Variance Account, Hydroelectric Incentive Mechanism Variance Account, Earnings Sharing Deferral Account, Incremental Cloud Computing Arrangement Implementation Costs Deferral Account, and Impact for IFRS Deferral Account.

[2] Decision with Reasons, EB-2013-0321, November 20, 2014, p.125.

Adjusted for 2025-2026 amortization amounts approved in EB-2020-0290 and EB-2023-0336, the proposed year-end 2024 account balances for disposition in this Application are a net credit balance of $102.4M[3] for OPG's regulated hydroelectric facilities and a net debit balance of $878.8M[4] for OPG's nuclear facilities.[5] There are no account balances for DNNP LP as at December 31, 2024, as DNNP LP was not then in existence.[6]

Details regarding proposed account clearance and riders are presented in Ex. H1-2-1. The audited balances in each of the deferral and variance accounts are shown in Ex. H1-1-1, Table 1. The unqualified Independent Auditors' Report prepared by Ernst & Young LLP on the Schedule of Regulatory Balances as at December 31, 2024 is presented as Attachment 1. The Schedule of Regulatory Balances as at December 31, 2024 itself is presented as Attachment 2.

The Application proposes to continue all existing deferral and variance accounts, using the methodologies that have been used to record entries into the accounts to date as approved by the OEB, with certain exceptions as discussed in this exhibit. The Application proposes to terminate the Hydroelectric Incentive Mechanism Variance Account, the Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account and the Incremental Cloud Computing Arrangement Implementation Costs Deferral Account. The Application also proposes to: (i) align the methodology of the CRVA as it applies to the regulated hydroelectric facilities with the proposed rate-setting framework for the 2027-2031 ("IR") term; (ii) expand the scope of the Gross Revenue Charge Variance Account to apply to all of OPG's regulated hydroelectric facilities, along with capturing the revenue requirement impact of any legislated or regulatory changes to the gross revenue charge ("GRC") construct; and (iii) extend the SR&ED ITC Variance Account (OPG) to include OPG's regulated hydroelectric facilities. These proposals, as well as proposals for a number of new deferral and variance accounts for OPG and DNNP LP, are discussed later in this exhibit.

[3] Ex. H1-2-1, Table 1, col. (f) line 16.
[4] Ex. H1-2-1, Table 2, col. (f) line 30.
[5] A debit entry or balance is an amount to be collected from ratepayers. A credit entry or balance is an amount to be returned to ratepayers.
[6] Refer to Ex. A1-4-4 for an overview of DNNP LP and its representation in this Application.

The following information is provided in this exhibit:

- Section 3.0 lists the existing and proposed new deferral and variance accounts for each of OPG and DNNP LP.
- Section 4.0 describes the proposed approach to determining the applicable reference amounts for additions to OPG and DNNP LP's deferral and variance accounts as of the effective date of the payment amounts order for this application.
- Section 5.0 describes OPG's existing deferral and variance accounts and details how additions to each of the accounts have been determined, and are proposed to be determined as of the effective date of the payment amounts order in this proceeding, or as otherwise applicable.
- Section 6.0 describes DNNP LP's existing deferral and variance accounts, which are established pursuant to O. Reg. 53/05, and outlines how additions are proposed to be determined as of the effective date of the payment amounts order in this proceeding, or as otherwise applicable.
- Section 7.0 sets out the details of new deferral and variance accounts proposed to be established for OPG as of the effective date of the payment amounts order in this proceeding.
- Section 8.0 sets out the details of new deferral and variance accounts proposed to be established for DNNP LP as of the effective date of the payment amounts order in this proceeding.
- Section 9.0 discusses the application of interest to the balances in the accounts.

3.0 LISTING OF EXISTING AND PROPOSED NEW ACCOUNTS

3.1 Existing Accounts for OPG

The authorized deferral and variance accounts for OPG are listed below. The Application proposes to continue all of the existing deferral and variance accounts, unless otherwise noted.

The following existing accounts are proposed to continue to record additions:

- Hydroelectric Water Conditions Variance Account
- Ancillary Services Net Revenue Variance Account – Hydroelectric Sub-Account
- Hydroelectric Surplus Baseload Generation Variance Account

- Income and Other Taxes Variance Account (OPG)
- Capacity Refurbishment Variance Account
- Pension and OPEB Cost Variance Account (OPG)
- Hydroelectric Deferral and Variance Over/Under Recovery Variance Account
- Gross Revenue Charge Variance Account
- Nuclear Liability Deferral Account
- Nuclear Development Variance Account
- Bruce Lease Net Revenues Variance Account
- Nuclear Deferral and Variance Over/Under Recovery Variance Account (OPG)
- Rate Smoothing Deferral Account
- SR&ED ITC Variance Account (OPG)
- Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account – Primary and Contra Sub-Accounts, and Carrying Charges Sub-Account
- Pickering Closure Costs Deferral Account
- Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account
- Earnings Sharing Deferral Account
- Impact for IFRS Deferral Account (OPG)
- Pickering B Variance Account[7]
- Pickering B Refurbishment Project Variance Account, effective January 1, 2026[8]
- Darlington New Nuclear Project Variance Account, effective January 1, 2026[9].

The following existing accounts are proposed to continue to record only amortization and interest, as applicable:

- Ancillary Services Net Revenue Variance Account – Nuclear Sub-Account
- Pension & OPEB Cash Payment Variance Account
- Pension & OPEB Cash Versus Accrual Differential Deferral Account
- Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account
- Fitness for Duty Deferral Account

[7] Established pursuant to amendments to O. Reg. 53/05 made in December 2022 and July 2025.
[8] Established pursuant to amendment to O. Reg. 53/05 made in December 2025.
[9] Established pursuant to amendment to O. Reg. 53/05 made in December 2025.

- Clarington Corporate Campus Deferral Account
- Sale of Unprescribed Kipling Site Deferral Account.

The following existing accounts are proposed to be terminated:

- Hydroelectric Incentive Mechanism Variance Account
- Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account
- Incremental Cloud Computing Arrangement Implementation Costs Deferral Account.

3.2 Existing Accounts for DNNP LP

The authorized deferral and variance accounts for DNNP LP are listed below. The Application proposes to continue recording additions in all of the existing deferral and variance accounts.

- Darlington New Nuclear Project Variance Account re Development, expected to be effective January 1, 2026[10]
- Darlington New Nuclear Project Variance Account re Capital Cost Amounts, expected to be effective January 1, 2026[11]
- DNNP Generator Capital Structure Variance Account, expected to be effective January 1, 2026.[12]

3.3 Proposed New Accounts for OPG

New deferral and variance accounts proposed for OPG as of the effective date of the payment amounts order in this proceeding are listed below.

- Change of Laws Deferral Account (OPG)
- Global Hydroelectric Capital Variance Account
- Clean Electricity ITC Variance Account (OPG)
- Payment Amount Shaping Deferral Account

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[10] Established pursuant to amendment to O. Reg. 53/05 made in December 2025, subject to conditions set out in in O. Reg. 53/05 s. 8.
[11] Established pursuant to amendment to O. Reg. 53/05 made in December 2025, subject to conditions set out in in O. Reg. 53/05 s. 8.
[12] Established pursuant to amendment to O. Reg. 53/05 made in December 2025, subject to conditions set out in in O. Reg. 53/05 s. 8.

- DNNP Nuclear Liability Deferral Account.

3.4 Proposed New Accounts for DNNP LP

New deferral and variance accounts proposed for DNNP LP as of the effective date of the payment amounts order in this proceeding are listed below.

- Income and Other Taxes Variance Account (DNNP)
- Pension and OPEB Cost Variance Account (DNNP)
- Nuclear Deferral and Variance Over/Under Recovery Variance Account (DNNP)
- SR&ED ITC Variance Account (DNNP)
- Impact for IFRS Deferral Account (DNNP)
- Clean Electricity ITC Variance Account (DNNP)
- Impact of Change in Tax Status Variance Account (DNNP)
- Change of Laws Deferral Account (DNNP)

4.0 ACCOUNT ADDITIONS AS OF THE EFFECTIVE DATE OF THE PAYMENT AMOUNTS ORDER IN THIS PROCEEDING

4.1 OPG's Hydroelectric Deferral and Variance Account Additions

The Application proposes that the reference amounts used to determine additions to the following OPG hydroelectric deferral and variance accounts as of the effective date of the payment amounts order in this proceeding be the forecasts underpinning the approved regulated hydroelectric revenue requirement and payment amounts for 2027, where applicable:

- Hydroelectric Water Conditions Variance Account
- Ancillary Services Net Revenue Variance Account – Hydroelectric Sub-Account
- Pension & OPEB Cost Variance Account (OPG)
- Capacity Refurbishment Variance Account (non-capital portion)
- Gross Revenue Charge Variance Account
- SR&ED ITC Variance Account (OPG)
- Change of Laws Deferral Account (OPG) (non-capital portion)

As discussed in Ex. A1-3-2, Section 2.0, the Application proposes that the hydroelectric payment amounts be set in this proceeding to reflect, through the combination of the capital funding provided through the I-X formula and the C-factor, the respective annual revenue requirement impact of the forecast capital costs (including income tax expense) for OPG's regulated hydroelectric facilities (net of stretch factor adjustment). Consistent with this methodology, it is proposed that the reference amounts for the CRVA (capital portion), the Income and Other Taxes Variance Account, the proposed Change of Laws Deferral Account (capital portion), and the proposed Clean Electricity ITC Variance Account accounts reflect the corresponding annual amounts forecast for each respective year.

Based on the nature of the other hydroelectric deferral and variance accounts, their reference amounts are not based on the OEB-approved forecast amounts underpinning the payment amounts.

4.2 OPG and DNNP LP's Nuclear Deferral and Variance Account Additions

OPG proposes that the reference amounts used to determine additions to OPG and DNNP LP's applicable nuclear deferral and variance accounts as of the effective date of the payment amounts order in this proceeding be the annual forecasts underpinning the respective approved nuclear revenue requirements for each year, unless otherwise specified in the account descriptions.

5.0 OPG's ACCOUNT DESCRIPTIONS AND ENTRIES

This section provides a description and sets out the purpose of OPG's existing deferral and variance accounts, describes how additions to the accounts are determined, and outlines the reasons for the credits and debits recorded to the accounts that the Application seeks to clear. Unless otherwise specified, no changes have been made to the process by which entries are recorded to the accounts since they were last approved by the OEB, including in EB-2023-0336.

5.1 Hydroelectric Water Conditions Variance Account

The Hydroelectric Water Conditions Variance Account was originally established by O. Reg. 53/05. It was subsequently approved by the OEB in EB-2007-0905 and all subsequent OPG applications in recognition of the fact that water conditions are subject to a high degree of forecast risk due to factors that are beyond OPG's ability to manage or control, such as weather.

This account records the financial impact of differences, including changes in GRC costs, between the actual production amount for the regulated hydroelectric facilities and the reference production amount, arising from changes in actual water conditions. The account applies to the 27 prescribed hydroelectric stations that are listed in Ex. E1-1-1, Appendix 1.

For the Sir Adam Beck 1 and 2 and the R.H. Saunders generating stations, which became regulated by the OEB effective on April 1, 2008, OPG determines the hydroelectric production impact of changes in water conditions by entering the actual flow values into the same models used to calculate the production forecast for these facilities that underpins the payment amounts approved by the OEB, holding all other variables constant. Deviations from the forecast are determined as the difference between the calculated production resulting from entering actual flow for the month into the forecast model and the energy production forecast approved by the OEB. Until the effective date of the payment amounts order in this proceeding, deviations from the forecast for these facilities are calculated using the average of the corresponding monthly forecasts for 2014 and 2015 underpinning the EB-2013-0321 payment amounts.

Until the effective date of the payment amounts order in this proceeding, for the 21 remaining regulated hydroelectric stations listed in Ex. E1-1-1, Attachment 1, deviations from the forecast for January 1-June 30 of each year are calculated using the corresponding monthly production forecasts for 2015 underpinning the EB-2013-0321 payment amounts. For July 1-December 31 of each year, the reference amounts are the average of the corresponding monthly production forecasts for 2014 and 2015 underpinning the EB-2013-0321 payment amounts. These stations became regulated by the OEB effective on July 1, 2014.

The revenue impact of the production deviations resulting from the above process is recorded in the account by multiplying the deviation by the approved hydroelectric payment amount in effect.[13]

As of the effective date of the payment amounts order in this proceeding, the Application proposes that the above methods used to calculate deviations in energy production due to actual water flows and associated financial impact continue to be used, for the same stations as identified above, substituting the 2014 and 2015 forecasts with the 2027 annual production forecasts described in Ex. E1-1-1.

Models are not used to derive energy production forecasts for the remaining 27 regulated hydroelectric facilities, listed in Ex. E1-1-1, Attachment 2. These stations account for less than 2% of total production from all regulated hydroelectric stations. Given the small size of these facilities, and consistent with prior OEB decisions, these facilities are excluded from the scope of the Hydroelectric Water Conditions Variance Account.

The account also records changes in GRC costs from those that underpin the payment amounts that were approved by the OEB, as a result of differences in energy production calculated as above. Amounts recorded in the account in respect of these costs are determined by multiplying the production deviation by the applicable GRC rate. The account also records any production related variances in the amounts payable to the St. Lawrence Seaway Management Corporation for the conveyance of water in the Welland Ship Canal, as well as any production related variances in the amounts payable to the Government of Quebec for water rentals, from those reflected in the payment amounts that were approved by the OEB. Additional details on the GRC, water rental and similar costs can be found in Ex. F1-4-1.

Due to favourable water supply conditions, the calculated actual hydroelectric production was higher than the reference forecast production by 1,756 GWh (in 2023) and 1,424 GWh (in 2024) for the Niagara and R.H. Saunders facilities. This was partially offset by lower calculated

[13] For the DeCew Falls generating stations, which became regulated by the OEB effective on April 1, 2008, account entries are limited to instances when actual Lake Erie levels reduce water diversion to the stations.

actual production for the remaining regulated hydroelectric facilities of 290 GWh (in 2023) and 206 GWh (in 2024). These variances resulted in a net credit addition of $41.3M to the account in 2023 and $35.1M in 2024. The derivation of the variances is shown in Ex. H1-1-1, Table 2.

5.2 Ancillary Services Net Revenue Variance Account – Hydroelectric and Nuclear Sub Accounts

The Ancillary Services Net Revenue Variance Account was originally established by O. Reg. 53/05. It was subsequently approved by the OEB in EB-2007-0905 and has been approved in all subsequent OPG applications. This account recognizes that ancillary services revenues are difficult to forecast accurately, with variability in actual ancillary revenues reflecting changing demand and system operating requirements.

The account is divided into the Ancillary Services Net Revenue Variance Account – Hydroelectric and Ancillary Services Net Revenue Variance Account – Nuclear sub-accounts. Ancillary services for regulated hydroelectric operations include black start capability, operating reserve, regulation service, and reactive support/voltage control service, as discussed in Ex. G1-1-1. Ancillary services for the nuclear operations include reactive support/voltage control service, as discussed in Ex. G2-1-1.

For the Hydroelectric Sub-Account, until the effective date of the payment amounts order in this proceeding, the variance recorded is calculated as between actual regulated hydroelectric ancillary services net revenue and the average of the monthly forecast amounts for 2014 and 2015 underpinning the regulated hydroelectric revenue requirement approved by the OEB in EB-2013-0321. As of the effective date of the payment amounts order in this proceeding, the Application proposes to continue this method of determining additions to the Hydroelectric Sub-Account, substituting the 2014 and 2015 forecasts with the annual forecast reflected in the 2027 regulated hydroelectric revenue requirement approved by the OEB. Forecast regulated hydroelectric ancillary services revenue for 2027 is provided at Ex. G1-1-1, Table 1, line 7.

As discussed in Ex. G2-1-1, OPG does not expect to receive any nuclear ancillary services revenue, beginning in 2027, under the new reactive support and voltage control agreement with the IESO. As a result, and given the relatively modest variance amounts historically settled through this sub-account, OPG proposes to discontinue entries in the Nuclear Sub-Account as of the effective date of the payments amounts order in this proceeding.

The derivation of entries in the Hydroelectric Sub-Account is shown in Ex. H1-1-1, Table 3, with a $6.7M credit entry for 2023 and a $3.0M credit entry for 2024. Hydroelectric ancillary services revenue in 2023 and 2024 was higher than the reference amount because of higher regulation service and operating reserve revenues, partially offset by lower reactive support revenue. The derivation of entries in the Nuclear Sub-Account is shown in Ex. H1-1-1, Table 3, with a $2.0M credit entry for 2023 and a $1.1M credit entry for 2024. The reasons for these variances are discussed in Ex. G2-1-2.

5.3 Hydroelectric Incentive Mechanism Variance Account

The Hydroelectric Incentive Mechanism Variance Account was originally approved in EB-2010-0008 along with OPG's hydroelectric incentive mechanism ("HIM") and has been approved in all subsequent OPG applications. Until the effective date of the payments amounts order in this proceeding, the account records a credit to ratepayers of 50% of OPG's HIM revenues above an OEB-specified threshold, set at $54.5M based on the forecast of HIM revenues reflected in the hydroelectric payment amounts approved in EB-2013-0321.

There were no additions to the account in 2023 and 2024 as actual HIM revenues of $14.8M in 2023 and $28.4M in 2024 were below the threshold, as shown in Ex. H1-1-1, Table 4.

For the reasons discussed in Ex. E1-2-1, Section 5.5, as of the effective date of the payment amounts order in this proceeding, OPG proposes to eliminate the sharing of HIM revenues exceeding the forecast HIM revenues and therefore proposes to terminate this account.

5.4 Hydroelectric Surplus Baseload Generation Variance Account

The Hydroelectric Surplus Baseload Generation Variance Account ("SBGVA") was originally approved in EB-2010-0008 and has been approved in all subsequent OPG applications. This account records the financial impact of foregone production at the regulated hydroelectric facilities listed in Ex. E1-1-1 Appendix 1,[14] due to surplus baseload generation ("SBG") conditions. The amounts recorded in the account are net of avoided GRC costs calculated by multiplying the foregone production volume by the applicable GRC rates. In EB-2010-0008, the OEB concluded that the approach used to address the impact of SBG conditions on OPG's hydroelectric production forecast would be to "capture the impacts of all SBG through a variance account, with no allowance built into the [hydroelectric production] forecast."[15]

For the same reasons as noted in Section 5.1 with respect to the Hydroelectric Water Conditions Variance Account, the 27 small regulated hydroelectric facilities that comprise less than 2% of total regulated hydroelectric production are excluded from the scope of this account.

Entries in the account have been and, as of the effective date of the payment amounts order in this proceeding, are proposed to continue to be calculated by multiplying the foregone production volume due to SBG conditions (in MWh), determined as per below, by the approved regulated hydroelectric payment amount in effect, net of the avoided GRC costs. The account is also proposed to continue recording any production related variances in amounts payable to the St. Lawrence Seaway Management Corporation for the conveyance of water in the Welland Ship Canal and in the amounts payable to the Government of Quebec for water rentals, as a result of foregone production due to SBG conditions. Additional details on the GRC, water rental and similar costs can be found in Ex. F1-4-1.

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[14] Following the May 1, 2025 implementation of the Renewed Market, under the revised SBGVA methodology approved in EB-2023-0336, no entries to this account are made for the Calabogie GS as it is an embedded generator that does not have a nodal price.

[15] Decision with Reasons, EB-2010-0008, March 10, 2011, p. 22.

Up to and including April 30, 2025, foregone production due to SBG conditions has been calculated as set out in the EB-2020-0290 Payment Amounts Order,[16] by starting with the total volume of spill and subtracting the volume of spill due to:

- water conveyance constraints (e.g., the Sir Adam Beck Generating Station tunnel capacity constraints);
- production capability constrains (e.g., unit outages; operating regulatory requirements etc.);
- market constraints (i.e., IESO dispatch constraints; market or transmission system); and
- contractual obligations (e.g., regulation service).

The remaining spill volume was identified as potential SBG spill. SBG conditions were considered to be present when the uniform market price fell below the GRC price threshold. The SBGVA entries were calculated using the volume of spill remaining after excluding the spill amounts incurred by OPG that was not attributable to the impact of SBG conditions.

On May 1, 2025, the IESO implemented its market renewal program ("MRP"). Pursuant to the OEB's Decision and Order in EB-2023-0336, OPG received approval to record entries to the SBGVA upon the implementation of MRP until the effective date of the payment amounts order in this proceeding, based on a revised methodology that addresses the impacts of the Renewed Market on OPG's compensation for foregone production due to global and local SBG.[17] OPG proposes to continue to use this methodology, as further discussed in Ex. E1-2-1, Section 4.3, to record entries to this account as of the effective date of the payment amounts order in this proceeding.

The derivation of account entries for 2023 and 2024 is shown in Ex. H1-1-1, Table 5. Actual foregone production due to SBG conditions was approximately 977 GWh in 2023 and 350

[16] EB-2020-0290 Payment Amounts Order, App. E, pp. 5-6.
[17] Additionally, in accordance with the OEB-approved EB-2023-0336 settlement proposal, OPG is recording, following the May 1, 2025 implementation of the Renewed Market and until the effective date of the payment amounts order in this proceeding, a credit entry of $0.6M per month to offset debit additions to the SBGVA. OPG also credits the SBGVA when Real-Time Make Whole Payments are received concurrently with an SBGVA entry at the resource level, with the credited amount limited to the lesser of the two, as discussed in Ex. E1-2-1.

GWh in 2024. Net of avoided GRC and related costs, the resulting debit entries in the account were $29.7M in 2023 and $10.6M in 2024.

Pursuant to the OEB-approved EB-2023-0336 settlement proposal, this Application is providing the stipulated information in support of the requested clearance of the SBGVA amounts in Attachments 3 and 4.[18]

5.5 Income and Other Taxes Variance Account (OPG)

The Income and Other Taxes Variance Account (OPG) was originally approved in EB-2007-0905 and has been approved in all subsequent OPG applications. This account records and, as of the effective date of the payment amounts order in this proceeding is proposed to continue to record, the financial impact on OPG's revenue requirements of the following:

- Any differences in payments in lieu of corporate income or capital taxes that result from a legislative or regulatory change to the tax rates or rules of the *Income Tax Act* (Canada) and the *Taxation Act*, 2007 (Ontario) (formerly the *Corporations Tax Act* (Ontario)), as modified by the regulations under the *Electricity Act, 1998*, and any differences in payments in lieu of property tax to the Ontario Electricity Financial Corporation ("OEFC") that result from changes to the regulations under the *Electricity Act, 1998*;
- Any differences in municipal property taxes that result from a legislative or regulatory change to the tax rates or rules for OPG's prescribed assets under the *Assessment Act, 1990*;
- Any differences in payments in lieu of corporate income or capital taxes that result from a change in, or a disclosure of, a new assessing or administrative policy that is published in the public tax administration or interpretation bulletins by relevant federal or provincial tax authorities, or court decisions on other taxpayers; and
- Any differences in payments in lieu of income or capital taxes that result from assessments or re-assessments (including re-assessments associated with the application of the tax rates and rules to OPG's regulated operations or changes in assessing or administrative policy including those arising from court decisions on other taxpayers).

[18] Information as set out in EB-2023-0336, Ex. L-H-SEC-04, Attachment 1 and Ex. L-H-SEC-05, Attachment 1 with additional information described at p. 15 of the EB-2023-0336 settlement proposal (EB-2023-0336, Ex. O1-1-1).

The account does not record the impact of the above in relation to the Scientific Research and Experimental Development investment tax credits ("SR&ED ITCs") and the income taxes payable thereon for OPG's nuclear facilities for taxation periods effective June 1, 2017. Such impacts are recorded in the SR&ED ITC Variance Account established in EB-2016-0152 effective June 1, 2017 and subsequently continued in EB-2020-0290.

The account is not proposed to include the revenue requirement impact of the Clean Electricity Investment Tax Credits ("CEITCs") that may be available to OPG's regulated facilities. Instead, the Application proposes to record any such impacts in applicable accounts as follows: the CRVA for CRVA-eligible projects, the NDVA for NDVA-eligible projects, and the proposed new Clean Electricity ITC Variance Account (OPG) for the remaining eligible expenditures (Section 7.3). Clean Electricity Investment Tax Credits are discussed in Ex. F4-2-1 Section 3.6.

Entries into the account are recorded relative to the income tax provision and the underlying inputs reflected in OPG's approved revenue requirement for the corresponding year. For the regulated hydroelectric facilities, until the effective date of the payment amounts order in this proceeding, the reference amounts used in determining variances are those reflected in the average 2014 and 2015 income tax provision approved by the OEB in EB-2013-0321, as adjusted for the removal of the application of OPG's regulated nuclear facilities' tax loss to the regulated hydroelectric facilities in 2015. As of the effective date of the payment amounts order in this proceeding, the Application proposes that the reference amounts used in determining any such variances be the corresponding 2027-2031 annual income tax provisions detailed in Ex. F4-2-1, Table 3b. This approach reflects the proposed hydroelectric rate-setting framework for the 2027-2031 term, whereby such annual income tax provision is included in the determination of the forecast capital-related revenue requirements ("CRRR") underpinning the proposed custom capital factor ("C-factor"). The hydroelectric rate-setting proposal is discussed in Ex. A1-3-2, Section 2.0, with the potential resulting interaction between the Income and Other Taxes Variance Account (OPG) and the Global Hydroelectric Capital Variance Account addressed in Ex. A1-3-2, Section 2.3.5.[19]

[19] Any additions to the Income and Other Taxes Variance Account will be calculated without duplication with other accounts that may be impacted such as the CRVA.

For OPG's nuclear facilities, the reference amount used in determining variances is the corresponding annual income tax provision reflected in OPG's nuclear revenue requirement approved by the OEB. The Application proposes to continue this approach as of the effective date of the payment amounts order in this proceeding. The forecast annual income tax provision for OPG's nuclear facilities for the IR term is detailed in Ex. F4-2-1, Table 3d.

OPG recorded five entries to the variance account in 2023 and 2024, totaling a net credit of $5.2M in 2023 and a net credit of $2.3M in 2024, as follows:

1) Credit entries in 2023 and 2024 related to a capital cost allowance ("CCA") rule change pursuant to the passing of Bill C-97, the *Budget Implementation Act, 2019, No. 1* in 2019, which provides for a first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018, referred to as accelerated investment incentive property ("AIIP").[20] In 2023 and 2024, the entries were applicable to the regulated hydroelectric facilities only, since the impact of this change for OPG's nuclear facilities was reflected in the EB-2020-0290 nuclear revenue requirements. Impacts of this CCA rule change is reflected in the forecast revenue requirement for the regulated hydroelectric facilities beginning in 2027;
2) A credit entry related to an increase in the recognition of SR&ED ITCs for the 2017 taxation year from 75% to 100%, which, for the regulated nuclear facilities, was pro-rated for the period prior to the June 1, 2017 effective date for the SR&ED ITC Variance Account, based on the resolution of the 2017 income tax audit in 2023;
3) A credit entry related to an increase in the recognition of SR&ED ITCs for the 2018 taxation year from 75% to 100% for the regulated hydroelectric facilities, based on the resolution of the 2018 income tax audit in 2023;
4) A credit entry related to an increase in the recognition of SR&ED ITCs for the 2019 taxation year from 75% to 100% for the regulated hydroelectric facilities, based on the resolution of the 2019 income tax audit in 2024; and
5) A debit entry related to a reduction to the rate for the Ontario Research and Development Tax Credit from 4.5% to 3.5% of qualifying expenditures, effective June 1, 2016. This

[20] The entries do not include the impacts on projects subject to the CRVA or the NDVA, which are recorded in the respective accounts as part of the total CCA variances for those projects.

entry applies to the regulated hydroelectric facilities only, as the impact of this change for the nuclear facilities was reflected in the EB-2020-0290 nuclear revenue requirements.

The above entries are the same in nature and calculation as the equivalent entries previously recorded in the account. Entry 1) continues to be calculated by applying the accelerated CCA rules to the forecast capital additions reflected in the EB-2013-0321 regulated hydroelectric revenue requirements, using the percentage of eligible actual regulated hydroelectric projects (for the corresponding year) as a proxy. Entries 2), 3), and 4) recognize a credit to ratepayers of an additional 25% of the benefit of SR&ED ITCs that were previously credited to ratepayers at 75% in relation to 2014 and 2015 through the EB-2013-0321 payment amounts. SR&ED ITCs are discussed further in Ex. F4-2-1, Section 3.5. The derivation of the entries is shown at Ex. H1-1-1, Table 6.

5.6 Capacity Refurbishment Variance Account

The CRVA was originally approved in EB-2007-0905 and has been approved in all subsequent OPG applications. This account was established pursuant to section 6(2)4 of O. Reg. 53/05 to record the financial impacts of variances between the actual capital and non-capital costs and firm financial commitments incurred to increase the output of, refurbish or add operating capacity to a prescribed generation facility referred to in section 2 of O. Reg. 53/05 and those forecast costs and firm financial commitments underpinning the revenue requirement that was approved by the OEB, including for the Darlington Refurbishment Program ("DRP"). As required by O. Reg. 53/05, section 6(2)4, the account includes assessment costs and pre-engineering costs and commitments.

There are some differences in the approved and proposed methodologies for recording additions to the account between OPG's regulated hydroelectric facilities and OPG's nuclear facilities, reflecting the differences in the respective rate-setting frameworks, as discussed below.

5.6.1 Regulated Hydroelectric

As set out in the EB-2020-0290 Payment Amounts Order, until the effective date of the payment amounts order in this proceeding, the CRVA records entries for the regulated hydroelectric facilities relative to the annual reference amount of $1.0M, being the $0.9M reflected in the OEB-approved revenue requirement for 2014 and 2015 in EB-2013-0321 as escalated by the price-cap index applied to adjust OPG's hydroelectric payment amounts approved by the OEB for 2018 through 2021. The EB-2020-0290 Payment Amounts Order also stipulates that effective January 1, 2022 and until the effective date of the payment amounts order in this proceeding, OPG is entitled to recover amounts recorded in the CRVA in relation to the regulated hydroelectric facilities to the extent that total capital in-service additions for these facilities (including any CRVA-eligible projects) from January 1, 2022-December 31, 2026 exceed the total funding available for capital expenditures through the regulated hydroelectric payment amounts established in the proceeding. The EB-2020-0290 Payment Amounts Order prescribed that such annual capital funding implicit in the regulated hydroelectric payment amounts be $153.0M, as determined by escalating the average 2014 and 2015 OEB-approved depreciation for the regulated hydroelectric facilities of $143.3M in EB-2013-0321 by the price-cap index applied to adjust OPG's hydroelectric payment amounts approved by the OEB for 2018 through 2021.[21] OPG is not seeking clearance of the hydroelectric balances in the CRVA in this Application. Consistent with the approach taken in EB-2020-0290, OPG proposes to defer such clearance to a future application, which would provide the necessary details to support an assessment of the recoverability of any such amounts recorded over the full 2022-2026 period in accordance with the above methodology.[22]

As discussed in Ex. A1-3-2, Section 2.0, the Application proposes to set payment amounts for the prescribed hydroelectric facilities using a price-cap index Custom IR framework, consistent with the approach applied for the 2017-2021 period in EB-2016-0152, but with the addition of the C-factor, among others. CRRR forecasts underpinning the 2027 test year and those that form the basis of the C-factors proposed from the 2028-2031 period – as shown in Ex. A1-3-

[21] EB-2020-0290 Payment Amounts Order, App. E, pp. 8-9.
[22] For the same reason, OPG did not seek clearance of the 2022 hydroelectric account additions in the CRVA in EB-2023-0336.

2, Chart 6, line 4 – include the capital-related revenue requirement impacts of forecast CRVA-eligible projects. Therefore, as discussed in Ex. A1-3-2, Section 2.3.5, the Application proposes to record entries in the CRVA for capital costs for the regulated hydroelectric facilities relative to the forecast revenue requirement impact of the CRVA-eligible projects as reflected in the forecast CRRR underpinning the C-factor. Chart 1 below summarizes these proposed capital-related reference amounts, which are further detailed in Attachment 5. The projects underpinning the reference amounts in Chart 1 are identified in Ex. D1-1-2, Tables 1, 2a, 2b, 5 and 5b, in the respective "CRVA Eligible" columns.[23]

Chart 1 – Hydroelectric CRVA Proposed Capital Related Reference Amounts ($M)

Line No.	Description	2027	2028	2029	2030	2031	Total
		(a)	(b)	(c)	(d)	(e)	(f)
1	Annual Reference Amount[1]	(6.8)	63.4	170.5	230.3	276.8	734.2

[1]Refer to Attachment 5 for the derivation of the 2027-2031 annual reference amounts.

As discussed in Section 7.2 below and detailed in Ex. A1-3-2, Section 2.3.5, the Application proposes establishing a Global Hydroelectric Capital Variance Account ("GHCVA") that is asymmetric in favour of ratepayers, wherein an amount could be credited to ratepayers if the CRRR determined based on actual capital in-service additions over the 2028-2031 period is less than the forecast CRRR underpinning the C-factor during these years. As set out in in Ex. A1-3-2, Section 2.3.5, to address the interaction between the CRVA and the following limitations would apply to the CRVA, as of the effective date of the payment amounts order in this proceeding: [24]

- The recoverability of the net debit entries in the CRVA for the regulated hydroelectric facilities over the 2028-2031 period would be limited to an amount, if any, by which the actual CRRR exceeds the forecast CRRR; and

[23] All of these projects have a total cost of at least $10M; OPG does not propose to track any regulated hydroelectric or nuclear capital costs in the CRVA for projects with a total cost of less than $10M.
[24] Any additions to the CRVA will be calculated without duplication with other accounts that may be impacted such as the Income and Other Taxes Variance Account.

- The refundability of the net credit entries in the CRVA for the regulated hydroelectric facilities over the 2028-2031 period would be limited to an amount, if any, by which the actual CRRR is below the forecast CRRR.

These thresholds would be evaluated in aggregate on a cumulative basis over the 2028-2031 period. They would not apply to the 2027 CRVA entries as there would be no GHCVA entries in 2027.

The revenue requirement impact of actual capital costs for the regulated hydroelectric projects subject to the CRVA will include the impact of any CEITCs associated with such projects, as discussed further in Ex. A1-3-2, Section 2.3.5 and Ex. F4-2-1, Section 3.5.

The Application proposes to record entries in the CRVA for eligible non-capital costs for the regulated hydroelectric facilities during the IR term relative to such forecast costs reflected in the 2027 regulated hydroelectric revenue requirement approved by the OEB. Such forecast eligible non-capital costs for 2027 are $21.9M.[25]

Nuclear

For OPG's regulated nuclear facilities, the variances recorded in the CRVA are determined as between the revenue requirement impact of actual capital and non-capital costs for eligible projects and the corresponding forecast amounts included in OPG's annual nuclear revenue requirements approved by the OEB. The Application proposes to continue this method as of the effective date of the payment amounts order in this proceeding.

Chart 2 below summarizes the proposed capital-related reference amounts, which are further detailed in Attachment 6 (for the Pickering Refurbishment Program), Attachment 7 (for the Darlington Refurbishment Program) and Attachment 8 (for all other eligible projects identified in this Application). Other than the Pickering Refurbishment Program ("PRP") and the Darlington Refurbishment Program ("DRP"), the projects underpinning the reference amounts

[25] Ex. F1-3-1, Table 1, line 10, col. (l) plus amount in Note 4.,

in Chart 2 are identified in Ex. D2-1-3, Tables 1a-1c, 2a-2g and 5a-5d, in the respective "CRVA Eligible" columns.

Chart 2 – Nuclear CRVA Proposed Capital Related Reference Amounts

Line No.	Description	2027	2028	2029	2030	2031	Total
		(a)	(b)	(c)	(d)	(e)	(f)
1	Annual Reference Amount - Pickering Refurbishment Program[1]	(72.7)	(170.4)	(297.9)	(370.1)	329.5	(581.5)
2	Annual Reference Amount - Darlington Refurbishment Program, excluding D2O Storage[2]	1,214.1	1,201.5	1,184.0	1,162.2	1,138.4	5,900.2
3	Annual Reference Amount - Other Eligible Nuclear Projects[3]	10.1	65.5	67.7	153.2	273.3	569.8

[1]Refer to Attachment 6 for the derivation of the 2027-2031 annual reference amounts.
[2]Refer to Attachment 7 for the derivation of the 2027-2031 annual reference amounts.
[3]Refer to Attachment 8 for the derivation of the 2027-2031 annual reference amounts.

Chart 3 below summarizes the proposed non-capital reference amounts, being the corresponding forecasts reflected in the proposed nuclear revenue requirements in this Application.

Chart 3 – Nuclear CRVA Proposed Non-Capital Related Reference Amounts

Line No.	Description	2027	2028	2029	2030	2031	Total
		(a)	(b)	(c)	(d)	(e)	(f)
1	Annual Reference Amount - Pickering Refurbishment Program[1]	100.3	94.1	84.9	52.7	46.5	378.5
2	Annual Reference Amount - Darlington Refurbishment Program[2]	0.0	0.0	0.0	0.0	0.0	0.0
3	Annual Reference Amount - Other Eligible Nuclear Projects[3]	8.7	0.0	4.7	4.3	4.4	22.1

[1]Refer to Ex. F2-8-1, Table 1, line 2, cols. (h) to (l).
[2]Refer to Ex. F2-7-1, Table 1. line 4, cols. (h) to (l).
[3]Col. (a) is the sum of Ex. F2-3-1, Table 1, col. (h), lines 13, 15, and amounts shown for 2027 in Note 3 therein. Cols. (b) to (e) from Ex. F2-3-1, Table 1, Note 3 for the respective years.

The revenue requirement impact of actual capital costs for OPG's nuclear projects subject to the CRVA will include the impact of any CEITCs associated with such projects, as discussed further in Ex. A1-3-2, Section 2.3.5 and Ex. F4-2-1, Section 3.5.

This Application seeks to clear the entirety of the nuclear CRVA balance as at December 31, 2024, including the DRP-related amounts previously deferred from disposition in EB-2018-0243, EB-2020-0290 and EB-2023-0336.

5.6.2.1 Darlington Refurbishment Program

As discussed in Ex. D2-2-1, OPG is nearing the end of the DRP, having successfully returned to service Units 2, 3 and 1 and forecasting to return Unit 4 to service in April 2026, ahead of the high confidence schedule. There have been no material changes to the scope of the DRP, and OPG expects the final cost of the DRP to be within the $12.8B budget previously approved by the OEB. Additionally, in order to facilitate an efficient regulatory review of the project in this proceeding, OPG commits not to seek recovery of any unlikely actual costs over $12.8B in any future proceeding. The total expenditures over the life of the DRP, including amounts forecast for 2025 and 2026, are summarized in Ex. D2-2-3, Table 1a.

The OEB-approved Settlement Proposal in EB-2020-0290 provides the following:

> The OEB will review the prudence of any amounts sought by OPG in excess of the $12.8B total, the appropriateness of any future material changes to the scope of the DRP and any corresponding changes in contracts, when OPG seeks disposition of the actual DRP costs through the Capacity Refurbishment Variance Account.[26]

The above settlement terms are consistent with the principles of the OEB's findings in the EB-2016-0152 Decision and Order with respect to the Unit 2 refurbishment, which stated the following:

> The OEB will not micromanage the DRP, but rather will hold OPG accountable to deliver the DRP on time and on budget. If OPG were to face CRVA scrutiny for each component part of the Unit 2 project, it may lead to unintended consequences and lessen the ability of OPG to deal with issues as they arise. As OPG argues convincingly in its reply submission, the refurbishment of Unit 2 is a single integrated project, not a web of independent projects. It must be managed on a holistic, dynamic basis, where "higher cost may be incurred in one area to address a risk or resolve an issue in another area, which when taken as a whole, is to the benefit of ratepayers." At the end of the day, it is OPG's responsibility to deliver the Unit 2 project (and the campus plan projects) within the budget envelope

[26] Decision and Order, EB-2020-0290, November 15, 2021, p. 86.

> approved in this proceeding … OPG should have some flexibility doing so.[27]

As OPG is committing to the recovery of any final cost of the DRP to be within the approved budget of $12.8B, the Application is seeking disposition of the DRP-related debit balance of $170.2M (inclusive of interest) recorded in the CRVA as at December 31, 2024.[28,29] This balance includes entries made (i) prior to June 1, 2017 relative to the reference amounts reflected in the EB-2013-0321 nuclear revenue requirements; (ii) for the period June 1, 2017-December 31, 2021, relative to the reference amounts reflected in the EB-2016-0152 nuclear revenue requirements; and (iii) beginning January 1, 2022, relative to the reference amounts reflected in the EB-2020-0290 nuclear revenue requirements. These entries arise from over- and under-variances in the amounts and/or timing of capital in-service additions (and their tax effects) and non-capital costs that collectively form the DRP, relative to the forecasts reflected in the respective OEB-approved revenue requirements.

The year-end 2024 DRP-related balance in the CRVA comprises net debit additions totaling $175.6M for the capital portion[30] and net credit additions of $11.5M for the non-capital portion,[31,32] all recorded over the 2016-2024 period.[33] The derivations of the entries are shown in Ex. H1-1-1, Table 16 (capital portion) and Ex. H1-1-1, Table 15 (non-capital portion). These tables also show projected account entries for 2025 and 2026, being net debit additions totaling $106.6M, provided in support of an efficient regulatory review of the project in this proceeding.

The year-end 2024 net debit additions for the DRP-related capital portion include net debit additions of $61.6M over the 2016-2019 period, net credit additions of $126.2M over the 2020-2021 period and net debit additions of $240.2M over the 2022-2024 period. For the 2016-2019

[27] Decision and Order, EB-2016-0152, December 18, 2017, p. 41.
[28] Ex. H1-1-1, Table 1, line 21, col. (c).
[29] Additionally, the Application seeks disposition of the remaining accumulated balances in the CRVA, wholly related to interest, for the Heavy Water Storage and Drum Handling Facility ("D2O Storage Project") and the impact of AIIP rules on DRP-related CCA amounts (Ex. H1-2-1, Table 2, lines 7 and 8, col. (f)).
[30] Ex. H1-1-1, Table 16, line 20, col. (l).
[31] Ex. H1-1-1, Table 15, line 7, col. (l).
[32] Non-capital additions exclude variances in DRP-related low and intermediate level waste variable expenses arising from the 2022 ONFA Reference Plan, which are captured in the Nuclear Liability Deferral Account.
[33] With the exception of the D2O Storage Project and the impact of AIIP rules on DRP-related CCA amounts, the DRP portion of the CRVA was most recently cleared in EB-2016-0152, based on the year-end 2015 balances.

period, the entries are driven primarily by higher amounts placed into service for several Early In-Service and Safety Improvement Opportunities projects and a shorter useful life applied to the retube & feeder replacement tooling used for removal activities[34], relative to the depreciation assumptions underpinning the forecasts reflected in the OEB-approved revenue requirements in EB-2016-0152; these impacts are partially offset by the tax impact of higher actual amounts for CCA and other deductions. For the 2020-2021 period, the entries are driven primarily by a later return to service of Unit 2 in June 2020, compared to the EB-2016-0152 forecast assumption of February 2020. For the 2022-2024 period, the entries are driven primarily by an earlier return to service of Unit 3 in July 2023, compared to the EB-2020-0290 forecast assumption of January 2024, and an earlier return to service of Unit 1 in November 2024, compared to the EB-2020-0290 forecast assumption of April 2025.

The year-end 2024 net credit additions for the DRP-related non-capital portion include net credit additions of $19.4M over the 2016-2021 period and net debit additions of $7.9M over the 2022-2024 period. For the 2016-2021 period, the entries are driven primarily by changes in timing and amounts of removal costs due to shifting refurbishment schedules and modified project scopes, among others. For the 2022-2024 period, the variances driving the entries are discussed in Ex. F2-7-1.

Over the IR term, it is proposed that the CRVA record the revenue requirement impact of any variances in the amount and/or timing of the final capital in-service additions for the DRP, subject to OPG's commitment not to seek recovery of any costs that exceed the $12.8B budget. The entries would then cease upon the effective date of a subsequent payment amounts order that reflects the balance of such actual in-service additions in the payment amounts.

5.6.2.2 Other Nuclear Initiatives

For non-DRP nuclear initiatives, the Application seeks disposition of net debit entries totaling $62.1M in 2023 and $6.5M in 2024 for the non-capital portion and net debit entries totaling

[34] As re-affirmed by the depreciation study in EB-2020-0290, Ex. F4-1-1, Attachment 1, p. 19 and the depreciation study filed in this proceeding Ex. F4-1-1, Attachment 1, p. 4-4.

$2.5M in 2023 and $2.7M in 2024 for the capital portion. The derivation of the entries is shown in Ex. H1-1-1, Table 13 (non-capital portion) and Ex. H1-1-1, Table 14 (capital portion).

The non-capital entries are driven primarily by variances from the following initiatives, which are further discussed below:

- Fuel Channel Life Extension Project
- Fuel Channel Life Extension Related Ongoing Costs
- Pickering B Refurbishment Feasibility Assessment
- Darlington Steam Generator Primary Moisture Separators Replacement projects
- Optimization of Pickering Shutdown
- Fuel Channel Life Management Phase V Project

The capital entries are driven primarily by the Darlington Steam Generator Primary Moisture Separators Replacement projects.

There are also minor variances recorded in respect of the final costs associated with the Pickering Extended Operations initiative, the Darlington Unit 3 Fuel Channel Component Retrieval Project and the Darlington Annulus Spacer Life Management Project, all of which have been completed within their respective budgets.

<u>Fuel Channel Life Extension Project</u>

Under this initiative, OPG performed work to update assessments of degradation mechanisms on fuel channels to demonstrate their fitness for service and capability to operate until a planned nuclear station end of life. It most recently focused on supporting the operation of the Pickering units to 295,000 equivalent full power hours ("EFPH"). The initiative was substantially completed in 2024 within budget. Additional research and testing, along with project close out activities performed in 2023 and 2024 relative to the forecast amounts reflected in the EB-2020-0290 nuclear revenue requirements gave rise to the non-capital debit entry of $3.0M in 2023 and credit entry of $0.1M in 2024.

Fuel Channel Life Extension Ongoing Costs

The fuel channel life extension ongoing (consequential) costs represent expenditures incurred for incremental work required to enable the operation of fuel channels and other major components, such as steam generators, until a nuclear station's planned end of life that is beyond original design targets. The non-capital debit entries of $28.0M in 2023 and $0.8M in 2024 were primarily driven by costs incurred for chemical cleaning performed in Pickering Unit 8 to address boiler (steam generator) level oscillations that can limit station operations. This work mitigated risk of a unit derate in support of Pickering's extended operations until September 2026, as discussed further in Ex. F2-3-3, Section 3.0.

Pickering B Refurbishment Feasibility Assessment

In September 2022, the Province of Ontario ("Province") requested OPG to update its previous feasibility assessment for refurbishing Pickering Units 5-8. In response, OPG assessed whether the refurbishment would be technically, economically, and operationally viable. In August 2023, OPG's Board of Directors approved the feasibility assessment. Subsequently, the Province announced their support in January 2024 for OPG to proceed with the next steps toward refurbishing Units 5-8, with OPG's Board of Directors ultimately approving OPG to proceed with the refurbishment in November 2025. The feasibility assessment work was not anticipated in the EB-2020-0290 nuclear revenue requirements. Non-capital costs of $0.2M in 2022 and $17.8M in 2023 incurred to carry out this assessment were recorded in the account as debit entries.[35] The feasibility assessment is further discussed in Ex. D2-3-4, Section 2.1.1 and Ex. F2-1-1, Section 5.2.

Darlington Steam Generator Primary Moisture Separators Replacement

OPG is replacing the primary moisture separators in the steam generators of all four Darlington units after inspections revealed irreversible damage in the form of increased degradation from flow-assisted corrosion. There were no forecast amounts included in the EB-2020-0290 nuclear revenue requirements associated with this work. The resulting non-capital debit entries to the account were $4.5M in 2023 and $3.8M in 2024, for costs incurred in connection with

[35] Disposition of the $0.2M debit entry recorded in 2022 in respect of the Pickering B Refurbishment Feasibility Assessment was deferred in EB-2023-0336.

the removal of existing primary moisture separators and associated support structures in the Darlington Units 1 and 4 steam generators, respectively. The resulting capital debit entries to the account were $3.4M in 2023 and $12.9M in 2024, representing the revenue requirement impacts of the in-service additions for the new primary moisture separators installed in two steam generators at Darlington Unit 3 and all steam generators at Darlington Unit 4, respectively. For further details on the project, refer to Ex. D2-1-3.

Optimization of Pickering Shutdown

The objective of the Optimization of Pickering Shutdown initiative, presented in EB-2020-0290, was to safely optimize the shutdown of the Pickering station by operating all six then-operating units until September 2024, five of the six units through 2024, and the remaining four units until December 2025, subject to the approval by the Canadian Nuclear Safety Commission ("CNSC"). The clearance of the account entries related to this initiative was deferred in EB-2023-0336, with large portions of the associated work ongoing at the time. With most of this work completed by the end of 2024 and the initiative tracking to completion below the budget of $50M presented in EB-2020-0290, the Application is seeking to recover the related non-capital net debit additions totaling $0.9M over the 2020-2024 period.[36] Further details of this initiative can be found in Ex. F2-1-1, Section 4.0.

Fuel Channel Life Management Phase V Project

This project was identified after EB-2020-0290 and gave rise to non-capital debit entries of $1.1M and $5.3M in 2023 and 2024. This project is required to demonstrate fitness-for-service and capability of the units to support current and extended EFPH targets at Darlington and Pickering. As discussed in Ex. F2-3-1, for Darlington, work performed is driven by additional pressure tube burst tests, updates to pressure tube fracture toughness models and uncertainty analysis. As discussed in Ex. F2-1-1, for Pickering, work performed will support extending the current aging limits on fuel channel components and support post-refurbishment operations for Units 5-8.

[36] The net debit additions of $0.9M represent the sum of: Ex. H1-1-1, Table 13, line 28, cols. (a)-(b) and EB-2023-0336, Ex. H1-1-1, Table 15, line 26, cols (a)-(c).

5.7 Pension and OPEB Cost Variance Account (OPG)

The Pension and OPEB Cost Variance Account was originally approved in EB-2011-0090 and has been continued in subsequent proceedings. As applicable, this account records the difference between (i) the pension and other post-employment benefit ("OPEB") costs, plus related income tax payments in lieu, reflected in the revenue requirement approved by the OEB; and (ii) OPG's actual pension and OPEB costs, and associated tax impacts, for the prescribed generation facilities. Actual pension and OPEB costs used in the calculation of the difference are calculated on an accrual basis using the same accounting standards as those used to derive the reference amount. The Application proposes to continue this methodology for recording entries in the account as of the effective date of the payment amounts order in this proceeding, for OPG's nuclear and regulated hydroelectric facilities.

For its nuclear facilities, OPG resumed recording additions to the account effective January 1, 2022.[37] These additions are identified in the Post-2021 Additions component of the account balance. There are no account additions being recorded for the regulated hydroelectric facilities over the 2022-2026 period as the EB-2013-0321 revenue requirement underpinning the regulated hydroelectric payment amounts in effect did not include pension and OPEB accrual costs.[38] As discussed in Ex. F4-3-2, the proposed revenue requirement for the regulated hydroelectric facilities for 2027 reflects pension and OPEB accrual costs.

The derivation of the $218.7M credit entry in 2023 and the $94.4M credit entry in 2024 for the nuclear facilities is shown in Ex. H1-1-1, Table 7b. These additions reflect actual pension and OPEB costs that were lower than the forecast amounts reflected in the corresponding EB-2020-0290 revenue requirements. Pension and OPEB costs are discussed in Ex. F4-3-2.

All other historical balances in the account will be amortized by the end of 2026 as approved in prior proceedings. No interest is being recorded on the balance of the account pursuant to the EB-2020-0290 Payment Amounts Order.

[37] Payment Amounts Order, EB-2020-0290, App. E, pp.10-11.
[38] Payment Amounts Order, EB-2020-0290, App. E, pp.10-11.

5.8 Hydroelectric Deferral and Variance Over/Under Recovery Variance Account

The Hydroelectric Deferral and Variance Over/Under Recovery Variance Account was originally approved in EB-2009-0174 and has been approved in all subsequent OPG applications. This account records the differences between the amounts approved for recovery or repayment in the hydroelectric deferral and variance accounts and the actual amounts recovered or repaid based on the actual regulated hydroelectric production and approved riders. Pursuant to the OEB's orders, the account also captures the transfer of the hydroelectric portions of the balances remaining in other accounts as they expire from time to time. The Application proposes to continue the above methodology for recording entries in the account as of the effective date of the payment amounts order in this proceeding.

The derivation of the $1.6M and $2.6M debit additions to the account for 2023 and 2024, respectively, is shown in Ex. H1-1-1, Table 8. There were no transfers from expiring accounts in 2023 or 2024.

5.9 Gross Revenue Charge Variance Account

The Gross Revenue Charge Variance Account was originally approved in EB-2013-0321 and has been approved in all subsequent OPG applications. As Ontario Regulation 124/02, s. 7, allows deductions to GRC for eligible capacity of new, redeveloped, or upgraded stations, this account records the cost impact of a GRC deduction, once approved by the Ontario Ministry of Natural Resources, pertaining to production increases at OPG's Sir Adam Beck stations due to the operation of the Niagara tunnel that was completed in 2013.

As no decision on the GRC deduction has been issued by the Ministry of Natural Resources to date, there have been no amounts recorded in the account since its inception.

The Application is seeking to expand the scope of this account in two ways, as of the effective date of the payment amounts order in this proceeding, with resulting variances over the IR term measured against the forecast GRC costs reflected in the 2027 regulated hydroelectric revenue requirement.

First, the Application proposes this account be expanded to apply to all of OPG's regulated hydroelectric facilities with respect to potential GRC deductions that may be approved by the Ontario Ministry of Natural Resources under Ontario Regulation 124/02 for eligible stations, so as to allow these amounts to be returned to ratepayers. While no GRC deductions are included in the GRC forecast, OPG expects to apply for GRC deductions for certain projects taking place during the 2027-2031 period, following project in-service and the required period of operations to determine the eligibility and magnitude of possible GRC deductions.

Second, the Application proposes that the scope of the account also capture the revenue requirement impact of any differences in GRC expenses that result from a legislative or regulatory change to the GRC rates or rules applicable to OPG's prescribed hydroelectric assets under Section 92.1 of the *Electricity Act, 1998*. Any potential legislative or regulatory changes in this regard are not known and are beyond OPG's control. With actual and forecasted GRC expenses in the order of \$300M to \$360M annually (Ex. F1-4-1, Table 1), these costs constitute a material component of the regulated hydroelectric payment amounts.[39] The proposed treatment would also be consistent with the scope of the Income and Other Taxes Variance Account (OPG) related to payments in lieu of taxes to the OEFC, as GRC payments constitute a levy primarily payable to the OEFC and the Ontario Ministry of Finance. Further details on the GRC regime can be found in Ex. F1-4-1, with the 2027 forecast costs presented in Ex. F1-4-1, Table 1.

5.10 Pension & OPEB Cash Payment Variance Account

The Pension & OPEB Cash Payment Variance Account was approved in EB-2013-0321 and has been continued in subsequent proceedings. As applicable, it records the difference between OPG's actual registered pension plan ("RPP") contributions and OPEB plan payments (including the long-term disability benefit plan) attributed to the prescribed generating facilities, and such forecast amounts underpinning the revenue requirement approved by the OEB.

[39] As discussed in Ex. A1-3-2, OPG has proposed that the GRC component of the 2027 regulated hydroelectric revenue requirement not be subject to the annual price-cap escalation for the duration of the IR term.

For its nuclear facilities, OPG ceased recording additions to the account effective January 1, 2022, as the EB-2020-0290 nuclear revenue requirements reflect pension and OPEB costs calculated on an accrual basis.[40] Account additions are being recorded for the regulated hydroelectric facilities over the 2022-2026 period, as the EB-2013-0321 revenue requirement underpinning the regulated hydroelectric payment amounts in effect included pension and OPEB amounts on a cash basis.[41] No additions will be required to the account as of the effective date of the payment amounts order in this proceeding, once the regulated hydroelectric payment amounts reflect pension and OPEB accrual costs, as discussed further in Ex. F4-3-2.

For the regulated hydroelectric facilities, the variances recorded over the 2022-2026 period are calculated as between actual RPP contributions and OPEB payments (including the long-term disability benefit plan) attributed to the regulated hydroelectric facilities and such forecast amounts underpinning the revenue requirement for 2014 and 2015 approved by the OEB in EB-2013-0321.

The derivation of the credit additions of $15.6M in 2023 and $12.1M in 2024 for the regulated hydroelectric facilities is shown in Ex. H1-1-1, Table 7. These additions reflect actual RPP contributions and OPEB payments (including the long-term disability benefit plan) that were overall lower than the forecast amounts reflected in the EB-2013-0321 revenue requirement. The cash amounts for pension and OPEB are discussed in Ex. F4-3-2.

5.11 Pension & OPEB Cash Versus Accrual Differential Deferral Account

The Pension & OPEB Cash Versus Accrual Differential Deferral Account was approved in EB-2013-0321 and has been continued in subsequent OPG applications. As applicable, the account records differences between: (i) OPG's actual pension and OPEB costs for its prescribed generating facilities determined using the accrual accounting method applied in OPG's audited consolidated financial statements; and, (ii) OPG's actual registered pension

[40] Payment Amounts Order, EB-2020-0290, App. E, p. 12.
[41] Payment Amounts Order, EB-2020-0290, App. E, p. 12.

plan contributions and other post-employment benefit plan payments (including the long-term disability benefit plan) attributed to OPG's prescribed generating facilities.[42]

For the regulated nuclear facilities, OPG ceased recording additions to the account effective January 1, 2022, as the EB-2020-0290 nuclear revenue requirements reflect pension and OPEB costs calculated on an accrual basis.[43] Account additions are being recorded for the regulated hydroelectric facilities over the 2022-2026 period, as the EB-2013-0321 revenue requirement underpinning the regulated hydroelectric payment amounts in effect did not include pension and OPEB accrual costs and reflected pension and OPEB amounts on a cash basis.[44] No additions will be required to the account as of the effective date of the payment amounts order in this proceeding, once the regulated hydroelectric payment amounts reflect pension and OPEB accrual costs, as discussed further in Ex. F4-3-2.

The derivation of the credit additions of $19.7M in 2023 and $10.8M in 2024 for the regulated hydroelectric facilities is shown in Ex. H1-1-1, Table 7. Pension and OPEB costs and cash amounts are discussed in Ex. F4-3-2. Included as Attachment 2 to that exhibit is Aon's independent actuary report on OPG's total accrual pension and OPEB costs determined in accordance with US GAAP for 2023 and 2024. As discussed in Ex. F4-3-2, OPG's total accrual pension and OPEB costs were attributed to the prescribed facilities using the same methodology as in the previous proceedings.

No interest is being recorded on the balance of the account pursuant to the EB-2020-0290 Payment Amounts Order.

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[42] As noted in prior proceedings, the continued recognition of amounts recorded in the Pension & OPEB Cash Versus Accrual Differential Deferral Account as a regulatory asset in OPG's financial statements in accordance with US GAAP requires that the period of deferring amounts recorded in the account related to OPEB not exceed five years from the time that they were incurred. For example, this means any such amounts recorded at the beginning of 2023 must commence recovery as of the beginning of 2028 to satisfy US GAAP criteria.
[43] Payment Amounts Order, EB-2020-0290, App. E, p. 13.
[44] Payment Amounts Order, EB-2020-0290, App. E, p. 13.

5.12 Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account

The Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account was established by the OEB on a generic basis in EB-2015-0040 and continued in EB-2020-0290. The account has three sub-accounts, as described below.

The Primary Sub-Account tracks amortization amounts for the Pension & OPEB Cash Versus Accrual Differential Deferral Account, for both OPG's regulated hydroelectric and regulated nuclear facilities. Beginning January 1, 2022, for the nuclear facilities only, the Primary Sub-Account also tracks the difference between actual pension and OPEB accrual costs[45] and OPG's actual RPP contributions and OPEB plan payments (including the long-term disability benefit plan) (i.e., cash payments). When the cumulative accrual amount (including amortization amounts from the Pension & OPEB Cash Versus Accrual Differential Deferral Account) exceeds the cumulative cash payments, the sub-account holds a credit balance and accrues carrying charges asymmetrically in favour of ratepayers in the Carrying Charges Sub-Account. The Contra Sub-Account records offsetting entries with the Primary Sub-Account to enable book-keeping with offsetting entries. Carrying charges do not apply to this sub-account. The Carrying Charges Sub-Account records interest at the OEB's prescribed Construction Work In Progress ("CWIP") rate. As tracking accounts, neither the Primary Sub-Account nor the Contra Sub-Account are subject to disposition. The Carrying Charges Sub-Account is subject to disposition.

The Application proposes to continue the above methodology for recording entries into the account as of the effective date of the payment amounts order in this proceeding, for OPG's nuclear and regulated hydroelectric facilities. This will include the difference, and the associated interest per above, between actual pension and OPEB accrual costs and such actual cash amounts for the regulated hydroelectric facilities, once the regulated hydroelectric payment amounts reflect pension and OPEB accrual costs, as discussed further in Ex. F4-3-2.

[45] The actual amount of pension and OPEB accrual costs is used as the basis for entries in the Primary Sub-Account to account for the interaction of this account with the Pension and OPEB Cost Variance Account.

The entries to the Primary Sub-Account were a credit of $24.1M in 2023 and a credit of $29.7M in 2024 for the regulated hydroelectric facilities, representing the OEB-approved amortization amounts for the Pension & OPEB Cash Versus Accrual Differential Deferral Account. For the regulated nuclear facilities, the entries to the Primary Sub-Account were a credit of $43.6M in 2023 and a credit of $122.8M in 2024, representing the sum of the OEB-approved amortization amounts for the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the difference between actual pension and OPEB accrual costs and such actual cash payments for the respective year. The derivation of the entries and the associated cumulative balances are set out in Ex. H1-1-1, Table 7a.

The resulting credit additions to the Carrying Charges Sub-Account were $2.9M in 2023 and $4.0M in 2024 for the regulated hydroelectric facilities, and $14.8M in 2023 and $17.8M in 2024 for OPG's nuclear facilities.

No interest is being recorded on the balance of the Carrying Charges Sub-Account pursuant to the EB-2020-0290 Payment Amounts Order.

5.13 Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account

The Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account was approved in EB-2014-0369 and continued in all subsequent OPG applications. The account records the difference between the annual revenue requirement impact of the original Niagara Tunnel Project rate base addition disallowance of $28.0M per EB-2013-0321 and the varied disallowance of $6.4M per EB-2014-0369. As the payment amounts for the regulated hydroelectric facilities set in EB-2020-0290 reflected the EB-2013-0321 disallowance and not the impact of the varied disallowance, the account continues to record the above difference during the 2022-2026 period. No additions will be required to the account as of the effective date of the payment amounts order in this proceeding, once the regulated hydroelectric payment amounts reflect the impact of the varied disallowance.

The derivation of the $1.7M debit additions to the account in each of 2023 and 2024 is shown in Ex. H1-1-1, Table 9.

5.14 Nuclear Liability Deferral Account

The Nuclear Liability Deferral Account was originally approved in EB-2007-0905 pursuant to O. Reg. 53/05 and has been approved in all subsequent OPG applications. In accordance with section 5.2(1) of O. Reg. 53/05, this account records the revenue requirement impact on OPG's prescribed facilities of any change in OPG's nuclear decommissioning and used fuel and waste management liabilities ("nuclear liabilities") arising from an approved reference plan under the Ontario Nuclear Funds Agreement ("ONFA"), measured against the forecast impact reflected in the revenue requirement approved by the OEB.[46]

The nuclear revenue requirements approved in EB-2020-0290 reflected the approved 2017-2021 ONFA Reference Plan effective January 1, 2017 ("2017 ONFA Reference Plan"), which was the most recent approved ONFA reference plan at the time of the proceeding. Subsequent to the EB-2020-0290 proceeding, the Province approved the 2022-2026 ONFA Reference Plan effective January 1, 2022 ("2022 ONFA Reference Plan") and its attendant contribution schedule ("2022 ONFA Contribution Schedule"). The proposed IR term revenue requirements for OPG's nuclear facilities reflect the 2022 ONFA Reference Plan. The 2027-2031 ONFA Reference Plan ("2027 ONFA Reference Plan") is being developed and will be subject to approval by the Province after OPG submits it, expected in late 2026. OPG will continue to record entries in the account as of the effective date of the payment amounts order in this proceeding, once the 2027 ONFA Reference Plan is effective.[47]

Entries in the account for are determined using the OEB-approved methodology for recovery of nuclear liabilities for OPG's prescribed facilities. As described in Ex. C2-1-1, the Application proposes to continue with such previously approved methodology in this proceeding. Consistent with the application of this methodology, for any year where there is a positive provision for the "lesser of Unfunded Nuclear Liabilities and Asset Retirement Cost" determined in OPG's approved capital structure approved by the OEB for such provision in

[46] O. Reg. 53/05 also specifies that the balance recorded in the account is to be recovered on a straight-line basis over a period not to exceed three years (subsection 6(2)).
[47] Any additions to the Nuclear Liability Deferral Account arising from the 2027 ONFA Reference Plan and such additions to any other accounts that may be impacted, such as the CRVA, will be calculated such that there is no duplication across the accounts.

setting the corresponding revenue requirement is used to determine the return on rate base component of any entries in the account. For any year where the provision for the "lesser of Unfunded Nuclear Liabilities and Asset Retirement Cost" in OPG's approved capital structure is set to zero (due to the Unfunded Nuclear Liability being negative), the weighted average cost of capital approved by the OEB in setting the corresponding revenue requirement is used to determine to the return on rate base component of any entries in the account.[48] The Application proposes to continue the above methodology for recording entries in the account as of the effective date of the payment amounts order in this proceeding.

OPG will be responsible for the nuclear waste management and decommissioning obligations arising for the DNNP facilities. Section 6(2)10.1 of O. Reg. 53/05 requires the OEB to ensure that OPG recovers all the costs it incurs in relation to its nuclear liabilities with respect to the DNNP facilities as they are reflected in OPG's audited financial statements.[49] Pursuant to the regulation, the Application proposes to establish a new deferral account to record these impacts, as discussed in Section 7.5 below, using the same methodology that the OEB has approved for the Bruce facilities. Accordingly, no amounts would be recorded for the DNNP facilities in the Nuclear Liability Deferral Account.

The debit entries to the account of $193.3M in 2023 and $187.5M in 2024 represent the revenue requirement impact on OPG's nuclear facilities related to changes in the nuclear liabilities arising from the approved 2022 ONFA Reference Plan. These entries were determined using the OEB-approved methodology for recovery of nuclear liabilities for OPG's prescribed facilities as reflected in the EB-2020-0290 revenue requirements. They were also calculated in the same manner as the equivalent entry for 2022, which formed part of the account balance approved in EB-2023-0336. The derivation of these additions is shown at Ex. H1-1-1, Table 17. This table also show projected account entries for 2025 and 2026, being net debit additions totaling $24.8M, provided in support of an efficient regulatory review of the balances.

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[48] Payment Amounts Order, EB-2020-0290, App. E, p. 15; Ex. C2-1-1, Section 4.1.4.
[49] Subject to conditions set out in in O. Reg. 53/05 section 8, which the Application expects to satisfy at the end of 2025.

The revenue requirement impact of the 2022 ONFA Reference Plan recorded in the account reflects: i) the impacts of the associated change in the asset retirement obligation ("ARO") and asset retirement costs ("ARC") for OPG's regulated facilities recognized in OPG's financial statements at the end of 2021, ii) the impact of changes in the station-level segregated fund contribution schedule attendant to the 2022 ONFA Reference Plan ("2022 ONFA Contribution Schedule"), and iii) the nuclear liabilities' impacts of the extension of the accounting end-of-life ("EOL") date for Pickering Units 1 and 4 from December 31, 2022 to December 31, 2024, effective December 31, 2020, which was subsequently reflected in the 2022 ONFA Reference Plan and became eligible to be recorded in the Nuclear Liability Deferral Account in accordance with O. Reg. 53/05.[50]

The impacts of the year-end 2021 ARO/ARC adjustment and the 2022 ONFA Contribution Schedule comprise a debit amount of $123.9M in 2023 and $119.5M in 2024 (Ex. H1-1-1, Table 17, line 15) and are further discussed in Ex. C2-1-1, Section 5.1.

The nuclear liabilities' impacts of the extension of the Pickering Units 1 and 4 EOL date reflected the associated year-end 2020 ARO/ARC adjustment recognized in OPG's financial statements and the change in the ARC depreciation expense due to the extended useful life. These impacts comprise a debit amount of $69.4M in 2023 and $67.9M in 2024 (Ex. H1-1-1, Table 17, line 16) and were anticipated in EB-2020-0290.[51,52] The derivation of these amounts is further discussed in Section 5.23 below. The change in the EOL date for Pickering Units 1 and 4 is discussed further in Ex. F4-1-1, Section 3.5.

No interest is being recorded on the balance of the account pursuant to the EB-2020-0290 Payment Amounts Order.

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[50] As discussed in Section 5.23 below, impacts of the Pickering Units 1 and 4 EOL date extension from changes to the non-ARC depreciation and amortization expense are recorded in the Impact Resulting from Optimization of Pickering Station End of Life Deferral Account.

[51] The Pickering Units 1 and 4 EOL date extension and its impacts were detailed during the course of the EB-2020-0290 proceeding, but due to the timing of preparing OPG's underlying business plan, were not included in the forecasts underpinning the approved payment amounts.

[52] OPG's responses to interrogatories in EB-2020-0290, which were completed after OPG had finalized the year-end 2020 financial information required to calculate these ARO/ARC impacts, projected a debit entry of $69.4M for 2023 and $67.9M for 2024 (EB-2020-0290, Ex. L-F4-01-Staff-271, Attachment 1, Table 2, line 17, cols. (b) and (c)).

5.15 Nuclear Development Variance Account

The Nuclear Development Variance Account was originally approved in EB-2007-0905 in accordance with section 5.4 of O. Reg. 53/05 and has been approved in all subsequent OPG applications. This account records differences between the revenue requirement impacts arising from the actual non-capital costs and capital costs incurred and firm financial commitments made for proposed new nuclear generation facilities and such forecast amounts reflected in the revenue requirement approved by the OEB. This includes but is not limited to the costs of planning, preparation, and technology identification for the new facilities, as well as design, development and construction of the new facilities.[53]

The variance recorded in the account is calculated as between the revenue requirement impact of actual eligible non-capital and capital costs and firm financial commitments and such forecast amounts reflected in OPG's corresponding annual nuclear revenue requirement approved by the OEB. The Application proposes to continue this method of determining additions to the account as of the effective date of the payment amounts order in this proceeding.

The revenue requirement impact of actual capital costs for eligible projects will include the impact of any associated CEITCs, as discussed further in Ex. A1-3-2, Section 2.3.5 and Ex. F4-2-1, Section 3.5.

The account has been capturing entries related to the DNNP. With the exception of any true-up adjustments in connection with the periods prior to the asset transfer, no account additions related to the DNNP are expected to be recorded in the account following the transfer of the DNNP assets from OPG to DNNP LP, when the Darlington New Nuclear Project Variance Account re Development ("DNNPVARD") would begin to apply. DNNPVARD is discussed in Section 6.1 below.

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[53] O. Reg. 53/05 also specifies that the balance recorded in the account is to be recovered on a straight-line basis over a period not to exceed three years (subsection 6(2)), to the extent the OEB is satisfied that the costs were prudently incurred and the firm financial commitment were prudently made.

With the DNNP Unit 1 forecast to enter rate base during the IR term, the Application proposes to clear DNNP-related account additions in this proceeding. Such credit entries of $8.1M in 2023 and $26.5M in 2024 primarily relate to the tax impacts of CCA and SR&ED qualifying expenditure deductions related to the project. The EB-2020-0290 revenue requirements did not reflect the DNNP or the associated tax deductions. The derivation of these additions is shown at Ex. H1-1-1, Table 20. Further details on the DNNP can be found at Ex. D2-4-1 to Ex. D2-4-10.

As noted in Ex. F2-1-1, Section 5.1, the proposed nuclear revenue requirements in the Application do not include non-capital or capital costs related to potential new nuclear generation facilities other than the DNNP, which will result in any such impacts incurred by OPG during the IR term being recorded in this variance account. The Application also proposes to defer the clearance of the year-end 2024 account balance related to the costs incurred to date in connection with these activities, which would allow such costs to be considered after these initiatives have been further advanced. The costs relate to advancing planning and preparation activities for potential new nuclear generation on OPG's sites, including the Wesleyville site, in line with the Province's plans for meeting Ontario's electricity demand.

5.16 Bruce Lease Net Revenues Variance Account

The Bruce Lease Net Revenues Variance Account was originally approved in EB-2007-0905 to ensure that the actual difference between OPG's revenues and costs for the Bruce facilities is ultimately reflected in the payment amounts and riders and that OPG recovers its actual costs associated with the Bruce facilities, giving effect to the requirements of sections 6(2)9 and 6(2)10 of O. Reg. 53/05. The account has been approved in all subsequent OPG applications.

The account records differences between (i) the forecast revenues and costs related to the Bruce lease that are factored into the nuclear revenue requirement approved by the OEB, and (ii) OPG's actual revenues and costs in respect of the Bruce facilities. The costs include nuclear liabilities' costs for the Bruce facilities.

The variance recorded in the account is determined by comparing (i) the quotient of the annual forecast amount of Bruce Lease net revenues reflected in the OEB-approved revenue requirement and the OEB approved nuclear production forecast ("rate of recovery") for the corresponding year multiplied by OPG's actual nuclear production for the year, and (ii) OPG's actual revenues and costs in respect of the Bruce facilities. The Application proposes to continue this methodology for determining additions to the account as of the effective date of the payment amounts order in this proceeding.

The derivation of the credit entries of $19.0M in 2023 and $89.2M in 2024 recorded in the account is shown in Ex. H1-1-1, Table 10. Bruce Lease net revenues are discussed in Ex. G2-2-1.

5.17 Nuclear Deferral and Variance Over/Under Recovery Variance Account (OPG)

The Nuclear Deferral and Variance Over/Under Recovery Variance Account was originally approved in EB-2009-0174 and has been approved in all subsequent OPG applications. This account records the differences between the amounts approved for recovery or repayment in nuclear deferral and variance accounts and the actual amounts recovered or repaid based on the actual nuclear production and approved riders. Pursuant to OEB's orders, the account also captures the transfer of the nuclear portions of the balances remaining in other OPG accounts as they expire from time to time. The Application proposes to continue the above methodology for recording entries into the account as of the effective date of the payment amounts order in this proceeding.

The derivation of the $6.1M and $1.2M credit additions to the account for 2023 and 2024, respectively, is shown in Ex. H1-1-1, Table 11. There were no transfers from expiring accounts in 2023 or 2024.

5.18 Rate Smoothing Deferral Account

The Rate Smoothing Deferral Account was established in accordance with section 5.5 of O. Reg. 53/05 and approved in EB-2016-0152. The account records the difference between: (i) the total annual nuclear revenue requirement approved by the OEB; and, (ii) the portion of that revenue requirement in (i) that is used in connection with setting the nuclear payment amounts in each year (“the annual deferral amount”). According to O. Reg. 53/05, an annual deferral amount as determined by the OEB is recorded in the account from January 1, 2017 until the DRP ends (the “deferral period”). Section 6(2)12(iv) of O. Reg. 53/05 stipulates that the OEB shall ensure that OPG recovers the balance recorded in the account and shall authorize recovery of the account balance on a straight-line basis over a period not to exceed ten years commencing at the end of the deferral period.

The account has recorded the annual deferral amounts approved by the OEB since 2017. Pursuant to the EB-2016-0152 Payment Amounts Order, the approved annual deferral amounts recorded in the account are $0 in 2017, $0 in 2018, $102.2M in 2019, $390.6M in 2020, and $0 in 2021.[54] Pursuant to the EB-2020-0290 Payment Amounts Order, the approved annual deferral amounts recorded in the account are $19.0M in 2022, $64.0 in 2023, $0 in 2024, $0 in 2025, and $0 in 2026.[55]

With the DRP expected to return the last unit to service in 2026, no additions are anticipated to be required to the account as of the effective date of the payment amounts order in this proceeding. Section 5.5(2) of O. Reg. 53/05 stipulates that the deferral account shall record interest on the balance of the account at a long-term debt rate reflecting OPG’s cost of long-term borrowing, as approved by the OEB, compounded annually.

The Application seeks to recover the year-end 2024 account balance of $677.4M over the maximum prescribed period of ten years[56], from January 1, 2027 to December 31, 2036.

5.19 Fitness for Duty Deferral Account

The Fitness for Duty Deferral Account was approved by the OEB in EB-2016-0152 and continued in EB-2020-0290. The account records OPG’s costs to implement the CNSC Fitness for Duty program, which is a drug, alcohol, psychological and physical testing program for

[54] Payment Amounts Order, EB-2016-0152, App. H, p. 1.
[55] Payment Amounts Order, EB-2020-0290, App. E, p.19.
[56] In accordance with section 6(2)12(iv) of O. Reg. 53/05.

employees in nuclear facilities. Given uncertainties with respect to the cost of the program, no such forecasted amounts were included in either the EB-2016-0152 or EB-2020-0290 revenue requirements.

Given the conclusion of prior legal challenges regarding the Fitness for Duty requirements and the provisions tracking to be implemented by January 1, 2026, the Application seeks recovery of the debit balance of $2.5M, inclusive of interest, recorded in the account over the period of June 1, 2017 to December 31, 2024. The underlying account additions represent non-capital costs averaging $0.3M per year, related to program set-up and administration and testing based on reasonable grounds, for post-incident, and as follow up to return-to-duty for nuclear workers occupying safety critical or safety sensitive positions. No additions will be required to the account as of the effective date of the payment amounts order in this proceeding, once the nuclear payment amounts reflect the ongoing costs of the program.

5.20 SR&ED ITC Variance Account (OPG)

The SR&ED ITC Variance Account was approved in EB-2016-0152 and continued in EB-2020-0290. The account records the difference between actual SR&ED ITCs for OPG's nuclear facilities as determined after any tax audits and the forecast SR&ED ITCs reflected in the revenue requirement approved by the OEB, including the tax on the difference. For the reasons discussed in Ex. F4-2-1, Section 3.4, the Application proposes to continue this methodology for recording entries in the account for OPG's nuclear facilities, and to apply the same treatment to the regulated hydroelectric facilities, as of the effective date of the payment amounts order in this proceeding.

OPG recorded five entries to the account in 2023 and 2024, totaling a net credit of $18.0M in 2023 and a net credit of $5.5M in 2024, as follows:

1) A credit entry in 2023 and a debit entry in 2024 to record the difference between the estimated actual SR&ED ITCs (net of tax) attributed to OPG's nuclear facilities and the forecast SR&ED ITCs (net of tax) included in the corresponding OEB-approved nuclear revenue requirement for those years;

2) Credit entries in 2023 and 2024 for the true-up adjustments between the estimated actual and the final actual SR&ED ITCs (net of tax), as attributed to OPG's nuclear facilities, for the immediately preceding year based on the finalization of that year's income tax return;
3) A credit entry related to an increase in the recognition of actual SR&ED ITCs for the 2017 taxation year from 75% to 100% for OPG's nuclear facilities, as prorated for the period after the effective date of the SR&ED ITC Variance Account of June 1, 2017, based on the resolution of the 2017 income tax audit in 2023;
4) A credit entry related to an increase in the recognition of actual SR&ED ITCs for the 2018 taxation year from 75% to 100% for OPG's nuclear facilities, based on the resolution of the 2018 income tax audit in 2023; and
5) A credit entry related to an increase in the recognition of actual SR&ED ITCs for the 2019 taxation year from 75% to 100% for OPG's nuclear facilities, based on the resolution of the 2019 income tax audit in 2024.

Entries 1) and 2) are the same in nature and calculation as the equivalent annual SR&ED ITC impact entries previously recorded in the account. Entries 3), 4) and 5) are the same in nature and calculation as the equivalent SR&ED ITC entries recorded in the Income and Other Taxes Variance Account in relation to resolution of prior year income tax audits, prior to the effective date of this account. They recognize a credit to ratepayers of 25% of the benefit of SR&ED ITCs that were previously credited to ratepayers at 75% in relation to 2017, 2018 and 2019 through the EB-2016-0152 payment amounts and subsequent additions to this account. SR&ED ITCs are discussed further in Ex. F4-2-1, Section 3.5. The derivation of the entries is shown in Ex. H1-1-1, Table 12.

5.21 Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account

The Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account was approved in EB-2018-0002 and continued in EB-2020-0290. Effective January 1, 2018, this account recorded the revenue requirement impact for the prescribed facilities arising from changes to nuclear liabilities and depreciation and amortization expense resulting from the Pickering station EOL date changes that came into effect on December 31, 2017. Pursuant to the EB-2020-0290 Payment Amounts Order, additions to this account ceased to be recorded effective January 1, 2022, as the impact arising from these EOL date changes was reflected in the revenue requirements approved in that proceeding.[57]

No interest is recorded in the account pursuant to the EB-2020-0290 Payment Amounts Order.

The December 31, 2024 balance in the account is expected to be fully amortized by December 31, 2026 pursuant to the OEB-approved settlement proposal in EB-2023-0336.[58] As such, the Application proposes to terminate this account as of the effective date of the payment amounts order in this proceeding and to transfer any remaining balance (expected to be nil) to the Nuclear Deferral and Variance Over/Under Recovery Variance Account (OPG).

5.22 Pickering Closure Costs Deferral Account

The Pickering Closure Costs Deferral Account was established in accordance with section 5.6 of O. Reg. 53/05. Effective January 1, 2021, this account records any employment-related costs and non-capital costs related to third party service providers incurred by OPG that arise from any Pickering closure activities. The regulation specifies that Pickering closure costs can be incurred before or after the closure of a Pickering unit but do not include costs that are eligible for reimbursement to OPG under the ONFA or have already been included in a payment amounts order, and are to be recorded in the account as they are reflected in OPG's audited financial statements approved by OPG's Board of Directors.

The additions recorded in the account are calculated as the difference between actual Pickering closure costs and any such forecast amounts reflected in the corresponding annual nuclear revenue requirement approved by the OEB. This account will continue to record additions as of the effective date of the payment amounts order in this proceeding, as

[57] Payment Amounts Order, EB-2020-0290, App. E, p. 18.
[58] Decision and Order, EB-2023-0336, App. A, Table 2, line 23.

necessary, in accordance with the regulation provisions.[59] The EB-2020-0290 revenue requirements did not reflect any Pickering closure costs.

The Application seeks recovery of the debit balance of $7.6M, inclusive of interest, recorded in the account over the period from January 1, 2021 to December 31, 2024. The underlying account additions of $1.0M in 2021, $1.8M in 2022, $3.4M in 2023, and $0.9M in 2024 represent costs incurred for planning and preparing for the workforce effects of ending commercial operation of the Pickering units. These efforts were initially aimed at managing the effects from shutting down all Pickering units. As the organizational focus shifted to the possibility of refurbishing Pickering Units 5-8, these activities became increasingly concentrated on the shutdown of Pickering Units 1 and 4. Refer to Ex. F4-3-1, Section 4.0 for further discussion.

5.23 Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account

The Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account was approved in EB-2020-0290. Effective January 1, 2021, this account records the revenue requirement impact for the prescribed facilities arising from changes to nuclear liabilities and depreciation and amortization expense resulting from changes to the Pickering station EOL dates. The impacts recorded in the account are determined by applying the revised Pickering station EOL dates to recalculate the corresponding OEB-approved values comprising the nuclear liabilities' revenue requirement impact (such as ARC depreciation expense, return on rate base, and used fuel and waste management variable expenses) and the non-ARC revenue requirement impact (such as depreciation expense and return on rate base), and associated tax impacts, holding other variables constant (such as capital in-service amounts). The Application proposes to continue this methodology for recording entries in the account as of the effective date of the payment amounts order in this proceeding should a change to the Pickering Units 5-8 EOL date arise in the future.

[59] No further additions are expected in this account as of the effective date of the payment amounts order in this proceeding.

<u>End-of-Life Change Implemented December 31, 2020</u>

These account additions in 2023 and 2024 represent the revenue requirement impacts of extending the accounting station EOL date for Pickering Units 1 and 4 from December 31, 2022 to December 31, 2024, effective December 31, 2020. This change and its impacts were anticipated during the course of the EB-2020-0290 proceeding but due to the timing of preparing OPG's underlying business plan, were not reflected in the forecasts underpinning the EB-2020-0290 approved payment amounts.

The derivation of the $54.6M debit entry in 2023 and $47.4M debit entry in 2024 is shown in Ex. H1-1-1, Table 18. These entries reflect the impact of changes to non-ARC depreciation and amortization expense.[60] They were calculated in the manner set out by OPG in EB-2020-0290 and reflected in the year-end 2022 balance of the account that was approved for recovery in EB-2023-0336, and are very close to the projection of these entries identified in EB-2020-0290.[61] Pickering Units 1 and 4 ended commercial operation and became fully depreciated by the end of 2024, as planned. The change in the EOL date for Pickering Units 1 and 4 is discussed in Ex. F4-1-1, Section 3.5.

As discussed in Section 5.14 above, beginning 2022, additions related to the nuclear liabilities' impact from the above EOL change are recorded in the Nuclear Liability Deferral Account in accordance with O. Reg. 53/05. The derivation of the nuclear liabilities' impact of $69.4M in 2023 and $67.9M in 2024 is included in Ex. H1-1-1, Table 18. The nuclear liabilities' impact reflects the increase in the ARO and associated ARC balances of $51.1M for the prescribed

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[60] Ex. H1-1-1, Table 18, line 5, cols. (a) and (b), and EB-2023-0336, Ex. H1-1-1, Table 19, line 5 show a total change in non-ARC depreciation and amortization expense of $16.3M, rather than zero, over the 2021-2024 period in relation to these EOL date changes for Pickering Units 1 and 4. As discussed above, this amount, which is being recorded in the Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account, is determined by applying the revised Pickering Units 1 and 4 EOL dates to recalculate the corresponding OEB-approved values reflected in the EB-2016-0152 revenue requirement (for 2021) and EB-2020-0290 revenue requirement (for 2022-2024), holding other variables consistent with the respective revenue requirement. This approach allows for isolation of the EOL date change impact had it been known at the time of setting the original revenue requirement. Because, as a result, the impacts are calculated on a different set of underpinning forecasts (e.g., capital in-service additions) for 2021 versus 2022-2024, the net effect of the differences in non-ARC depreciation across these account entries over these four years may not be zero.

[61] OPG's responses to interrogatories in EB-2020-0290, which were completed after OPG had finalized the year-end 2020 financial information required to calculate the ARO/ARC impacts, projected comparable debit entries of $54.7M for 2023 and $47.5M for 2024 (EB-2020-0290, Ex. L-F4-01-Staff-271, Attachment 1, Table 2, line 18, cols. (b) and (c)).

facilities recorded in OPG's financial statements at year-end 2020 to reflect the changes in the Pickering Unit 1 and 4 EOL date, depreciation of existing ARC balances applied over a longer useful life, and higher used fuel variable expenses due to an increase in the per bundle cost rates reflecting a lower discount rate of 2.01% (compared to 2.94% used to forecast these costs in EB-2020-0290). The details of the year-end 2020 ARO/ARC adjustment are provided in Ex. C2-1-1, Table 4.

No additions will be required to the account related to the EOL change of Pickering Units 1 and 4 from December 31, 2022 to December 31, 2024 as of the effective date of the payment amounts order in this proceeding, once the nuclear payment amounts reflect these impacts.

<u>End-of-Life Change Implemented December 31, 2023</u>

As discussed in Ex. F4-1-1, Section 3.5, OPG revised the accounting station EOL date for Pickering Units 5-8 from December 31, 2024 to December 31, 2070, effective December 31, 2023. This change reflected OPG's expectation of the refurbishment of these units, taking into account the Province's support for OPG's plan to proceed with the initiation phase of the PRP. Additional amounts recorded to the account in 2024 represent the revenue requirement impacts of this change, which was not anticipated in the EB-2020-0290 revenue requirements that assumed the shutdown of all Pickering units. The nuclear liabilities' impact arising from these changes is recorded in this account, rather than the Nuclear Liability Deferral Account, as the 2022 ONFA Reference Plan did not contemplate the refurbishment of Pickering Units 5-8.

The derivation of the credit entry of $2.3M in 2024 is shown in Ex. H1-1-1, Table 19. It comprises debit additions of $82.6M for revenue requirement impacts arising from changes to nuclear liabilities and credit additions of $84.9M from changes to non-ARC depreciation and amortization expense. This table also show projected account entries for 2025 and 2026, being net debit additions totaling $29.3M, provided in support of an efficient regulatory review of the balances.

The nuclear liabilities' impact primarily reflects the $474.1M increase in ARC balances for the prescribed facilities recorded in OPG's financial statements at year-end 2023 to reflect the change in the Pickering station EOL date, depreciation of existing ARC balances applied over a longer useful life, and lower used fuel and low and intermediate level variable expenses due to a decrease in the volumetric cost rates reflecting a higher discount rate. These impacts are discussed further discussed in Ex. C2-1-1, Section 5.2, and the details of the year-end 2023 ARO/ARC adjustment are provided in Ex. C2-1-1, Table 4.

The impacts recorded in the account are determined by applying the revised Pickering station EOL dates that came into effect on December 31, 2023 to recalculate the corresponding OEB-approved values reflected in the EB-2020-0290 revenue requirement, holding other variables constant, and then adjusting for the impacts from the revised station EOL date for Pickering Units 1 and 4 (discussed above) and the implementation of the 2022 ONFA Reference Plan (discussed in Section 5.14) that are captured separately in deferral accounts to avoid duplication.

In calculating the above impacts, OPG applied the same methodologies used to make entries in respect of the accounting station EOL date extension for Pickering Units 1 and 4 discussed above, as well as those previously used to make entries into the Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account. The entries reflect the OEB-approved methodology for recovery of nuclear liabilities for OPG's prescribed facilities as reflected in the EB-2020-0290 revenue requirements. The Application proposes to continue to determine additions to this account on this basis as of the effective date of the payment amounts order in this proceeding for any future changes in Pickering EOL dates.

No additions will be required to the account related to the EOL change of Pickering Units 5-8 from December 31, 2024 to December 31, 2070 as of the effective date of the payment amounts order in this proceeding, once the nuclear payment amounts reflect these impacts.

No interest is recorded on the balance of the account pursuant to the EB-2020-0290 Payment Amounts Order.

5.24 Clarington Corporate Campus Deferral Account

The Clarington Corporate Campus Deferral Account was approved in EB-2020-0290, effective January 1, 2022, to record, for OPG's nuclear facilities, the revenue requirement impacts of OPG's capital expenditures and operating costs for the then planned Clarington Corporate Campus. Since it was established, the account recorded a single non-capital debit entry of $7.0M in 2023, resulting in a debit balance of $7.7M as of December 31, 2024, inclusive of interest. For the reasons discussed below, no additions will be required to the account as of the effective date of the payment amounts order in this proceeding.

At the time of the EB-2020-0290 proceeding, OPG was planning for the Clarington Corporate Campus project with the goal of supporting the consolidation of OPG's workspaces through the construction of a new headquarters building in the municipality of Clarington. The project subsequently progressed through the planning phase in accordance with OPG's project governance. Prior to entering the project execution phase, OPG identified the opportunity to purchase an existing office building located at 1908 Colonel Sam Drive, Oshawa, which was economically preferred compared to building a new office building, reflecting unanticipated inflationary and supply chain pressures following the COVID-19 pandemic. As a result, OPG proceeded with the purchase of the property at 1908 Colonel Sam Drive in 2023, ultimately renovating and opening the new headquarters in August 2025, and the Clarington Corporate Campus project was closed. The debit entry of $7.0M in the account represents the project costs, attributable to OPG's regulated nuclear facilities, that were incurred until the project was terminated and were subsequently written off. Additional details can be found in Ex. D3-1-2, Sections 3.3 and 3.4.

5.25 Sale of Unprescribed Kipling Site Deferral Account

The Sale of Unprescribed Kipling Site Deferral Account was established in EB-2020-0290, effective January 1, 2022, to track 23% of the net proceeds arising from any sale of OPG's unprescribed site located at 800 Kipling Avenue (the "Kipling Site") in Toronto during the 2022-

2026 period. The account was established as part of the OEB-approved settlement proposal in EB-2020-2090, which provided in connection with any amounts tracked in the account that a party may take any position as to whether any portion of this amount should be returned to ratepayers at the time of the account's disposition. Pursuant to the OEB-approved settlement proposal in EB-2023-0336, the parties agreed that the deferral account would be disposed of, to the benefit of ratepayers, with an agreed upon balance of $12.7M as of December 31, 2022, which represented 50% of 23% of the after-tax gain recognized by OPG in 2022 associated with the sale of the Kipling Site. It was further agreed that the same treatment would apply to any after-tax gain on this sale recognized by OPG during the 2023-2026 period.[62] Since 2022, OPG recognized such an after-tax gain of $21.5M in 2023, resulting in a credit entry of $2.5M during that year. No additions will be required to the account as of the effective date of the payment amounts order in this proceeding.

5.26 Earnings Sharing Deferral Account

The Earnings Sharing Deferral Account was approved in EB-2020-0290, effective January 1, 2022, to record 50% of any regulated earnings for OPG's combined regulated nuclear and regulated hydroelectric business that exceed 100 basis points above the OEB-approved ROE rate, assessed over a cumulative 5-year period from January 1, 2022 to December 31, 2026. No entries will be recorded in this account until following the completion of the above five-year period, if applicable.

As discussed in Ex. A1-3-2, Section 4.1, OPG proposes to continue the earnings sharing mechanism for its facilities for the 2027-2031 period. Consistent with the mechanism approved in EB-2020-0290, OPG proposes to base the earnings sharing mechanism on its combined regulated nuclear and regulated hydroelectric business on an asymmetrical basis, with a 100-basis point deadband to the OEB-approved ROE rate and 50/50 sharing above the deadband, assessed over a cumulative 5-year period from 2027-2031.

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[62] Decision and Order, EB-2023-0336, June 13, 2024, p.5.

To effectuate the proposed earnings sharing mechanism, OPG proposes to continue the Earnings Sharing Deferral Account. No entries will be recorded in the account with respect to the 2027-2031 period, if applicable, until following the completion of the five-year period.

5.27 Impact of IFRS Deferral Account (OPG)

The Impact for IFRS Deferral Account (OPG) was approved in EB-2020-0290, effective January 1, 2022, to record financial impacts of transition to and implementation of International Financial Reporting Standard ("IFRS") from US GAAP in the event that OPG adopts IFRS for financial reporting purposes to meet the requirements of the *Securities Act* (Ontario). To date, no entries have been recorded in this account as OPG has continued to apply US GAAP to report its consolidated financial statements.

As discussed in Ex. A2-1-1, OPG's financial statements are prepared in accordance with US GAAP, as required by Ontario Regulation 395/11 under *Financial Administration Act* (Ontario), which takes precedence over the continuous disclosure obligations under the *Securities Act* (Ontario). However, these requirements do not take precedence over the equivalent continuous disclosure requirements of other provincial securities regulators. This applies where OPG is also a reporting issuer by virtue of its Medium-Term Notes issued pursuant to a short form base shelf prospectus filed in these jurisdictions and subject to the requirements of *National Instrument 44-101 – Short Form Prospectus Distributions*. OPG currently receives exemptive relief from the OSC and other provincial securities regulators from the requirements of *National Instrument 52-107* ("NI 52-107") that allows OPG to file its financial statements using US GAAP instead of IFRS for continuous disclosure purposes, thereby allowing it to meet the requirements of the other provincial securities laws. Although this exemptive relief is time limited, OPG is not planning for adoption of IFRS for continuous disclosure purposes. OPG is planning to register with the U.S. Securities and Exchange Commission ("SEC") as a Foreign Private Issuer, subject to final approval by OPG's Board of Directors, to facilitate access to U.S. debt capital markets. As an SEC registered issuer, OPG would retain the ability to meet its continuous disclosure requirements in Canada by continuing to file its financial statements using US GAAP as permitted under the ongoing exemptions in NI 52-107 available for SEC registered issuers. As OPG's efforts toward SEC registration are expected to continue at least partway through the IR term, the Application proposes to continue the deferral account as of the effective date of the payment amounts order in this proceeding and as necessary to reassess this matter in the next payment amounts proceeding.

No interest is recorded on the balance of the account pursuant to the EB-2020-0290 Payment Amounts Order.

5.28 Pickering B Variance Account

The Pickering B Variance Account was established in accordance with section 5.7(1) of O. Reg. 53/05, effective January 1, 2023. The account records the difference between (a) the revenues generated from the output of Pickering B (i.e., Pickering Units 5-8) during the period from January 1, 2026 to September 30, 2026, and (b) the sum of (i) any foregone revenues related to forgone output from these units arising from any Pickering B extension or preservation activities, (ii) the revenue requirement impacts from actual non-capital and capital costs incurred in relation to any Pickering B extension activities undertaken by OPG, and (iii) the revenue requirement impacts arising from actual non-capital and capital costs incurred for Pickering B preservation activities before the effective date of the OEB's first payment amounts order for OPG's nuclear facilities that becomes effective on or after January 1, 2027.[63] Pickering B extension activities represent any activities OPG undertakes in furtherance of the operation of these units from January 1, 2026 to September 30, 2026, whether the activities occurred during that period or not. Pickering B preservation activities represent any activities undertaken by OPG to preserve its ability to operate Pickering Units 5-8 following the PRP, regardless of whether the project proceeds. Costs incurred for the preservation activities include but are not limited to costs payable for staffing, training, corporate support or administrative functions. Pursuant to the above provisions, no additions will be recorded to the account as of the effective date of the payment amounts order in this proceeding.

[63] O. Reg. 53/05 was initially amended on December 9, 2022 to establish this account as the Pickering B Extension Variance Account, effective January 1, 2023. That amendment did not include item (iii) in the list of amounts to be recorded in the account. O. Reg. 53/05 was subsequently amended on June 27, 2025 to add item (iii) to the list of amounts to be recorded in the account and to rename the account as the Pickering B Variance Account.

The account has a debit balance of $131.1M as of December 31, 2024, representing the impacts to date of foregone revenues related to forgone output from Pickering Units 5-8 arising from the Pickering B extension activities, the costs of such activities and the costs of the Pickering B preservation activities.[64] OPG proposes to defer the clearance of this balance to a future application, which would allow for the complete impact of operating Pickering Units 5- 8 from January 1, 2026 to September 30, 2026 and undertaking the preservation activities to be considered at the same time. In particular, once the revenues generated from operating Pickering Units 5-8 during the period from January 1, 2026-December 31, 2026 are credited to the account, the resulting balance is expected to be a net credit position.

5.29 Incremental Cloud Computing Implementation Costs Deferral Account

The Incremental Cloud Computing Implementation Costs Deferral Account was established by the OEB on a generic basis through accounting order 003-2023, effective December 1, 2023, to record incremental cloud computing implementation costs incurred and any related offsetting savings, if applicable. There were no entries recorded to the account as of December 31, 2024.

The OEB's accounting order establishing the above account indicated that a utility may propose the regulatory treatment of any material cloud computing implementation costs expected during its rate-setting term, including consideration of a new deferral account or other approaches. The Application proposes that the Incremental Cloud Computing Implementation Costs Deferral Account be terminated for OPG as of the effective date of the payment amounts order in this proceeding, with any cloud computing implementation costs reflected on a forecast basis as part of the revenue requirements requested in this Application.

[64] Ex. H1-1-1, Table 1, line 45, col. (c).

5.30 Pickering B Refurbishment Project Variance Account

The Pickering B Refurbishment Project Variance Account is established in accordance with section 5.8(1) of O. Reg. 53/05, effective January 1, 2026. The account will record the difference between: (a) the amount calculated by multiplying the actual cumulative capital costs incurred by OPG in respect of the PRP by OPG's long-term debt rate as approved by the OEB; and (b) the amount calculated by multiplying the forecast of cumulative capital costs incurred by OPG in respect of the PRP by OPG's long-term debt rate, as included in setting nuclear payment amounts. Exhibit I1-1-3, Section 5.0 presents such forecast interest amounts that the Application seeks to recover during the IR term in respect of the PRP, including the underpinning calculation methodology, and explains how the actual interest amounts will be determined. There are no such interest amounts in respect of the PRP reflected in the EB-2020-0290 nuclear payment amount in effect during 2026; as such, the full actual interest amount for 2026 will be recorded in the account pursuant to O. Reg. 53/05.

Section 6(2)12.1(ii) of O. Reg 53/05 stipulates that the OEB shall ensure that OPG recovers the balance recorded in the account in the year following which such balance was recorded in the account, to the extent the OEB is satisfied that the balance has been accurately recorded. The Application's proposal for the implementation of this annual requirement can be found at Ex. I1-1-3, Section 6.0.

Section 5.8(3) of O. Reg. 53/05 stipulates that the variance account shall record interest on the balance of the account at OPG's long-term debt rate as approved by the OEB, compounded annually.

5.31 Darlington New Nuclear Project Variance Account

The Darlington New Nuclear Project Variance Account is established in accordance with section 5.4.1(1) of O. Reg. 53/05, effective January 1, 2026.

If necessary, the account will record the difference between: (a) the amount calculated by multiplying the actual cumulative capital costs incurred by OPG in respect of the DNNP by OPG's long-term debt rate as approved by the OEB; and (b) the amount calculated by multiplying the forecast of cumulative capital costs incurred by OPG in respect of the DNNP by OPG's long-term debt rate, as included in setting nuclear payment amounts.

As set out in section 5.4.1(2)(a), the account shall not include amounts respecting capital costs incurred on or after the OEB issues an order specifying satisfaction with certain conditions set out in section 8 of the regulation. The Application expects that these requirements will be met at the end of 2025 and, thus, is not expecting that entries will be made to this account. The Application expects related entries to be made to the Darlington New Nuclear Project Variance Account re Capital Cost Amounts (established in accordance with section 12(1) of O. Reg. 53/05 and described in Section 6.3 below).

Exhibit I1-1-3, Section 4.0 presents forecast interest amounts that the Application seeks to recover during the IR term in respect of the DNNP, including the underpinning calculation methodology, and explains how the actual interest amounts will be determined. There are no such interest amounts in respect of the DNNP reflected in the EB-2020-0290 nuclear payment amount in effect during 2026; as such, the full actual interest amount for 2026 could be eligible to be recorded in the account pursuant to O. Reg. 53/05, if necessary.

Section 6(2)11.1(ii) of O. Reg 53/05 stipulates that the OEB shall ensure that OPG recovers the balance recorded in the account in the year following which such balance was recorded in the account, to the extent the OEB is satisfied that the balance has been accurately recorded. The Application's proposal for the implementation of this annual requirement can be found at Ex. I1-1-3, Section 6.0.

Section 5.4.1(3) of O. Reg. 53/05 stipulates that the variance account shall record interest on the balance of the account at OPG's long-term debt rate as approved by the OEB, compounded annually.

6.0 DNNP LP'S ACCOUNT DESCRIPTIONS

This section provides a description and sets out the purpose of DNNP LP's existing deferral and variance accounts and describes how additions to the accounts will be determined.

6.1 Darlington New Nuclear Project Variance Account re Development

The Darlington New Nuclear Project Variance Account re Development is established in accordance with section 11(1) of O. Reg. 53/05. Effective January 1, 2026[65], this account will record the differences between the revenue requirement impacts arising from the actual non-capital and capital costs incurred and firm financial commitments made for the DNNP and such forecast amounts reflected in the payment amounts approved by the OEB. This includes but is not limited to the costs of planning, preparation and technology identification for the DNNP facilities, as well as design, development, construction, and commissioning of the DNNP facilities.[66]

The Application proposes that the above variance recorded in the account be calculated as between the revenue requirement impact of actual eligible non-capital and capital costs and firm financial commitments and such forecast amounts reflected in DNNP LP's corresponding annual revenue requirement approved by the OEB. Prior to the effective date of the payment amounts order in this proceeding, such forecast amounts are zero. Refer to Attachment 9 for the capital-related DNNP revenue requirement underpinning the IR term forecasts that would form the basis of the corresponding capital reference amounts for the DNNPVARD. As discussed in Ex. F2-2-1, the Application proposes to include the following DNNP Operational Readiness OM&A costs in the revenue requirements during the IR term, which would form the basis of the corresponding non-capital reference amounts for the DNNPVARD during the IR term: $45.9M in 2027, $46.3M in 2028, $40.0M in 2029, $40.2M in 2030, and $0.0M in 2031.[67]

The revenue requirement impact of actual capital costs for the DNNP will include the impact of any CEITCs associated with the project, as discussed further in Ex. A1-3-2, Section 2.3.5 and Ex. F4-2-1, Section 3.5.

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[65] Subject to conditions set out in in O. Reg. 53/05 section 8, which the Application expects to satisfy at the end of 2025.
[66] O. Reg. 53/05 also specifies that the balance recorded in the account is to be recovered on a straight-line basis over a period not to exceed three years (subsection 14(2)(3)), to the extent the OEB is satisfied that the costs were prudently incurred and the firm financial commitment were prudently made.
[67] Ex. F2-1-1, Table 1b, line 3.

In accordance with section 11(1) of O. Reg. 53/05, the account will also record any net revenues earned (section 11(1)b(ii)) or foregone (section 11(1)a(ii)) by DNNP LP due to deviations from the OEB-approved production forecast for the DNNP facilities due to a difference between the actual in-service date and the OEB-approved forecast in-service date of any DNNP unit. For the IR term, the forecasted DNNP Unit 1 in-service date is October 17, 2030, as discussed in Ex. D2-4-6. For this component, the account is expected to produce a credit entry should the actual in-service date be earlier than the OEB-approved forecast date and a debit entry should the actual in-service date be later than the OEB-approved forecast date.

The Application proposes that the production deviations due to a difference between the actual in-service date and the OEB-approved forecast in-service date of a DNNP unit be calculated by entering the actual in-service date into the same model used to calculate the production forecast for the DNNP facilities that underpins the payment amounts approved for DNNP LP by the OEB, holding all other variables constant (including outage plans relative to the in-service date). Deviations from the forecast would be determined as the difference between the calculated production resulting from entering the actual in-service date into such forecast model and the energy production forecast approved by the OEB. The revenue impact of the production deviation recorded in the account would be determined by multiplying the deviation from the OEB-approved forecast by the approved nuclear payment amount then in effect.

The Application further proposes that the account record, as part of net revenue, the impact of a different in-service date on the forecast nuclear fuel expense (in the form of the nuclear fuel service fees) and outage OM&A expenses. To calculate the nuclear fuel expense deviation, it is proposed that the production deviation, as determined above, be multiplied by the corresponding nuclear fuel consumption cost rate ($/MWh), as reflected in the OEB-approved revenue requirement based on the OEB-approved production forecast for the DNNP facilities. The outage OM&A expense deviation is proposed to be calculated by comparing the expenses that would have been forecast for this proceeding based on the outage timing consistent with the calculated production forecast, holding all other variables constant, and the outage OM&A expense forecast approved by the OEB.

6.2 DNNP Generator Capital Structure Variance Account

The DNNP Generator Capital Structure Variance Account ("DGCSVA") is established in accordance with section 13(1) of O. Reg. 53/05. The account records, effective January 1, 2026[68] and until the effective date of the OEB's first payment amounts order in respect of DNNP LP following the DNNP construction period, differences between: (i) the revenue requirement impacts arising from a capital structure and cost of debt reflecting the amount and cost of borrowing incurred by DNNP LP; and (ii) the amount of the revenue requirement impacts arising from the capital structure and the cost of debt reflected in the payment amounts approved by the OEB.[69] The Application's proposals with respect to DNNP LP's capital structure for the IR term are discussed in Ex. C1-1-1.

The manner in which the account entries are calculated needs to consider the interaction with the DNNPVARD, which will record the revenue requirement impact of differences between actual and forecast capital costs for the DNNP (i.e., measured as the difference between the actual and forecast rate base values) using the forecast cost of capital parameters approved by the OEB. Accordingly, for the DGCSVA, the Application proposes that the revenue requirement impacts arising from item (i) above be calculated by applying a debt component (and interest cost) equal to the actual amount of DNNP LP's debt outstanding (and interest cost) at the time to the actual rate base value (i.e., the same actual rate base value used in the DNNPVARD variance calculation), with the remaining portion of such actual rate base value representing the equity component. Item (ii) above would be calculated by applying the forecast cost of capital parameters (including percentage capital structure) approved by the OEB to the actual rate base value.

[68] Subject to conditions set out in in O. Reg. 53/05 section 8, which the Application expects to satisfy at the end of 2025.
[69] O. Reg. 53/05 also specifies that the balance recorded in the account is to be recovered on a straight-line basis over a period not to exceed three years (subsection 14(2)5), to the extent the OEB is satisfied that the costs associated with the borrowing were prudently incurred.

6.3 Darlington New Nuclear Project Variance Account re Capital Cost Amounts

The Darlington New Nuclear Project Variance Account re Capital Cost Amounts is established in accordance with section 12(1) of O. Reg. 53/05, effective January 1, 2026.[70] The account records the difference between: (a) the amount calculated by multiplying the actual cumulative capital costs incurred by DNNP LP in respect of the DNNP by OPG's long-term debt rate as approved by the OEB; and (b) the amount calculated by multiplying the forecast of cumulative capital costs incurred by DNNP LP in respect of the DNNP by OPG's long-term debt rate, as included in setting nuclear payment amounts. Exhibit I1-1-3, Section 4.0 presents such forecast interest amounts that the Application seeks to recover during the IR term in respect of the DNNP, including the underpinning calculation methodology, and explains how the actual interest amounts will be determined. There are no such interest amounts in respect of the DNNP reflected in the EB-2020-0290 nuclear payment amount in effect during 2026; as such, the full actual interest amount for 2026 will be recorded in the account pursuant to O. Reg. 53/05.

Section 14(2)4(ii) of O. Reg. 53/05 stipulates that the OEB shall ensure that DNNP LP recovers the balance recorded in the account in the year following which such balance was recorded in the account, to the extent the OEB is satisfied that the balance has been accurately recorded. The Application's proposal for the implementation of this annual requirement can be found at Ex. I1-1-3, Section 6.0.

Section 12(3) of O. Reg. 53/05 stipulates that the variance account shall record interest on the balance of the account at a long-term debt rate reflecting OPG's long-term term debt rate, as approved by the OEB, compounded annually.

7.0 PROPOSED NEW ACCOUNTS FOR OPG

This section sets out the details of new deferral and variance accounts proposed for OPG as of the effective date of the payment amounts order in this proceeding.

[70] Subject to conditions set out in in O. Reg. 53/05 section 8, which the Application expects to satisfy at the end of 2025.

7.1 Change of Laws Deferral Account (OPG)

OPG operates in a dynamic legal and regulatory landscape governed by a wide range of provincial and federal statutes that prescribe detailed compliance requirements, including with respect to environment, labour and safety.[71] Operating in this complex legislative framework creates considerable uncertainty in terms of forecasting the company's costs and revenues over the five-year term of this Application. As demonstrated by the historical and forecast case studies presented below, changes in laws are outside of the company's control can significantly alter compliance requirements and can have a material impact on OPG's forecasted costs and revenues. To address these risks, OPG proposes a Change of Laws Deferral Account which would record material impacts to regulated hydroelectric and nuclear costs and revenues over the IR term resulting from changes in legal and regulatory requirements, as discussed below.

7.1.1 <u>Historical Case Study re Change in Laws</u>

During the recent historical period, a material change in laws presented itself in the context of *Protecting a Sustainable Public Sector for Future Generations Act, 2019* ("Bill 124"), which restricted both union and non-union provincial public sector wage and total compensation increases to 1% annually for a three-year moderation period. OPG relied on Bill 124 to forecast the compensation costs which were included in its 2022-2026 nuclear payments application (EB-2020-0290). In November 2022, after OPG's application and payments were approved by the OEB, the Ontario Superior Court overturned Bill 124, rendering the company's nuclear payment amounts deficient by approximately $188 million over the five-year rate term.[72]

In response to this material change in law, in EB-2023-0098, OPG filed an accounting order application requesting OEB approval to establish a variance account to record the nuclear revenue requirement impacts resulting from Bill 124 being overturned. The OEB denied the request, concluding that Bill 124 was a foreseeable and material risk to the OPG's forecast employee compensation costs in the 2022-2026 payment amounts application.[73] This decision was upheld by the OEB on a motion to review and vary the prior decision (EB-2023-0209), in

[71] The legislative and regulatory framework and other government requirements that govern OPG and apply to OPG's prescribed facilities are discussed in Ex. A1-6-1.
[72] Decision and Order, EB-2023-0098, June 27, 2023, pp. 7-8.
[73] Decision and Order, EB-2023-0098, June 27, 2023.

which the OEB found that it was not appropriate for OPG to recover the costs of a known risk during the multi-year rate framework, if OPG did not provide "evidence on the record about this known material risk to its compensation forecast so as to give parties an opportunity to factor that evidence into settlement discussions."[74]

7.1.2 Forecast Case Study re Change in Laws

Consistent with the OEB's findings in EB-2023-0209, OPG notes that its 2025-2031 Business Plan and the proposed forecasts in this Application do not include any changes in laws that may occur over the IR term unless captured by an existing account. As such, OPG proposes to establish a deferral account to capture material cost and revenue impacts to OPG's regulated hydroelectric and nuclear facilities arising from provincial and/or federal legislative or regulatory changes (collectively "change in law(s)"), to the extent these impacts are not already recorded in other deferral and variance accounts.

The paragraphs that follow provide an example of prospective changes in environmental laws with respect to the provincial *Endangered Species Act, 2007* ("ESA") and the federal *Species at Risk Act* ("SARA"). OPG is providing this example as a case study to illustrate the material impacts of a prospective change in law that was not included in its application forecasts. It is a foreseeable risk that these and other changes in laws may impact OPG's compliance requirements over the IR term. To the extent this happens, OPG proposes that material cost and revenue impacts arising from any changes in laws would be captured in the proposed account.

Potential Changes to Provincial and Federal Legislation

Ontario legislation concerning the American eel is evolving. The *Endangered Species Act, 2007*, where American eels were previously classified as "Endangered" under Ontario Regulation 242/08, was proposed for repeal by Bill 5 on April 17, 2025 and is expected to be eventually replaced by the *Species Conservation Act, 2025* ("SCA"). Specific requirements or changes that will be established under the new SCA are unknown. Under the former ESA, OPG maintains a formal agreement with the Ministry of the Environment, Conservation and

[74] Decision and Order, EB-2023-0209, October 24, 2023, p. 9.

Parks ("MECP") scheduled to expire in 2029, which includes an obligation to conduct research initiatives aimed at improving downstream passage for migrating eels. OPG expects to continue to operate under the existing ESA agreement until the SCA is enacted and requirements are known.[75]

In April 2024, the Fisheries and Oceans Canada ("DFO") made a recommendation to the Minister of Environment and Climate Change of Canada ("ECCC") whether to uplist American eels from "Special Concern" to "threatened" species. On December 2, 2025, the Government of Canada announced that the American Eel was not to be listed, and that the best way to conserve the species was to manage the species and its habitat under the *Fisheries Act* through "adaptive management approaches". Given the current uncertainty of the DFO's potential adaptive management requirements, OPG has not made any adjustments to its production or cost forecasts for the regulated hydroelectric facilities. Potential outcomes of DFO compliance activities could include additional capital expenditures not contemplated in the business plan, or production impacts at stations during migratory periods.

Prospective Use of the Change in Laws Deferral Account related to the American eels

As discussed above, the specific actions that OPG may be required to undertake in the IR term as a result of such regulations remain uncertain, as provincial and federal legislation continues to evolve. The potential impacts that could arise include capital and non-capital costs as well as foregone hydroelectric production.

OPG's 2025-2031 Business Plan and the forecasts in this Application do not include the costs or revenue impacts arising from potential compliance activities related to changes in provincial and/or federal regulations concerning the American eel. Thus, if OPG's regulated hydroelectric facilities are faced with compliance activities related to such changes over the 2027-2031 IR

[75] Ongoing research efforts under the existing ESA agreement are focused on the use of a "light array" to guide eels to designated locations, enabling their collection and translocation downstream of hydroelectric facilities on the St. Lawrence River. Following a pilot project to assess the success of a small-scale light array that is scheduled for 2027/2028, the MECP may require the full-scale design and deployment of the light array and eel collection system, provided it remains a priority within the incoming SCA. Cost impacts associated with such a full system are not included in OPG's forecasts for the regulated hydroelectric facilities.

term, OPG would use the proposed Change of Laws Deferral Account (OPG) to record the revenue requirement impact of costs associated with these compliance activities, as well as the impact of foregone production revenue, net of changes in GRC costs, at OPG's regulated hydroelectric facilities.

For clarity, OPG provided the American eel example noted above to illustrate the need for and impact of a prospective change in law over the 2027-2031 IR term. OPG requests, however, that the proposed account would be applicable to all changes in laws that may have a material impact on the company's regulated hydroelectric and nuclear costs or revenues over the upcoming term.

7.2 Global Hydroelectric Capital Variance Account

The Application proposes to establish the Global Hydroelectric Capital Variance Account to record the difference in revenue requirement attributed to actual total ("global") hydroelectric capital in-service amounts and the forecast CRRR amounts underpinning the capital factor calculation presented in Ex. I1-2-1, Table 2, as assessed after the 2028-2031 period. The proposed account would be asymmetric in that an amount could be credited to ratepayers in the event the CRRR determined based on actual capital in-service additions over the period is less than the CRRR underpinning the capital factor calculation. In the event the CRRR based on actual capital in-service additions is greater than the CRRR underpinning the C-factor, there would be no recovery from ratepayers through this account. Further details on the proposed operation of the account are discussed in Ex. A1-3-2, Section 2.3.5.

7.3 Clean Electricity ITC Variance Account (OPG)

The federal government has proposed a 15% refundable CEITC with respect to investments in certain clean electricity property and certain refurbishment projects, which is proposed to be available to certain entities including OPG. At the time of filing the Application, no legislation implementing this credit is in place and the CEITCs are not reflected in OPG's 2025-2031 Business Plan or the proposed revenue requirements in this Application. In accordance with US GAAP, OPG will account for such credits, once received, as a reduction in the capital costs of the underlying eligible projects. The revenue requirement savings from the CEITCs will therefore be realized through a reduction in the capital related revenue requirement once these assets are in service.

The Application proposes to establish the Clean Electricity ITC Variance Account (OPG) to record the revenue requirement differences as between the actual CEITCs received for eligible projects and those attributed to corresponding forecast CEITCs reflected in the OEB-approved payment amounts, if any, for OPG's regulated hydroelectric and nuclear facilities. This account would record such differences only to the extent they are not captured by an existing account, such as the NDVA or the CRVA.

For OPG's nuclear facilities, the variances will be recorded relative to the corresponding forecast amounts included in OPG's annual nuclear revenue requirements approved by the OEB. For the regulated hydroelectric facilities, the Application proposes that any variances be determined with reference to the corresponding 2027-2031 annual forecast amounts. This approach reflects the proposed hydroelectric rate-setting framework for the 2027-2031 term, whereby the forecast CRRR underpins the proposed C-factor. The hydroelectric rate-setting proposal is discussed in Ex. A1-3-2, Section 2.0, with the potential resulting interaction between the Clean Electricity ITC Variance Account (OPG) and the Global Hydroelectric Capital Variance Account addressed in Ex. A1-3-2, Section 2.3.5.[76]

Further details on the CEITCs, including the details of their capital related revenue requirement impact, are discussed in Ex. F4-2-1, Section 3.5.

7.4 Payment Amount Shaping Deferral Account

The Application proposes to establish the Payment Amount Shaping Deferral Account to record, during the IR term, the difference between: (i) OPG's total annual nuclear revenue requirement approved by the OEB; and (ii) the portion of that revenue requirement in (i) that is used in connection with setting the nuclear payment amounts in each year ("the deferral amount"). An annual deferral amount as determined by the OEB would be recorded in the

[76] Any additions to the Clean Electricity ITC Variance Account (OPG) will be calculated without duplication with other accounts that may be impacted.

account from January 1, 2027 until December 31, 2031. As described in Ex. I1-3-2, this account is proposed in conjunction with OPG's payment amount shaping proposal to help manage the 2027 ratepayer impact while balancing OPG's financing needs over the period.

OPG is proposing offsetting debit and credit entries to the Payment Amount Shaping Deferral Account during the 2027-2031 period such that a nil balance remains in the account at December 31, 2031, before interest.

As discussed at Ex. I1-3-2, OPG proposes to set the annual deferral amounts as follows for the IR term, to be recorded on a monthly straight-line basis: $500.0M in 2027, -$500.0M in 2028, $0.0M in 2029, $0.0M in 2030, and $0.0 in 2031.

Consistent with the treatment of the Rate Smoothing Deferral Account, OPG proposes to record interest on the balance of the account at a long-term debt rate reflecting OPG's cost of long-term borrowing, as approved by the OEB, compounded annually.

7.5 DNNP Nuclear Liability Deferral Account

OPG will be responsible for the nuclear waste management and decommissioning obligations arising from the DNNP facilities. Pursuant to section 6(2)10.1 of O. Reg. 53/05, the Application proposes to establish the DNNP Nuclear Liability Deferral Account to record the difference between: (i) the costs of OPG's nuclear waste management and decommissioning liabilities ("nuclear liabilities costs") with respect to the DNNP facilities, as reflected in OPG's audited annual financial statements approved by OPG's Board of Directors; and (ii) the nuclear liabilities costs with respect to the DNNP facilities reflected in OPG's nuclear revenue requirement approved by the OEB.

Effective January 1, 2026, amendments to O. Reg. 53/05 provide for the recovery of nuclear liability costs. In section 0.1 of O. Reg. 53/05 defines "nuclear decommissioning liability" as follows:

> "nuclear decommissioning liability" means the liability of Ontario Power Generation Inc. for,
>
> (a) decommissioning the nuclear facilities, the Bruce Nuclear Generating Stations and, on and after the DNNP transition date, the DNNP Nuclear Generating Station, and
>
> (b) the management of Ontario Power Generation Inc.'s nuclear waste and used fuel.

Section 6(2)10.1 of O. Reg. 53/05 states:

> The Board shall ensure that Ontario Power Generation Inc. recovers all the costs it incurs in relation to its nuclear decommissioning liability with respect to the Bruce Nuclear Generating Stations and the DNNP Nuclear Generating Station as reflected in the audited financial statements approved by the board of directors of Ontario Power Generation Inc., to the extent that those costs are not otherwise recovered under this subsection.

The above provisions have the effect of requiring OPG to recover its nuclear liabilities costs with respect to the DNNP facilities as they are reflected in OPG's audited financial statements. This will result in OPG recovering these costs using the same methodology that the OEB has approved for the Bruce facilities, and this would be the methodology for recording entries in this account. This methodology is described in Ex. C2-1-1, Section 4.2.[77]

As discussed in Ex. C2-1-1, Section 8.0, the comprehensive cost estimates for these future nuclear liabilities have not yet been recorded in OPG's financial statements and the Application does not reflect any corresponding amounts in the proposed IR term nuclear revenue requirements. At such time as the costs of the nuclear liabilities with respect to the DNNP

[77] Amendments made to section 6(2)10.1 of O. Reg. 53/05 requiring the OEB to ensure that OPG recovers all costs it incurs in relation to its nuclear liabilities with respect to the Bruce facilities as reflected in the audited financial statements approved by OPG's Board of Directors, to the extent that those costs are not otherwise recovered under section 6(2) of the regulation, have the effect of confirming the current recovery methodology for OPG's nuclear liabilities' costs for the Bruce facilities.

facilities are recognized in OPG's financial statements during the IR term, they would be recorded in the account as reflected in those financial statements.

The Application proposes that no interest be recorded on the balance of this account, consistent with the treatment of similar accounts for OPG.

8.0 PROPOSED NEW ACCOUNTS FOR DNNP LP

This section sets out the details of new deferral and variance accounts proposed for DNNP LP as of the effective date of the payment amounts order in this proceeding. Given the similarity of operations between DNNP LP and OPG as nuclear generators, the common cost structure between the two entities by virtue of OPG's role as project manager and operator of the DNNP facilities and the blended nuclear payment amount, the requested accounts mirror the applicable existing and proposed new accounts for OPG.

8.1 Pension and OPEB Cost Variance Account (DNNP)

The Application proposes to establish the Pension and OPEB Cost Variance Account (DNNP) to record the differences between: (i) the pension and OPEB costs reflected in the DNNP LP's revenue requirement approved by the OEB; and (ii) DNNP LP's actual pension and OPEB costs for the DNNP facilities.[78]

As discussed in Ex. F4-3-2, DNNP LP's pension and OPEB costs represent the portion of OPG's pension and OPEB accrual costs attributed to the DNNP facilities and to be charged to DNNP LP under the respective agreements with OPG. Following the transfer of the DNNP assets to DNNP LP, these costs would not be eligible for the Pension and OPEB Cost Variance Account (OPG) and are proposed to be captured in this new deferral account. Actual pension and OPEB costs used in the calculation of the account entries would be calculated on an

[78] Unlike OPG's prescribed facilities, the DNNP facilities will not experience a difference between pension and OPEB accrual costs and pension and OPEB cash amounts, due to the fact that once charged to DNNP LP, any pension and OPEB costs become cash expenditures to DNNP LP (i.e., payable to OPG). Accordingly, there is no such timing difference expected in the regulatory tax calculations for DNNP LP (Ex. F4-2-1) and no regulatory tax impact to be recorded in the proposed Pension and OPEB Cost Variance Account (DNNP). Also for this reason, there will be no amounts to record in the Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account for DNNP LP.

accrual basis using the same accounting standards as those used to derive the reference amount. The same methodology for recording entries in the account would be used as for the Pension and OPEB Cost Variance Account (OPG).

The Application proposes that no interest be recorded on the balance of this account, consistent with the treatment of the Pension and OPEB Cost Variance Account (OPG).

8.2 Nuclear Deferral and Variance Over/Under Recovery Variance Account (DNNP)

The Application proposes to establish the Nuclear Deferral and Variance Over/Under Recovery Variance Account (DNNP) to record the difference between the amounts approved for recovery or repayment in nuclear deferral and variance accounts and the actual amounts recovered or repaid based on the actual nuclear production and approved riders. Pursuant to the OEB's orders, the account would also capture the transfer of balances remaining in other DNNP LP accounts as they expire from time to time. The same methodology for recording entries in the account would be used as for the Nuclear Deferral and Variance Over/Under Recovery Variance Account (OPG).

8.3 SR&ED ITC Variance Account (DNNP)

The Application proposes to establish the SR&ED ITC Variance Account (DNNP) to record the difference between actual SR&ED ITCs attributed to the DNNP facilities as determined after any tax audits and the forecast SR&ED ITCs reflected in the DNNP LP's revenue requirement approved by the OEB, including the tax on the difference. The same methodology for recording entries in the account would be used as for the SR&ED ITC Variance Account (OPG). The reasons for maintaining such accounts for OPG's regulated facilities and the DNNP facilities are discussed in Ex. F4-2-1, Section 3.5.

8.4 Income and Other Taxes Variance Account (DNNP)

The Application proposes to establish the Income and Other Taxes Variance Account (DNNP) to record the financial impact on the DNNP LP's revenue requirement of the following:

- Any differences in payments in lieu of corporate income or capital taxes that result from a legislative or regulatory change to the tax rates or rules of the *Income Tax Act* (Canada) and the *Taxation Act*, 2007 (Ontario) (formerly the *Corporations Tax Act* (Ontario)), as modified by the regulations under the *Electricity Act, 1998*, and any differences in payments in lieu of property tax to the Ontario Electricity Financial Corporation that result from changes to the regulations under the *Electricity Act, 1998*;

- Any differences in municipal property taxes that result from a legislative or regulatory change to the tax rates or rules for DNNP LP or the DNNP facilities under the *Assessment Act, 1990*;
- Any differences in payments in lieu of corporate income or capital taxes that result from a change in, or a disclosure of, a new assessing or administrative policy that is published in the public tax administration or interpretation bulletins by relevant federal or provincial tax authorities, or court decisions on other taxpayers; and
- Any differences in payments in lieu of income or capital taxes that result from assessments or re-assessments (including re-assessments associated with the application of the tax rates and rules to DNNP LP or the DNNP facilities or changes in assessing or administrative policy including those arising from court decisions on other taxpayers).

The same methodology for recording entries in the account would be used as for the Income and Other Taxes Variance Account (OPG). Entries in the account would be recorded relative to the income tax provision and the underlying inputs reflected in the approved revenue requirement for DNNP LP for the corresponding year. The account would not record the impact of any of the above in relation to SR&ED ITCs and the income taxes payable thereon. The forecast annual income tax provision for the DNNP facilities for the IR term is detailed in Ex. F4-2-1, Table 3g.[79]

The account is not proposed to include the revenue requirement impact of the CEITCs that may be available to DNNP LP. Instead, the Application proposes to record any such revenue requirement impacts in applicable accounts as follows: the DNNPVARD for the DNNP and the proposed new Clean Electricity ITC Variance Account (DNNP) for the remaining eligible

[79] Any additions to the Income and Other Taxes Variance Account (DNNP) will be calculated without duplication with other accounts that may be impacted such as the DNNPVARD.

expenditures (Section 8.6). Clean Electricity Investment Tax Credits are discussed in Ex. F4-2-1, Section 3.5.

8.5 Impact for IFRS Deferral Account (DNNP)

The Application proposes to establish the Impact for IFRS Deferral Account (DNNP) to record financial impacts of transition to and implementation of International Financial Reporting Standard ("IFRS") from US GAAP in the event that DNNP LP adopts IFRS for financial reporting purposes.

As discussed in Section 5.27, OPG is proposing to continue the Impact for IFRS Deferral Account (OPG) as it moves forward with its efforts toward SEC registration, which would allow OPG to retain an ongoing ability to meet continuous disclosure requirements in Canada by continuing to file its financial statements using US GAAP. Should OPG's account be continued, the proposed equivalent account for DNNP LP would facilitate ongoing alignment of the regulatory accounting framework between the two entities.

The Application proposes that no interest be recorded on the balance of this account, consistent with the treatment of the Impact for IFRS Deferral Account (OPG).

8.6 Clean Electricity ITC Variance Account (DNNP)

The federal government has proposed a 15% refundable CEITC with respect to investments in certain clean electricity property and certain refurbishment projects, which is proposed to be available to certain entities including OPG. At the time of filing the Application, no legislation implementing this credit is in place and the CEITCs are not reflected in OPG's 2025-2031 Business Plan or this Application. In accordance with US GAAP, such credits will be accounted as a reduction in the capital costs of the underlying eligible projects. The revenue requirement savings from the CEITCs will therefore be realized through a reduction in the capital related revenue requirement once the assets are in service.

The Application proposes to establish the Clean Electricity ITC Variance Account (DNNP) to record the revenue requirement differences as between the actual CEITCs received for eligible projects and those attributed to corresponding forecast CEITCs reflected in the OEB-approved payment amounts, if any, for the DNNP facilities. This account would record such differences only to the extent they are not captured by an existing account, such as the DNNPVARD. The variances will be recorded relative to the corresponding forecast amounts included in the DNNP LP's annual nuclear revenue requirements approved by the OEB.

Further details on the CEITCs, including their details of the capital related revenue requirement impact, are discussed in Ex. F4-2-1, Section 3.5.

8.7 Impact of Change in Tax Status Variance Account (DNNP)

As discussed in Ex. F4-2-1, regulatory income taxes that form part of the proposed revenue requirement for DNNP LP are determined by applying the statutory tax rates to the portion of the regulatory taxable income or loss attributable to the taxable partners of the partnership. Accordingly, any regulatory taxable income or loss attributable to the tax-exempt partners of DNNP LP result in no associated regulatory income taxes to be recovered in the revenue requirement.

As a result of the above, any changes to the tax status (i.e., taxable or tax-exempt) of current and future partners of DNNP LP can impact the partnership's revenue requirement. The Application proposes to establish the Impact of Change in Tax Status Variance Account to record the impact on the forecast regulatory income taxes reflected in revenue requirement approved by the OEB from any changes to the tax status of DNNP LP's partners.[80] For further discussion on the determination of regulatory income taxes for DNNP LP, refer to Ex. F4-2-1, Section 3.1.

8.8 Change of Laws Deferral Account (DNNP)

Changes in laws are outside of DNNP LP's control and can significantly alter compliance requirements and can have a material impact on DNNP LP's forecasted costs and revenues.

[80] Any additions to the Impact of Change in Tax Status Variance Account (DNNP) will be calculated without duplication with other accounts that may be impacted such as the Income & Other Taxes Variance Account (DNNP) and the Clean Electricity ITC Variance Account (DNNP)..

To address these risks, and for the same reasons that an equivalent account is proposed for OPG in Section 7.1, the Application proposes to establish the Change of Laws Deferral Account (DNNP) which would record material impacts to costs and revenues of DNNP LP over the IR term resulting from changes in legal and regulatory requirements.

9.0 INTEREST

OPG proposes to record interest on all existing and new deferral and variance accounts, unless specified otherwise in the account descriptions above. For these accounts, OPG proposes to apply interest to the monthly opening balances of these accounts at the interest rate set by the OEB from time to time pursuant to its interest policy for deferral and variance accounts, unless specified otherwise in the account descriptions above.

The above approach was used to apply interest to deferral and variance account balances in determining the December 31, 2024 audited balances in the accounts pursuant to the OEB's decisions and orders, as applicable.

LIST OF ATTACHMENTS

Attachment 1:	Independent Auditors’ Report prepared by Ernst & Young LLP Chartered Professional Accountants
Attachment 2:	Schedule of Regulatory Balances as at December 31, 2024
Attachment 3:	Supporting Info for SBGVA Clearance re: EB-2023-0336, Ex. L-H-SEC-04, Attachment 1 (filed in Excel format)
Attachment 4:	Supporting Info for SBGVA Clearance re: EB-2023-0336, Ex. L-H-SEC-05, Attachment 1 (filed in Excel format)
Attachment 5:	Hydroelectric CRVA Revenue Requirement (Capital Component)
Attachment 6:	PRP Revenue Requirement (Capital Component)
Attachment 7:	DRP Revenue Requirement (Capital Component)
Attachment 8:	Nuclear CRVA (Excluding DRP and PRP) Revenue Requirement (Capital Component)
Attachment 9:	DNNP Revenue Requirement

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INDEPENDENT AUDITOR'S REPORT

To the management of
Ontario Power Generation Inc.

Opinion

We have audited the schedule of regulatory balances of Ontario Power Generation Inc. as at December 31, 2024 (the "Schedule").

In our opinion, the accompanying schedule, which presents the balances of the deferral and variance accounts authorized for Ontario Power Generation Inc. by the decisions and orders of the Ontario Energy Board, is prepared, in all material respects in accordance with the basis of accounting as described in Note 1 to the Schedule.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Schedule* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on use

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared to assist the Company in filing with the Ontario Energy Board as part of the regulatory process. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for the information and use of the Company and for filing with the Ontario Energy Board as part of the regulatory process. Our opinion is not modified in respect of this matter.

Responsibilities of management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the basis of accounting as described in Note 1 of the Schedule; this includes determining that the basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the Schedule that are free from material misstatement, whether due to fraud or error.

In preparing the Schedule, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can

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arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Schedule.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Schedule or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Schedule, including the disclosures, and whether the Schedule represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence to express an opinion on the Schedule. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Toronto, Canada
November 28th, 2025

Chartered Professional Accountants
Licensed Public Accountants

SCHEDULE OF REGULATORY BALANCES
AS AT DECEMBER 31, 2024

The *Ontario Energy Board Act, 1998* and *Ontario Regulation 53/05* provide that Ontario Power Generation Inc. (OPG or the Company) receives regulated prices for electricity generated from most of the Company's hydroelectric generating facilities and all of the nuclear generating facilities that the Company operates. OPG's regulated prices for the generation from these facilities are determined by the Ontario Energy Board (OEB).

The OEB's decisions and orders have authorized OPG to establish certain variance and deferral accounts, including those authorized pursuant to *Ontario Regulation 53/05*. The balances in these accounts are calculated in accordance with the OEB's decisions and orders and *Ontario Regulation 53/05*. In accordance with United States generally accepted accounting principles ("US GAAP"), OPG's consolidated financial statements recognize regulatory assets and regulatory liabilities for balances in the variance and deferral accounts.

Through its August 2021 oral decision approving a settlement between OPG and intervenors on OPG's application for new regulated prices under case number EB-2020-0290 and its November 2021 written decision on the same, the OEB approved balances as at December 31, 2019 in all of the Company's variance and deferral accounts for which clearance was sought, as adjusted by the OEB's decisions, and less amounts previously approved for recovery or repayment in these accounts under case numbers EB-2016-0152 and EB-2018-0243. The OEB's 2021 decision and related settlement agreement also deferred recovery of a portion of the balance in the Hydroelectric Surplus Baseload Generation Variance Account to a future proceeding. Certain account balances were excluded from OPG's application. To effect the recovery and repayment of the balances approved in the EB-2020-0290 proceeding, the OEB established rate riders for OPG's regulated generation for the period from January 1, 2022 to December 31, 2026.

Through its June 2024 decision approving a settlement between OPG and intervenors on OPG's application for disposition of variance and deferral account balances and other matters under case number EB-2023-0336, the OEB approved the balances as at December 31, 2022 in all such accounts brought forward for disposition in that proceeding, as adjusted by the results of the approved settlement, and less amounts previously approved for recovery or repayment under case numbers EB-2020-0290 and EB-2018-0243. This approval included the portion of the balance in the Hydroelectric Surplus Baseload Generation Variance Account deferred as a result of the EB-2020-0290 proceeding. Certain account balances were excluded from OPG's application. To effect the recovery and repayment of the balances approved in the EB-2023-0336 proceeding, the OEB established incremental rate riders for OPG's regulated generation for the period from July 1, 2024 to December 31, 2026.

For the period from January 1, 2023 to December 31, 2024, OPG recognized additions to the variance and deferral accounts and amortized the balances in the accounts as authorized by the OEB in the EB-2020-0290 Payment Amounts Order and the EB-2023-0336 Decision and Order. Where applicable, OPG also recognized additions to variance and deferral account during this period in accordance with the requirements of *Ontario Regulation 53/05*. Where authorized by the OEB, OPG recorded interest on the unamortized balances in the applicable variance and deferral accounts at the OEB-prescribed rate ranging from 4.40 percent per annum to 5.49 percent per annum during the period from January 1, 2023 to December 31, 2024.

As at December 31, 2024, the balances to be recovered from (refunded to) ratepayers in the variance and deferral accounts authorized for OPG were as follows:

(millions of dollars)	**2024**
Regulated Hydroelectric	
Hydroelectric Surplus Baseload Generation Variance Account	**306**
Capacity Refurbishment Variance Account – Hydroelectric	**162**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Hydroelectric – Post-2017 Additions – EB-2020-0290 Approved	**18**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Hydroelectric – Registered Pension Plan (RPP) – EB-2018-0243 Approved	**16**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Hydroelectric – Post-2019 Additions	**(8)**
Pension & OPEB Cash Payment Variance Account – Hydroelectric	**(76)**
Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account – Carrying Charges Sub-Account – Hydroelectric	**(9)**
Hydroelectric Deferral and Variance Over/Under Recovery Variance Account	**17**
Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account	**9**
Income and Other Taxes Variance Account – Hydroelectric	**(17)**
Ancillary Services Net Revenue Variance Account – Hydroelectric	**(22)**
Hydroelectric Water Conditions Variance Account	**(173)**
Gross Revenue Charge Variance Account	**-**
Impact for IFRS Deferral Account – Hydroelectric	**-**
Hydroelectric Incentive Mechanism Variance Account	**-**
Incremental Cloud Computing Implementation Costs Deferral Account – Hydroelectric	**-**
Total – Regulated Hydroelectric	**223**
Nuclear	
Rate Smoothing Deferral Account	**677**
Nuclear Liability Deferral Account	**527**
Capacity Refurbishment Variance Account – Nuclear – Darlington Refurbishment Program (DRP) – Excluding Heavy Water Storage and Drum Handling Facility Project (D2O Storage Project)	**170**
Capacity Refurbishment Variance Account – Nuclear – Non-DRP	**174**
Capacity Refurbishment Variance Account – Nuclear – Accelerated Investment Incentive CCA-DRP – EB-2020-0290/EB-2023-0336 Approved	**(17)**
Capacity Refurbishment Variance Account – Nuclear – D2O Storage Project – EB-2023-0336 Approved	**70**
Pension and OPEB Cost Variance Account – Nuclear – Post 2021 Additions	**(411)**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Nuclear – RPP – EB-2018-0243 Approved	**107**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Nuclear – Post-2017 Additions – EB-2020-0290 Approved	**111**
Pension & OPEB Cash Versus Accrual Differential Deferral Account – Nuclear – Post-2019 Additions – EB-2023-0336 Approved	**132**
Pension & OPEB Cash Payment Variance Account – Nuclear – EB-2020-0290/EB-2023-0336 Approved	**(245)**
Pension and OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance Account – Carrying Charges Sub-Account – Nuclear	**(42)**
Pickering B Variance Account	**131**
Bruce Lease Net Revenues Variance Account	**(60)**
Nuclear Deferral and Variance Over/Under Recovery Variance Account	**(61)**
Income and Other Taxes Variance Account – Nuclear	**(10)**
Nuclear Development Variance Account – Darlington New Nuclear Project (DNNP)	**62**
Nuclear Development Variance Account – Non-DNNP	**23**
Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account – December 31, 2020	**66**
Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account – December 31, 2023	**(2)**
Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account – EB-2020-0290/EB-2023-0336 Approved	**85**

Ancillary Services Net Revenue Variance Account – Nuclear	**(14)**
SR&ED ITC Variance Account	**(25)**
Fitness for Duty Deferral Account	**3**
Pickering Closure Costs Deferral Account	**8**
Clarington Corporate Campus Deferral Account	**8**
Impact for IFRS Deferral Account – Nuclear	**-**
Incremental Cloud Computing Implementation Costs Deferral Account – Nuclear	**-**
Total – Nuclear	**1,467**
Earnings Sharing Deferral Account	**-**
Sale of Unprescribed Kipling Site Deferral Account	**(13)**
Grand Total	**1,677**

This schedule of regulatory balances has been prepared solely for the use of OPG’s management and for filing with the OEB, and is considered by OPG’s management to be a fair and reasonable representation of the balances in the authorized variance and deferral accounts as at December 31, 2024. These balances have been determined in accordance with the basis of accounting described in Note 1 to this schedule.

On behalf of Ontario Power Generation Inc.

Aida Cipolla
Chief Financial Officer and Chief Administrative Officer
November 28, 2025

See accompanying note to the schedule

NOTE TO THE SCHEDULE OF REGULATORY BALANCES AS AT DECEMBER 31, 2024

1. BASIS OF ACCOUNTING

The schedule of regulatory balances presents the balances as at December 31, 2024 in all variance and deferral accounts authorized for OPG, with the exception of the Pension and OPEB Forecast Accrual Versus Actual Cash Differential Variance Account – Primary and Contra sub-accounts which are offsetting by definition. The balances presented represent the regulatory assets and regulatory liabilities for these accounts recorded by OPG in accordance with US GAAP for the purposes of its consolidated financial statements, as modified to include a return on equity amount as part of cost of capital additions recorded in the accounts for recovery from, or refund to, ratepayers and to include the full amount of additions recorded in the Capacity Refurbishment Variance Account – Hydroelectric effective June 1, 2017. The Pension and OPEB Forecast Accrual Versus Actual Cash Differential Variance Account – Primary and Contra sub-accounts have a net zero balance at all times pursuant to the Report of the Ontario Energy Board under case number EB-2015-0040. All dollar amounts are presented in Canadian dollars.

For the purposes of its consolidated financial statements prepared in accordance with US GAAP, as required by FASB Accounting Standards Codification Topic 980, *Regulated Operations*, OPG limits the portion of cost of capital additions recognized as a regulatory asset to the amount calculated using the average rate of capitalized interest applied by OPG to construction and development in progress balances. The amortization expense related to the regulatory assets for variance and deferral accounts that include cost of capital additions are correspondingly limited in OPG's consolidated financial statements to amounts calculated using the average rate of capitalized interest applied to OPG's construction and development in progress balances.

In the EB-2016-0152 Payment Amounts Order issued on March 23, 2018, the OEB stipulated that OPG will be entitled to future recovery of additions recorded in the Capacity Refurbishment Variance Account – Hydroelectric effective June 1, 2017 to the extent that OPG's total capital in-service additions for the regulated hydroelectric facilities over the 2017-2021 period exceed the funding for capital expenditures for these facilities implicit in the hydroelectric payment amounts over that period, as calculated pursuant to the EB-2016-0152 Payment Amounts Order. In the EB-2020-0290 Payment Amounts Order issued on January 27, 2022, the OEB stipulated that OPG will be entitled to future recovery of additions recorded in the Capacity Refurbishment Variance Account – Hydroelectric effective January 1, 2022 to the extent that OPG's total capital in-service additions for the regulated hydroelectric facilities over the 2022-2026 period exceed the funding for capital expenditures for these facilities implicit in the hydroelectric payment amounts over that period, as calculated pursuant to the EB-2020-0290 Payment Amounts Order. In accordance with US GAAP, OPG's consolidated financial statements recognize a regulatory asset for additions recorded in the Capacity Refurbishment Variance Account – Hydroelectric effective June 1, 2017 when OPG assesses there is sufficient assurance that these amounts will be recoverable in the future based on the above condition.

US GAAP recognizes that rate regulation can create economic benefits and obligations that are required to be obtained from, or settled with, the ratepayers. When OPG assesses that there is sufficient assurance that incurred costs in respect of its regulated facilities will be recovered in the future, those costs are deferred and reported as a regulatory asset in the Company's consolidated financial statements. When OPG is required to refund amounts in respect of its regulated facilities to ratepayers in the future, including amounts related to costs that have not been incurred and for which the OEB has provided recovery through regulated prices, the Company records a regulatory liability in its consolidated financial statements. The measurement of regulatory assets and regulatory liabilities is subject to certain estimates and assumptions, including assumptions made in the interpretation of *Ontario Regulation 53/05* and the OEB's decisions. The estimates and assumptions made in the interpretation of the regulation and the OEB's decisions are reviewed as part of the OEB's regulatory process.

OPG's most recent annual consolidated financial statements filed with the Ontario Securities Commission are as at and for the year ended December 31, 2024. OPG's most recent interim consolidated financial statements filed with the Ontario Securities Commission are as at and for the nine months ended September 30, 2025.

Numbers may not add due to rounding.

Privileged and confidential. Prepared in contemplation of litigation.

Attachment 5

Hydro CRVA Projects Revenue Requirement (Capital Component)

Shown below is the derivation of amounts for the Hydro CRVA Projects capital component that are reflected in the proposed revenue requirements for OPG's hydroelectric facilities in this proceeding and proposed to form the corresponding reference amounts for the Capacity Refurbishment Variance Account.

Line No.	Category	Note	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)
	Rate Base						
1	Hydro CRVA Projects Rate Base	1	795.6	1,231.3	2,230.1	2,776.6	3,226.8
2	Weighted Average Cost of Capital	2	6.94%	7.02%	7.06%	7.08%	7.08%
3	**Cost of Capital** (line 1 x line 2)		**55.2**	**86.4**	**157.4**	**196.5**	**228.6**
	Depreciation						
4	Hydro CRVA Projects		13.5	21.1	37.6	48.0	56.4
	Regulatory Taxable Income Impacts						
5	ROE (line 1 x 52% x 9.11%)		37.7	58.3	105.6	131.5	152.9
6	Depreciation (line 4)		13.5	21.1	37.6	48.0	56.4
7	CCA (Ex. F4-2-1, Table 3c, Note 3)		(277.4)	(212.0)	(220.2)	(231.0)	(246.4)
8	SR&ED	3	(13.5)	(13.5)	(13.5)	(13.5)	(13.5)
9	**Net Decrease in Regulatory Taxable Income**		**(239.8)**	**(146.1)**	**(90.5)**	**(65.0)**	**(50.7)**
10	**Income Tax Rate**		25%	25%	25%	25%	25%
11	**Income Tax Impact** (line 9 x line 10/(1 - line 10))		**(79.9)**	**(48.7)**	**(30.2)**	**(21.7)**	**(16.9)**
12	**Total Hydro CRVA Projects Capital Revenue Requirement** (line 3 + line 4 + line 11)		**(11.2)**	**58.7**	**164.9**	**222.8**	**268.1**

Notes: Refer to Attachment 5a.

Numbers may not add due to rounding.
Privileged and confidential. Prepared in contemplation of litigation.

Attachment 5a
Notes to Table 5
Non-DRP/Non-PRP OPG Nuclear CRVA Eligible Projects Revenue Requirement (Capital Component)

Notes:
1 The amounts in line 1 are determined as follows:

Line No.		2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1a	Gross Plant Opening Balance	-	214.1	514.6	1,022.2	1,822.2	2,570.0	3,230.6
2a	In-Service Additions	214.1	300.4	507.6	800.0	747.8	660.5	305.0
3a	Gross Plant Closing Balance (line 1a + line 2a)	214.1	514.6	1,022.2	1,822.2	2,570.0	3,230.6	3,535.5
4a	Gross Plant Rate Base Amount (line 1a + line 3a)/2*	83.9	364.4	810.2	1,263.2	2,291.3	2,880.6	3,383.0
5a	Accumulated Depreciation Opening Balance	-	1.8	7.9	21.4	42.4	80.0	128.0
6a	Depreciation	1.8	6.1	13.5	21.1	37.6	48.0	56.4
7a	Accumulated Depreciation Closing Balance (line 5a + line 6a)	1.8	7.9	21.4	42.4	80.0	128.0	184.4
8a	Accumulated Depreciation Rate Base Amount (line 5a + line 7a)/2	0.9	4.8	14.6	31.9	61.2	104.0	156.2
9a	Net Plant Rate Base Amount (line 4a - line 8a)	83.0	359.5	795.6	1,231.3	2,230.1	2,776.6	3,226.8

* All years contain impacts from in-service additions exceeding $50.0M, hence the month in which the addition is reflected is used to determine the gross plant rate base amount, instead of a mid-year average.

2 Col. (a) is calculated as: Ex. C1-1-1, Table 5, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (b) is calculated as: Ex. C1-1-1, Table 4, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (c) is calculated as: Ex. C1-1-1, Table 3, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (d) is calculated as: Ex. C1-1-1, Table 2, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (e) is calculated as: Ex. C1-1-1, Table 1, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).

3 Forecasted SR&ED qualifying expenditures calculated as follows:

Line No.		
3a	2027-2031 Average Total Regulated Hydro Capital Expenditures (Average of Ex. D1-1-1, Table 1, line 3, col. (a) to (e))	954.81
3b	2027-2031 Average SR&ED Qualifying Expenditures (Average of Ex. F2-4-1, Table 3b, line 14, col. (a) to (e))	25.00
3c	% of Total Capital Expenditures Qualifying as SR&ED (line 3b/line 3a)	2.62%
3d	2027-2031 Average Hydro CRVA Projects Capital Expenditures	516.7
3e	Implied SR&ED Qualifying Expenditures on Hydro CRVA Projects (line 3d x line 3c)	13.5

Numbers may not add due to rounding.
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Attachment 6
Pickering Refurbishment Program Revenue Requirement (Capital Component)

Shown below is the derivation of amounts for the Pickering Refurbishment Program capital component that are reflected in the proposed revenue requirements for OPG's nuclear facilities in this proceeding and proposed to form the corresponding reference amounts for the Capacity Refurbishment Variance Account.

Line No.	Category	Note	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)
	Rate Base						
1	PRP Rate Base (Ex. B3-1-1, Table 2, lines 6 and 18)		166.4	172.8	168.7	164.7	6,139.3
2	Weighted Average Cost of Capital	1	6.94%	7.02%	7.06%	7.08%	7.08%
3	**Cost of Capital** (line 1 x line 2)		**11.5**	**12.1**	**11.9**	**11.7**	**434.9**
	Depreciation						
4	PRP (Ex. F4-1-1, Table 2, line 6)		3.8	4.1	4.1	4.1	156.7
	Regulatory Taxable Income Impacts						
5	ROE (line 1 x 52% x 9.11%)		7.9	8.2	8.0	7.8	290.8
6	Depreciation (line 4)		3.8	4.1	4.1	4.1	156.7
7	CCA (Ex. F4-2-1, Table 3f, Note 3)		(275.9)	(572.1)	(953.7)	(1,169.4)	(1,241.9)
8	**Net Decrease in Regulatory Taxable Income**		**(264.2)**	**(559.8)**	**(941.7)**	**(1,157.5)**	**(794.3)**
9	**Income Tax Rate**		25%	25%	25%	25%	25%
10	**Income Tax Impact** (line 8 x line 9/(1 - line 9))		**(88.1)**	**(186.6)**	**(313.9)**	**(385.8)**	**(264.8)**
11	**Total PRP Capital Revenue Requirement** (line 3 + line 4 + line 10)		**(72.7)**	**(170.4)**	**(297.9)**	**(370.1)**	**326.8**

Notes:
1 Col. (a) is calculated as: Ex. C1-1-1, Table 5, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (b) is calculated as: Ex. C1-1-1, Table 4, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (c) is calculated as: Ex. C1-1-1, Table 3, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (d) is calculated as: Ex. C1-1-1, Table 2, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (e) is calculated as: Ex. C1-1-1, Table 1, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).

Numbers may not add due to rounding.

Privileged and confidential. Prepared in contemplation of litigation.

Attachment 7

Darlington Refurbishment Program Revenue Requirement (Capital Component)

Shown below is the derivation of amounts for the Darlington Refurbishment Program capital component that are reflected in the proposed revenue requirements for OPG's nuclear facilities in this proceeding and proposed to form the corresponding reference amounts for the Capacity Refurbishment Variance Account.

Line No.	Category	Note	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)
	Rate Base						
1	DRP Rate Base, excluding D2O Storage (Ex. B3-1-1, Table 2, lines 2 and 14)		9,906.7	9,508.2	9,109.8	8,711.6	8,313.6
2	Weighted Average Cost of Capital	1	6.94%	7.02%	7.06%	7.08%	7.08%
3	**Cost of Capital** (line 1 x line 2)		**687.2**	**667.3**	**643.1**	**616.5**	**588.9**
	Depreciation						
4	DRP, excluding D2O Storage (Ex. F4-1-1, Table 2, line 2)		398.5	398.5	398.4	398.0	398.0
	Regulatory Taxable Income Impacts						
5	ROE (line 1 x 52% x 9.11%)		469.3	450.4	431.5	412.7	393.8
6	Depreciation (line 4)		398.5	398.5	398.4	398.0	398.0
7	CCA (Ex. F4-2-1, Table 3f, Note 3)		(484.4)	(445.8)	(410.4)	(377.8)	(348.0)
8	**Net Increase in Regulatory Taxable Income**		**383.4**	**403.1**	**419.6**	**432.8**	**443.8**
9	**Income Tax Rate**		25%	25%	25%	25%	25%
10	**Income Tax Impact** (line 8 x line 9/(1 - line 9))		**127.8**	**134.4**	**139.9**	**144.3**	**147.9**
11	**Total DRP Capital Revenue Requirement** (line 3 + line 4 + line 10)		**1,213.5**	**1,200.1**	**1,181.4**	**1,158.7**	**1,134.8**

Notes:

1 Col. (a) is calculated as: Ex. C1-1-1, Table 5, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (b) is calculated as: Ex. C1-1-1, Table 4, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (c) is calculated as: Ex. C1-1-1, Table 3, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (d) is calculated as: Ex. C1-1-1, Table 2, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (e) is calculated as: Ex. C1-1-1, Table 1, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).

Numbers may not add due to rounding.

Privileged and confidential. Prepared in contemplation of litigation.

Attachment 8

Non-DRP/Non-PRP OPG Nuclear CRVA Projects Revenue Requirement (Capital Component)

Shown below is the derivation of amounts for the Non-DRP/Non-PRP OPG Nuclear CRVA Projects capital component that are reflected in the proposed revenue requirements for OPG's nuclear facilities in this proceeding and proposed to form the corresponding reference amounts for the Capacity Refurbishment Variance Account.

Line No.	Category	Note	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)
	Rate Base						
1	Non-DRP/Non-PRP Nuclear CRVA Projects Rate Base	1	205.5	657.4	758.8	1,394.6	2,249.4
2	Weighted Average Cost of Capital	2	6.94%	7.02%	7.06%	7.08%	7.08%
3	**Cost of Capital** (line 1 x line 2)		**14.3**	**46.1**	**53.6**	**98.7**	**159.3**
	Depreciation						
4	Non-DRP/Non-PRP Nuclear CRVA Projects	1	14.5	33.6	39.4	68.9	111.5
	Regulatory Taxable Income Impacts						
5	ROE (line 1 x 52% x 9.11%)		9.7	31.1	35.9	66.1	106.6
6	Depreciation (line 4)		14.5	33.6	39.4	68.9	111.5
7	CCA (Ex. F4-2-1, Table 3f, Note 3)		(60.5)	(89.8)	(135.2)	(164.9)	(200.2)
8	**Net Increase in Regulatory Taxable Income**		**(36.3)**	**(25.0)**	**(59.9)**	**(29.9)**	**17.8**
9	**Income Tax Rate**		25%	25%	25%	25%	25%
10	**Income Tax Impact** (line 8 x line 9/(1 - line 9))		**(12.1)**	**(8.3)**	**(20.0)**	**(10.0)**	**5.9**
11	**Total Non-DRP/Non-PRP Nuclear CRVA Projects Capital Revenue Requirement** (line 4 + line 6 + 12)		**16.6**	**71.4**	**73.0**	**157.6**	**276.8**

Notes: Refer to Attachment 8a.

Numbers may not add due to rounding.
Privileged and confidential. Prepared in contemplation of litigation.

Attachment 8a
Notes to Table 8
Non-DRP/Non-PRP OPG Nuclear CRVA Eligible Projects Revenue Requirement (Capital Component)

Notes:
1 The amounts in line 1 are determined as follows:

Line No.		2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1a	Gross Plant Opening Balance	-	108.0	209.8	399.1	785.8	1,426.2	2,211.9
2a	In-Service Additions	108.0	101.8	189.3	386.7	640.4	785.8	536.9
3a	Gross Plant Closing Balance (line 1a + line 2a)	108.0	209.8	399.1	785.8	1,426.2	2,211.9	2,748.9
4a	Gross Plant Rate Base Amount (line 1a + line 3a)/2*	76.3	131.8	231.7	707.6	845.6	1,535.5	2,480.4
5a	Accumulated Depreciation Opening Balance	-	8.4	18.9	33.4	67.0	106.4	175.3
6a	Depreciation	8.4	10.6	14.5	33.6	39.4	68.9	111.5
7a	Accumulated Depreciation Closing Balance (line 5a + line 6a)	8.4	18.9	33.4	67.0	106.4	175.3	286.8
8a	Accumulated Depreciation Rate Base Amount (line 5a + line 7a)/2	4.2	13.6	26.2	50.2	86.7	140.9	231.1
9a	Net Plant Rate Base Amount (line 4a - line 8a)	72.2	118.1	205.5	657.4	758.8	1,394.6	2,249.4

* All years contain impacts from in-service additions exceeding $50.0M, hence the month in which the addition is reflected is used to determine the gross plant rate base amount, instead of a mid-year average.

2 Col. (a) is calculated as: Ex. C1-1-1, Table 5, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (b) is calculated as: Ex. C1-1-1, Table 4, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (c) is calculated as: Ex. C1-1-1, Table 3, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (d) is calculated as: Ex. C1-1-1, Table 2, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).
Col. (e) is calculated as: Ex. C1-1-1, Table 1, line 4, col. (b) x col. (c) plus line 5b, col. (b) x line 5a, col. (c).

Numbers may not add due to rounding.

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Attachment 9

Darlington New Nuclear Program Revenue Requirement (Capital Component)

Shown below is the derivation of amounts for the Darlington New Nuclear Program capital component that are reflected in the proposed revenue requirements for DNNP facilities in this proceeding and proposed to form the corresponding reference amounts for the Darlington New Nuclear Project Development Variance Account.

Line No.	Category	Note	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)
	Rate Base						
1	DNNP Rate Base (Ex. B3-1-1, Table 2, lines 12 and 24)		0.0	0.0	0.0	1,360.5	6,507.4
2	Weighted Average Cost of Capital	1	0.00%	0.00%	0.00%	9.11%	9.11%
3	**Cost of Capital** (line 1 x line 2)		**0.0**	**0.0**	**0.0**	**123.9**	**592.8**
	Depreciation						
4	DNNP (Ex. F4-1-1, Table 2, line 12)		0.0	0.0	0.0	22.6	109.7
	Regulatory Taxable Income Impacts						
5	ROE (line 1 x 100% x 9.11%)		0.0	0.0	0.0	123.9	592.8
6	Depreciation (line 4)		0.0	0.0	0.0	22.6	109.7
7	CCA (Ex. F4-2-1, Table 3g, line 9)		(195.5)	(311.1)	(345.0)	(365.6)	(377.3)
8	**Net (Decrease) Increase in Regulatory Taxable Income**		**(195.5)**	**(311.1)**	**(345.0)**	**(219.0)**	**325.3**
9	**Income Tax Rate**		25%	25%	25%	25%	25%
10	**Income Tax Impact** (line 8 x line 9/(1 - line 9))		**(65.2)**	**(103.7)**	**(115.0)**	**(73.0)**	**108.4**
11	**Total DNNP Capital Revenue Requirement** (line 3 + line 4 + line 10)		**(65.2)**	**(103.7)**	**(115.0)**	**1,434.1**	**7,318.4**

Notes:

1 Col. (d) is calculated as: Ex. C1-1-1, Table 15, line 4, col. (b) x col. (c)
Col. (e) is calculated as: Ex. C1-1-1, Table 14, line 4, col. (b) x col. (c)

Table 1
Deferral and Variance Accounts
Closing Account Balances - 2022, 2023 and 2024 ($M)

Line No.	Account	Note	Actual Year End Balance 2022	Actual Year End Balance 2023	Actual Year End Balance 2024
			(a)	(b)	(c)
			Note 1	Note 2	Note 3
	Regulated Hydroelectric:				
1	**Hydroelectric Water Conditions Variance**		(172.4)	(185.6)	(172.6)
2	**Ancillary Services Net Revenue Variance - Hydroelectric**		(34.3)	(31.5)	(22.2)
3	**Hydroelectric Incentive Mechanism Variance**		0.0	0.0	0.0
4	**Hydroelectric Surplus Baseload Generation Variance**		401.8	393.3	305.6
5	**Income and Other Taxes Variance - Hydroelectric**		(13.3)	(17.3)	(17.3)
6	**Capacity Refurbishment Variance - Hydroelectric**		80.4	95.7	162.1
7	**Niagara Tunnel Project Pre-December 2008 Disallowance Variance**		8.0	8.8	8.6
8	**Pension and OPEB Cost Variance - Hydroelectric - Future Recovery (Dec. 31, 2012 Balance)**		2.1	1.1	0.0
9	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		33.0	24.8	16.5
10	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Non-RPP - EB-2018-0243 Approved**		14.0	7.0	0.0
11	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2017 Additions - EB-2020-0290 Approved**		35.3	26.5	17.7
12	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2019 Additions**		28.1	8.4	(8.0)
13	**Pension & OPEB Cash Payment Variance - Hydroelectric**		(77.0)	(83.5)	(76.3)
14	**Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Variance - Carrying Charges - Hydroelectric**	4	(2.0)	(4.9)	(8.5)
15	**Hydroelectric Deferral and Variance Over/Under Recovery Variance**		16.1	17.3	16.7
16	**Regulated Hydroelectric Subtotal**		319.9	260.0	222.3
	Nuclear:				
17	**Nuclear Liability Deferral**		188.3	377.5	527.3
18	**Nuclear Development Variance - DNNP**		110.9	106.7	61.8
19	**Nuclear Development Variance - Non-DNNP**		0.0	7.8	23.5
20	**Ancillary Services Net Revenue Variance - Nuclear**		(13.6)	(15.1)	(13.5)
21	**Capacity Refurbishment Variance - Nuclear - DRP - Excluding D2O Storage Project**		(47.6)	121.4	170.2
22	**Capacity Refurbishment Variance - Nuclear - Non-DRP**		49.7	146.5	173.7
23	**Capacity Refurbishment Variance - Nuclear - Accelerated Investment Incentive CCA - DRP - EB-2020-0290/EB-2023-0336 Approved**		(30.9)	(25.8)	(16.8)
24	**Capacity Refurbishment Variance - Nuclear - D2O Storage Project - EB-2023-0336 Approved**		79.4	83.3	70.1
25	**Bruce Lease Net Revenues Variance - EB-2018-0243/EB-2016-0152 Approved**		84.2	63.2	42.1
26	**Bruce Lease Net Revenues Variance - Post 2017 Additions**		17.1	(4.2)	(102.0)
27	**Income and Other Taxes Variance - Nuclear**		(18.8)	(15.6)	(9.5)
28	**Pension and OPEB Cost Variance - Nuclear - Future Recovery (Dec. 31, 2012 Balance)**		42.9	21.5	0.0
29	**Pension and OPEB Cost Variance - Nuclear - Post 2021 Additions**		(122.6)	(341.3)	(411.1)
30	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		212.8	159.6	106.4
31	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Non-RPP - EB-2018-0243 Approved**		88.2	44.1	0.0
32	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2017 Additions - EB-2020-0290 Approved**		222.5	166.9	111.3
33	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2019 Additions - EB-2023-0336 Approved**		164.8	164.8	131.9
34	**Pension & OPEB Cash Payment Variance - Nuclear - EB-2020-0290/EB-2023-0336 Approved**		(383.4)	(342.1)	(244.4)
35	**Pension & OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance - Carrying Charges - Nuclear**	4	(12.3)	(26.9)	(42.1)
36	**Nuclear Deferral and Variance Over/Under Recovery Variance**		(74.7)	(76.5)	(61.5)
37	**Fitness for Duty Deferral**		1.6	2.0	2.5
38	**SR&ED ITC Variance**		(8.6)	(23.3)	(25.7)
39	**Rate Smoothing Deferral**		568.9	653.8	677.4
40	**Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral - EB-2020-0290/EB-2023-0336 Approved**		(57.5)	24.4	85.1
41	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2020**		(45.0)	9.6	66.1
42	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2023**		0.0	0.0	(2.3)
43	**Pickering Closure Costs Deferral**		2.8	6.4	7.6
44	**Clarington Corporate Campus Deferral Account**		0.0	7.3	7.7
45	**Pickering B Variance**	5	0.0	26.5	131.1
46	**Nuclear Subtotal**		1,019.1	1,322.3	1,466.8
47	**Sale of Unprescribed Kipling Site Deferral**		0.0	(15.1)	(12.6)
48	**Total** (line 16 + line 46 + line 47)	6	1,339.0	1,567.1	1,676.5

Notes:
1. From EB-2023-0336 Decision and Order, App. A, Table 1, col. (a) for regulated hydroelectric and Table 2, col. (a) for nuclear unless otherwise noted.
2. From Ex. H1-1-1, Table 1a, col. (h).
3. From Ex. H1-1-1, Table 1b, col. (g).
4. The Pension and OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance Account has three subaccounts: (i) Carrying Charges Sub-Account; (ii) Primary Sub-Account; and (iii) Contra Sub-Account. Only the Carrying Charges Sub-Account is presented in the table as the Primary and Contra account balances always net to zero.
5. Established by *Ontario Regulation 53/05* , effective January 1, 2023 and as amended effective July 1, 2025.
6. The following accounts have a zero balance and no activity during the period from January 1, 2023 to December 31, 2024 and are not shown in the table: Gross Revenue Charge Variance Account, Impact for IFRS Deferral Account, Incremental Cloud Computing Arrangement Implementation Costs Deferral Account, and Earnings Sharing Deferral Account.

Numbers may not add due to rounding.

Table 1a
Deferral and Variance Accounts
Continuity of Account Balances - Year Ended December 31, 2023 ($M)

Line No.	Account	Note	Actual Year End Balance 2022	EB-2023-0336 Settlement Adjustments	(a)+(b) EB-2023-0336 Year-End Balance 2022	Actual 2023 Transactions	Actual 2023 Amortization EB-2020-0290	Actual 2023 Interest	Actual 2023 Transfers	(c)+(d)+(e)+(f)+(g) Actual Year End Balance 2023
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			Note 1	Note 2			Note 3	Note 4		
	Hydroelectric:									
1	**Hydroelectric Water Conditions Variance**		(172.4)	0.0	(172.4)	(41.3)	36.4	(8.3)	0.0	(185.6)
2	**Ancillary Services Net Revenue Variance - Hydroelectric**		(34.3)	0.0	(34.3)	(6.7)	11.1	(1.6)	0.0	(31.5)
3	**Hydroelectric Incentive Mechanism Variance**		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	**Hydroelectric Surplus Baseload Generation Variance**		401.8	0.0	401.8	29.7	(56.1)	17.9	0.0	393.3
5	**Income and Other Taxes Variance - Hydroelectric**		(13.3)	0.0	(13.3)	(4.2)	0.9	(0.7)	0.0	(17.3)
6	**Capacity Refurbishment Variance - Hydroelectric**	5	80.4	(4.7)	75.7	16.2	0.0	3.8	0.0	95.7
7	**Niagara Tunnel Project Pre-December 2008 Disallowance Variance**		8.0	0.0	8.0	1.7	(1.3)	0.4	0.0	8.8
8	**Pension and OPEB Cost Variance - Hydroelectric - Future Recovery (Dec. 31, 2012 Balance)**		2.1	0.0	2.1	0.0	(1.1)	0.0	0.0	1.1
9	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		33.0	0.0	33.0	0.0	(8.3)	0.0	0.0	24.8
10	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Non-RPP - EB-2018-0243 Approved**		14.0	0.0	14.0	0.0	(7.0)	0.0	0.0	7.0
11	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2017 Additions - EB-2020-0290 Approved**		35.3	0.0	35.3	0.0	(8.8)	0.0	0.0	26.5
12	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2019 Additions**		28.1	0.0	28.1	(19.7)	0.0	0.0	0.0	8.4
13	**Pension & OPEB Cash Payment Variance - Hydroelectric**		(77.0)	0.0	(77.0)	(15.6)	12.9	(3.7)	0.0	(83.5)
14	**Pension & OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance - Carrying Charges - Hydroelectric**	6	(2.0)	0.0	(2.0)	(2.9)	0.0	0.0	0.0	(4.9)
15	**Hydroelectric Deferral and Variance Over/Under Recovery Variance**		16.1	0.0	16.1	1.6	(1.1)	0.7	0.0	17.3
16	**Regulated Hydroelectric Subtotal**		319.9	(4.7)	315.1	(41.2)	(22.4)	8.4	0.0	260.0
	Nuclear:									
17	**Nuclear Liability Deferral**	9	188.3	0.0	188.3	189.14	0.0	0.0	0.0	377.5
18	**Nuclear Development Variance - DNNP**		110.9	(0.1)	110.8	(8.1)	(1.2)	5.3	0.0	106.7
19	**Nuclear Development Variance - Non-DNNP**		0.0	0.0	0.0	7.6	0.0	0.2	0.0	7.8
20	**Ancillary Services Net Revenue Variance - Nuclear**		(13.6)	0.0	(13.6)	(2.0)	1.2	(0.7)	0.0	(15.1)
21	**Capacity Refurbishment Variance - Nuclear - DRP - Excluding D2O Storage Project**	9	(47.6)	0.0	(47.6)	168.1	0.0	0.9	0.0	121.4
22	**Capacity Refurbishment Variance - Nuclear - Non-DRP**	9	49.7	(4.2)	45.6	64.2	32.0	4.6	0.0	146.5
23	**Capacity Refurbishment Variance - Nuclear - Accelerated Investment Incentive CCA - DRP - EB-2020-0290/EB-2023-0336 Approved**		(30.9)	0.0	(30.9)	0.0	6.4	(1.3)	0.0	(25.8)
24	**Capacity Refurbishment Variance - Nuclear - D2O Storage Project - EB-2023-0336 Approved**		79.4	0.0	79.4	0.0	(0.0)	3.9	0.0	83.3
25	**Bruce Lease Net Revenues Variance - EB-2018-0243/EB-2016-0152 Approved**		84.2	0.0	84.2	0.0	(21.1)	0.0	0.0	63.2
26	**Bruce Lease Net Revenues Variance - Post 2017 Additions**	9	17.1	0.0	17.1	(16.9)	(7.7)	3.3	0.0	(4.2)
27	**Income and Other Taxes Variance - Nuclear**		(18.8)	0.0	(18.8)	(1.0)	4.8	(0.7)	0.0	(15.6)
28	**Pension and OPEB Cost Variance - Nuclear - Future Recovery (Dec. 31, 2012 Balance)**		42.9	0.0	42.9	0.0	(21.5)	0.0	0.0	21.5
29	**Pension and OPEB Cost Variance - Nuclear - Post 2021 Additions**		(122.6)	0.0	(122.6)	(218.7)	0.0	0.0	0.0	(341.3)
30	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		212.8	0.0	212.8	0.0	(53.2)	0.0	0.0	159.6
31	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Non-RPP - EB-2018-0243 Approved**		88.2	0.0	88.2	0.0	(44.1)	0.0	0.0	44.1
32	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2017 Additions - EB-2020-0290 Approved**		222.5	0.0	222.5	0.0	(55.6)	0.0	0.0	166.9
33	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2019 Additions - EB-2023-0336 Approved**		164.8	0.0	164.8	0.0	0.0	0.0	0.0	164.8
34	**Pension & OPEB Cash Payment Variance - Nuclear - EB-2020-0290/EB-2023-0336 Approved**		(383.4)	0.0	(383.4)	0.0	58.1	(16.8)	0.0	(342.1)
35	**Pension & OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance - Carrying Charges - Nuclear**	6	(12.3)	0.0	(12.3)	(14.8)	0.2	0.0	0.0	(26.9)
36	**Nuclear Deferral and Variance Over/Under Recovery Variance**		(74.7)	0.0	(74.7)	(6.1)	8.4	(4.1)	0.0	(76.5)
37	**Fitness for Duty Deferral**	11	1.6	0.0	1.6	0.4	0.0	0.1	0.0	2.0
38	**SR&ED ITC Variance**		(8.6)	0.0	(8.6)	(18.0)	4.0	(0.7)	0.0	(23.3)
39	**Rate Smoothing Deferral**	10	568.9	0.0	568.9	64.0	0.0	20.9	0.0	653.8
40	**Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral - EB-2020-0290/EB-2023-0336 Approved**		(57.5)	0.0	(57.5)	0.0	81.9	0.0	0.0	24.4
41	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2020**		(45.0)	0.0	(45.0)	54.6	0.0	0.0	0.0	9.6
42	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2023**		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43	**Pickering Closure Costs Deferral**	12	2.8	0.0	2.8	3.4	0.0	0.2	0.0	6.4
44	**Clarington Corporate Campus Deferral Account**		0.0	0.0	0.0	7.0	0.0	0.3	0.0	7.3
45	**Pickering B Variance**		0.0	0.0	0.0	26.2	0.0	0.3	0.0	26.5
46	**Nuclear Subtotal**		1,019.1	(4.3)	1,014.8	299.1	(7.3)	15.7	0.0	1,322.3
47	**Sale of Unprescribed Kipling Site Deferral**	7	0.0	(12.7)	(12.7)	(2.5)	0.0	0.0	0.0	(15.1)
48	**Total** (line 16 + line 46 + line 47)	8	1,339.0	(21.7)	1,317.3	255.4	(29.7)	24.1	0.0	1,567.1

Notes:

1 From EB-2023-0336 Decision and Order, App. A, Table 1, col. (a) for regulated hydroelectric and Table 2, col. (a) for nuclear unless otherwise noted.

2 From EB-2023-0336 Decision and Order, App. A, Table 1, col. (c1) for regulated hydroelectric and Table 2, col. (c1) for nuclear.

3 From EB-2020-0290 Payment Amounts Order, App. C, Table 1, col. (i) for Regulated Hydroelectric, and App. D, Table 1, col. (i) for Nuclear.

4 Per EB-2020-0290 Payment Amounts Order, no interest is recorded on the Pension & OPEB Cash Versus Accrual Differential Deferral Account, Pension and OPEB Cost Variance Account, Nuclear Liability Deferral Account, Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account, and Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account. Per EB-2023-0336 Decision and Order, no interest is recorded on the Sale of Unprescribed Kipling Site Deferral Account.

5 The year-end 2022 balance has been updated from that presented in EB-2023-0336 to reflect changes identified in the course of preparing this application.

6 The Pension and OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance Account has three subaccounts: (i) Carrying Charges Sub-Account; (ii) Primary Sub-Account; and (iii) Contra Sub-Account. Only the Carrying Charges Sub-Account is presented in the table as the Primary and Contra account balances always net to zero.

7 The year-end 2022 balance has been updated from that presented in EB-2023-0336 pursuant to EB-2023-0336 Decision and Order, June 13, 2024, p.5. Account transactions in 2023 recorded pursuant to EB-2023-0336 Decision and Order, June 13, 2024, p.5, and represent 50% of the 23% of an incremental $21.5M after-tax gain recognized by OPG in 2023 associated with the sale of the Kipling Site.

8 The following accounts have a zero balance and no activity during the period from January 1, 2023 to December 31, 2024 and are not shown in the table: Gross Revenue Charge Variance Account, Impact for IFRS Deferral Account, Incremental Cloud Computing Arrangement Implementation Costs Deferral Account, and Earnings Sharing Deferral Account.

9 Includes the following adjustments, presented as part of 2023 transactions in col. (d): (i) reduction of $4.1M in line 17 and addition of $2.1M in line 26 to reflect the 2022 impact of updated calculations to the dollar per cubic metre cost rates for low and intermediate level waste ("L&ILW") based on the 2022 ONFA Reference Plan ("Reference Plan"); (ii) net addition of $0.8M in line 21, reflecting the combined impact of $1.4M reduction for updated calculations to the dollar per cubic metre cost rates for L&ILW in 2022 and $2.2M addition to correct minor discrepancies identified for years prior to 2023 in the course of preparing this application; and (iii) reduction of $0.4M in line 22 to correct minor discrepancies identified for years prior to 2023 in the course of preparing this application.

10 The year-end 2022 balance comprises deferral amounts recorded from 2017 to 2021 per EB-2016-0152 Payment Amounts Order, App. H, p. 1: 2017 - $0M, 2018 - $0M, 2019 - $102.2M, 2020 - $390.6M, 2021 - $0M; deferral amount of $19.0M recorded in 2022 per EB-2020-0290 Payment Amounts Order, App. B, Table 1; and interest on the account balance recorded at the following OPG long-term debt rates, compounded annually: 2019 - 4.52%, 2020 - 4.49%, 2021 - 4.48% (EB-2016-0152 Payment Amounts Order, App. H, p. 2) and 3.61% in 2022 (EB-2020-0290 Payment Amounts Order, App. E, p. 19). Transactions in 2023 represent the deferral amount, if any, pursuant to EB 2020-0290 Payment Amounts Order, App. B, Table 1, line 5.

11 The account records the full amount of eligible costs, as there were no corresponding forecast costs reflected in the OEB-approved revenue requirements. The year-end 2022 balance comprises costs incurred as follows: 2017 - $0.1M, 2018 - $0.1M, 2019 - $0.3M, 2020 - $0.1M, 2021 - $0.5M and 2022 - $0.4M, plus interest on the account balance at the OEB's prescribed interest rate.

12 The account records the full amount of eligible costs, as there were no corresponding forecast costs reflected in the OEB-approved revenue requirements. The year-end 2022 balance comprises costs incurred as follows: 2021 - $1.0M and 2022 - $1.8M, plus interest on the account balance at the OEB's prescribed interest.

Numbers may not add due to rounding.

Table 1b
Deferral and Variance Accounts
Continuity of Account Balances - Year Ended December 31, 2024 ($M)

Line No.	Account	Note	Actual Year End Balance 2023	Actual 2024 Transactions	Actual 2024 Amortization EB-2020-0290	Actual 2024 Amortization EB-2023-0336	Actual 2024 Interest	Actual 2024 Transfers	(c)+(d)+(e)+(f)+(g) Audited Year End Balance 2024
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Note 1		Note 2	Note 3	Note 4		
	Hydroelectric:								
1	**Hydroelectric Water Conditions Variance**		(185.6)	(35.1)	36.4	19.9	(8.2)	0.0	(172.6)
2	**Ancillary Services Net Revenue Variance - Hydroelectric**		(31.5)	(3.0)	11.1	2.4	(1.2)	0.0	(22.2)
3	**Hydroelectric Incentive Mechanism Variance**		0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0
4	**Hydroelectric Surplus Baseload Generation Variance**		393.3	10.6	(56.1)	(57.9)	15.7	0.0	305.6
5	**Income and Other Taxes Variance - Hydroelectric**		(17.3)	(2.3)	0.9	2.3	(0.8)	0.0	(17.3)
6	**Capacity Refurbishment Variance - Hydroelectric**		95.7	72.0	0.0	(10.3)	4.7	0.0	162.1
7	**Niagara Tunnel Project Pre-December 2008 Disallowance Variance**		8.8	1.7	(1.3)	(1.1)	0.4	0.0	8.6
8	**Pension and OPEB Cost Variance - Hydroelectric - Future Recovery (Dec. 31, 2012 Balance)**		1.1	0.0	(1.1)	0.0	0.0	0.0	0.0
9	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		24.8	0.0	(8.3)	0.0	0.0	0.0	16.5
10	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Non-RPP - EB-2018-0243 Approved**		7.0	0.0	(7.0)	0.0	0.0	0.0	0.0
11	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2017 Additions - EB-2020-0290 Approved**		26.5	0.0	(8.8)	0.0	0.0	0.0	17.7
12	**Pension & OPEB Cash Versus Accrual Differential Deferral - Hydroelectric - Post-2019 Additions**		8.4	(10.8)	0.0	(5.6)	0.0	0.0	(8.0)
13	**Pension & OPEB Cash Payment Variance - Hydroelectric**		(83.5)	(12.1)	12.9	10.3	(3.8)	0.0	(76.3)
14	**Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance - Carrying Charges - Hydroelectric**	5	(4.9)	(4.0)	0.0	0.4	0.0	0.0	(8.5)
15	**Hydroelectric Deferral and Variance Over/Under Recovery Variance**		17.3	2.6	(1.1)	(2.8)	0.7	0.0	16.7
16	**Regulated Hydroelectric Subtotal**		260.0	19.6	(22.4)	(42.5)	7.6	0.0	222.3
	Nuclear:								
17	**Nuclear Liability Deferral**		377.5	187.5	0.0	(37.7)	0.0	0.0	527.3
18	**Nuclear Development Variance - DNNP**		106.7	(26.5)	(1.2)	(21.7)	4.5	0.0	61.8
19	**Nuclear Development Variance - Non-DNNP**		7.8	15.1	0.0	0.0	0.6	0.0	23.5
20	**Ancillary Services Net Revenue Variance - Nuclear**		(15.1)	(1.1)	1.2	2.3	(0.7)	0.0	(13.5)
21	**Capacity Refurbishment Variance - Nuclear - DRP - Excluding D2O Storage Project**		121.4	41.5	0.0	0.0	7.3	0.0	170.2
22	**Capacity Refurbishment Variance - Nuclear - Non-DRP**		146.5	9.3	32.0	(22.4)	8.3	0.0	173.7
23	**Capacity Refurbishment Variance - Nuclear - Accelerated Investment Incentive CCA - DRP - EB-2020-0290/EB-2023-0336 Approved**		(25.8)	0.0	6.4	3.6	(1.0)	0.0	(16.8)
24	**Capacity Refurbishment Variance - Nuclear - D2O Storage Project - EB-2023-0336 Approved**		83.3	0.0	(0.0)	(15.9)	2.8	0.0	70.1
25	**Bruce Lease Net Revenues Variance - Non-Derivative Sub-Account - EB-2018-0243/EB-2016-0152 Approved**		63.2	0.0	(21.1)	0.0	0.0	0.0	42.1
26	**Bruce Lease Net Revenues Variance - Non-Derivative Sub-Account - Post 2017 Additions**		(4.2)	(89.2)	(7.7)	(0.3)	(0.7)	0.0	(102.0)
27	**Income and Other Taxes Variance - Nuclear**		(15.6)	0.0	4.8	1.8	(0.5)	0.0	(9.5)
28	**Pension and OPEB Cost Variance - Nuclear - Future Recovery (Dec. 31, 2012 Balance)**		21.5	0.0	(21.5)	0.0	0.0	0.0	0.0
29	**Pension and OPEB Cost Variance - Nuclear - Post 2021 Additions**		(341.3)	(94.4)	0.0	24.5	0.0	0.0	(411.1)
30	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Registered Pension Plan (RPP) - EB-2018-0243 Approved**		159.6	0.0	(53.2)	0.0	0.0	0.0	106.4
31	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Non-RPP - EB-2018-0243 Approved**		44.1	0.0	(44.1)	0.0	0.0	0.0	0.0
32	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2017 Additions - EB-2020-0290 Approved**		166.9	0.0	(55.6)	0.0	0.0	0.0	111.3
33	**Pension & OPEB Cash Versus Accrual Differential Deferral - Nuclear - Post-2019 Additions - EB-2023-0336 Approved**		164.8	0.0	0.0	(33.0)	0.0	0.0	131.9
34	**Pension & OPEB Cash Payment Variance - Nuclear - EB-2020-0290/EB-2023-0336 Approved**		(342.1)	0.0	58.1	53.5	(13.8)	0.0	(244.4)
35	**Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance - Carrying Charges - Nuclear**	5	(26.9)	(17.8)	0.2	2.4	0.0	0.0	(42.1)
36	**Nuclear Deferral and Variance Over/Under Recovery Variance**		(76.5)	(1.2)	8.4	11.6	(3.7)	0.0	(61.5)
37	**Fitness for Duty Deferral**	8	2.0	0.4	0.0	0.0	0.1	0.0	2.5
38	**SR&ED ITC Variance**		(23.3)	(5.5)	4.0	0.1	(1.0)	0.0	(25.7)
39	**Rate Smoothing Deferral**	7	653.8	0.0	0.0	0.0	23.6	0.0	677.4
40	**Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral - EB-2020-0290/EB-2023-0336 Approved**		24.4	0.0	81.9	(21.3)	0.0	0.0	85.1
41	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2020**		9.6	47.4	0.0	9.0	0.0	0.0	66.1
42	**Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral - December 31, 2023**		0.0	(2.3)	0.0	0.0	0.0	0.0	(2.3)
43	**Pickering Closure Costs Deferral**	8	6.4	0.9	0.0	0.0	0.3	0.0	7.6
44	**Clarington Corporate Campus Deferral Account**		7.3	0.0	0.0	0.0	0.4	0.0	7.7
45	**Pickering B Variance**		26.5	101.4	0.0	0.0	3.3	0.0	131.1
46	**Nuclear Subtotal**		1,322.3	165.4	(7.3)	(43.4)	29.9	0.0	1,466.8
47	**Sale of Unprescribed Kipling Site Deferral**		(15.1)	0.0	0.0	2.5	0.0	0.0	(12.6)
48	**Total** (line 16 + line 46 + line 47)	6	1,567.1	184.9	(29.7)	(83.3)	37.5	0.0	1,676.5

Notes:
1 From Ex. H-1-1-1, Table 1a, col. (h).
2 From EB-2020-0290 Payment Amounts Order, App. C, Table 1, col. (j) for Regulated Hydroelectric and App. D, Table 1, col. (j) for Nuclear.
3 From EB-2023-0336 Decision and Order, App. A, Table 1, col. (g) for Regulated Hydroelectric and Table 2, col. (g) for Nuclear.
4 Per EB-2020-0290 Payment Amounts Order, no interest is recorded on the Pension & OPEB Cash Versus Accrual Differential Deferral Account, Pension and OPEB Cost Variance Account, Nuclear Liability Deferral Account, Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account, and Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account. Per EB-2023-0336 Decision and Order, no interest is recorded on the Sale of Unprescribed Kipling Site Deferral Account.
5 The Pension and OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance Account has three subaccounts: (i) Carrying Charges Sub-Account; (ii) Primary Sub-Account; and (iii) Contra Sub-Account. Only the Carrying Charges Sub-Account is presented in the table as the Primary and Contra account balances always net to zero.
6 The following accounts have a zero balance and no activity during the period from January 1, 2023 to December 31, 2024 and are not shown in the table: Gross Revenue Charge Variance Account, Impact for IFRS Deferral Account, Incremental Cloud Computing Arrangement Implementation Costs Deferral Account, and Earnings Sharing Deferral Account.
7 Transactions in 2024 represent the deferral amount, if any, pursuant to EB 2020-0290 Payment Amounts Order, App. B, Table 1, line 5.
8 Account records the full amount of eligible costs, as there were no corresponding forecast costs reflected in the OEB-approved revenue requirements.

Numbers may not add due to rounding.

Table 2
Hydroelectric Water Conditions Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Regulated Hydroelectric:			
1	**Forecast Production (GWh)**	1	32,432	32,432
2	**Actual Calculated Production (GWh)**		33,898	33,650
3	**Difference (GWh)** (line 1 - line 2)		(1,466)	(1,218)
4	**Payment Amount ($/MWh)**	2	43.88	43.88
5	**Revenue Impact ($M)** (line 3 x line 4 / 1000)		(64.3)	(53.5)
6	**GRC/Water Rental Costs ($M)**		23.1	18.4
7	**Total Addition to Variance Account ($M)** (line 5 + line 6)		(41.3)	(35.1)

Notes:
1 Cols. (a) and (b) as set out in EB-2020-0290 Payment Amounts Order, App. E, pp. 3-4.
2 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, p. 4.

Table 3
Ancillary Services Net Revenue Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Regulated Hydroelectric:			
1	**Forecast Revenue**	1	55.5	55.5
2	**Actual Revenue**	2	62.3	58.5
3	**Regulated Hydroelectric Addition to Variance Account** (line 1 - line 2)		(6.7)	(3.0)
	Nuclear:			
4	**Forecast Revenue**	1	6.3	6.1
5	**Actual Revenue**	2	8.3	7.3
6	**Nuclear Addition to Variance Account** (line 4 - line 5)		(2.0)	(1.1)

Notes:

1 Cols. (a) and (b) as per EB-2020-0290 Payment Amounts Order, App. E, pp. 4-5.

2 As shown in G1-1-1, Table 1, line 1, cols. (h) and (i) for regulated hydroelectric. As shown in G2-1-1, Table 1, line 6, cols. (d) and (e) for nuclear.

Numbers may not add due to rounding.

Table 4
Hydroelectric Incentive Mechanism Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
1	**Total Actual Regulated Hydroelectric Incentive Mechanism Net Revenue**	1	14.8	28.4
2	**Threshold**	2	54.5	54.5
3	**Actual Hydroelectric Incentive Mechanism Net Revenue In Excess of Threshold** (line 1 - line 2; nil if line 1 < line 2)		0.0	0.0
4	**Percentage**	2	50%	50%
5	**Total Addition to Variance Account** (line 3 x line 4)		0.0	0.0

Notes:
1 Annual values as reported in OPG's 2024 Management's Discussion & Analysis (p. 51) for 2023 and 2024.
2 Annual threshold and percentage per EB-2014-0370 Payment Amounts Order, App. B, pp. 8-9.

Table 5
Hydroelectric Surplus Baseload Generation Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Regulated Hydroelectric:			
1	**Actual Foregone Production Due to SBG Conditions (GWh)**	1	977	350
2	**Payment Amount ($/MWh)**	2	43.88	43.88
3	**Revenue ($M)** (line 1 x line 2 / 1000)		42.9	15.3
4	**GRC/Water Rental Costs ($M)**		(13.2)	(4.7)
5	**Total Addition to Variance Account ($M)** (line 3 + line 4)		29.7	10.6

Notes:
1 Annual values are reported in OPG's 2024 Management's Discussion & Analysis (p.14) for 2023 and 2024.
2 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, p.5.

Numbers may not add due to rounding.

Table 6
Income and Other Taxes Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023			Actual 2024		
			Regulated Hydroelectric	Nuclear	(a) + (b) Total	Regulated Hydroelectric	Nuclear	(d) + (e) Total
			(a)	(b)	(c)	(d)	(e)	(f)
	Entry (i): CCA Accelerated Investment Incentive Property Impact	1						
1	**2023 CCA differences**		(11.2)	0.0	(11.2)	0.0	0.0	0.0
2	**2024 CCA differences**		0.0	0.0	0.0	(6.4)	0.0	(6.4)
3	**Income Tax Impact for 2023** (line 1 x 25%)		(2.8)	0.0	(2.8)	0.0	0.0	0.0
4	**Income Tax Impact for 2024** (line 2 x 25%)		0.0	0.0	0.0	(1.6)	0.0	(1.6)
5	**Addition to Variance Account** (line 3 + line 4) / (1-25%)		(3.7)	0.0	(3.7)	(2.1)	0.0	(2.1)
6	**Forecast SR&ED ITCs, net of Tax on ITCs, at 75%**		(0.7)	(2.9)	(3.7)	0.0	0.0	0.0
7	**Forecast SR&ED ITCs, net of Tax on ITCs, at 100%** (line 6 x 4/3)		(1.0)	(3.9)	(4.9)	0.0	0.0	0.0
8	**Addition to Variance Account** (line 7 - line 6)		(0.2)	(1.0)	(1.2)	0.0	0.0	0.0
	Entry (iii) Increase of SR&ED ITCs Recognition Percentage from 75% to 100% in 2023 for 2018	3						
9	**Forecast SR&ED ITCs, net of Tax on ITCs, at 75%**		(0.7)	0.0	(0.7)	0.0	0.0	0.0
10	**Forecast SR&ED ITCs, net of Tax on ITCs, at 100%** (line 9 x 4/3)		(1.0)	0.0	(1.0)	0.0	0.0	0.0
11	**Addition to Variance Account** (line 10 - line 9)		(0.2)	0.0	(0.2)	0.0	0.0	0.0
	Entry (iv) Increase of SR&ED ITCs Recognition Percentage from 75% to 100% in 2024 for 2019	4						
12	**Forecast SR&ED ITCs, net of Tax on ITCs, at 75%**		0.0	0.0	0.0	(0.7)	0.0	(0.7)
13	**Forecast SR&ED ITCs, net of Tax on ITCs, at 100%** (line 12 x 4/3)		0.0	0.0	0.0	(1.0)	0.0	(1.0)
14	**Addition to Variance Account** (line 13 - line 12)		0.0	0.0	0.0	(0.2)	0.0	(0.2)
	Entry (v): Ontario Research and Development Tax Credit (ORDTC) Reduction from 4.5% to 3.5% Effective June 1, 2016							
15	**Addition to Variance Account - Reduction in ORDTC Rate**		0.0	0.0	0.0	0.0	0.0	0.0
16	**Total Addition to Variance Account** (line 5 + line 8 + line 11 + line 14 + line 15)		(4.2)	(1.0)	(5.2)	(2.3)	0.0	(2.3)

Notes:

1 Recorded to reflect the impact of changes in Capital Cost Allowance (CCA) rules, whereby taxpayers can claim higher first-year CCA deductions on eligible capital assets acquired after November 20, 2018, for assets other than those subject to the Capacity Refurbishment Variance Account (CRVA) and the Nuclear Development Variance Account (NDVA). The impact of this rule change for assets subject to the CRVA and NDVA are recorded in the respective accounts as part of the total CCA variances for eligible projects. No entries have been recorded for the nuclear facilities beginning January 1, 2022 as the impact of this rule change was reflected in the EB-2020-0290 nuclear revenue requirements.

2 Recorded in 2023 following the resolution, during 2023, of the 2017 taxation year audit. Amount at line 7 represents SR&ED ITCs, net of tax on ITCs, for 2017 previously credited to ratepayers at 75% through the EB-2013-0321 payment amounts. For the nuclear facilities, the amount at line 7 represents the January 1 to May 31, 2017 portion of said credit. The June 1 to December 31, 2017 portion for the nuclear facilities is recorded in the SR&ED ITC Variance Account.

3 Recorded in 2023 following the resolution, during 2023, of the 2018 taxation year audit. Amount at line 10 represents SR&ED ITCs, net of tax on ITCs, for 2018 previously credited to ratepayers at 75% through the EB-2013-0321 payment amounts for the regulated hydroelectric facilities. The impact for the nuclear facilities is recorded in the SR&ED ITC Variance Account.

4 Recorded in 2024 following the resolution, during 2024, of the 2019 taxation year audit. Amount at line 13 represents SR&ED ITCs, net of tax on ITCs, for 2019 previously credited to ratepayers at 75% through the EB-2013-0321 payment amounts for the regulated hydroelectric facilities. The impact for the nuclear facilities is recorded in the SR&ED ITC Variance Account.

Table 7
Pension & OPEB Cash Payment Variance Account and Pension & OPEB Cash Versus Accrual Differential Deferral Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023 Regulated Hydroelectric	Actual 2023 Nuclear[4]	Actual 2023 (a)+(b) Total	Actual 2024 Regulated Hydroelectric	Actual 2024 Nuclear[4]	Actual 2024 (d)+(e) Total
			(a)	(b)	(c)	(d)	(e)	(f)
1	**Forecast Pension Contributions**	1	45.1	0.0	45.1	45.1	0.0	45.1
2	**Forecast OPEB Payments**	1	12.8	0.0	12.8	12.8	0.0	12.8
3	**Total Forecast Pension and OPEB Cash Amounts** (line 1 + line 2)		58.0	0.0	58.0	58.0	0.0	58.0
4	**Actual Pension Contributions**	2	23.1	0.0	23.1	27.6	0.0	27.6
5	**Actual OPEB Payments**	2	19.2	0.0	19.2	18.2	0.0	18.2
6	**Total Actual Pension and OPEB Cash Amounts** (line 4 + line 5)		42.3	0.0	42.3	45.8	0.0	45.8
7	**Total Addition to Pension & OPEB Cash Payment Variance Account** (line 6 - line 3)		(15.6)	0.0	(15.6)	(12.1)	0.0	(12.1)
8	**Actual Pension - Registered Pension Plan (RPP) Accrual Costs**	3	(5.0)	0.0	(5.0)	8.1	0.0	8.1
9	**Actual OPEB - Non-RPP Accrual Costs**	3	27.7	0.0	27.7	27.0	0.0	27.0
10	**Total Actual Pension and OPEB Accrual** (line 8 + line 9)		22.6	0.0	22.6	35.1	0.0	35.1
11	**Addition to Pension & OPEB Cash Versus Accrual Differential Deferral Account - RPP** (line 8 - line 4)		(28.1)	0.0	(28.1)	(19.6)	0.0	(19.6)
12	**Addition to Pension & OPEB Cash Versus Accrual Differential Deferral Account - Non-RPP** (line 9 - line 5)		8.4	0.0	8.4	8.8	0.0	8.8
13	**Total Addition to Pension & OPEB Cash Versus Accrual Differential Deferral Account** (line 11 + line 12)		(19.7)	0.0	(19.7)	(10.8)	0.0	(10.8)

Notes:
1 Cols. (a) and (d) are per EB-2020-0290 Payment Amounts Order, App. E, p. 12.
2 Represents the portion of OPG's actual pension contributions and OPEB payments for the corresponding years, as set out in Ex. F4-3-2, Attachment 2, pp.9-10, attributed to the regulated hydroelectric facilities.
3 Represents the portion of OPG's actual pension and OPEB costs for the corresponding years, as set out in Ex. F4-3-2, Attachment 2, pp. 9-10, attributed to the regulated hydroelectric facilities.
4 As per the EB-2020-0290 Payment Amounts Order, App. E, p. 12, no additions are recorded to the Pension & OPEB Cash Payment Variance Account or the Pension & OPEB Cash Versus Accrual Differential Deferral Account for the nuclear facilities beginning in 2022 as the nuclear revenue requirements approved in that proceeding reflected pension and OPEB costs calculated on an accrual basis.

Numbers may not add due to rounding.

Table 7a
Pension & OPEB Forecast Accrual Versus Actual Cash Payment Differential Variance Account - Primary, Contra and Carrying Charges Sub-Accounts
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023 Regulated Hydroelectric	Actual 2023 Nuclear	Actual 2023 (a)+(b) Total	Actual 2024 Regulated Hydroelectric	Actual 2024 Nuclear	Actual 2024 (d)+(e) Total
			(a)	(b)	(c)	(d)	(e)	(f)
1	**Amortization of Pension & OPEB Cash Versus Accrual Differential Deferral - Registered Pension Plan (RPP) - EB-2018-0243 Approved**	1	8.3	53.2	61.5	8.3	53.2	61.5
2	**Amortization of Pension & OPEB Cash Versus Accrual Differential Deferral - Non-RPP - EB-2018-0243 Approved**	1	7.0	44.1	51.1	7.0	44.1	51.1
3	**Amortization of Pension & OPEB Cash Versus Accrual Differential Deferral - Post-2017 Additions - EB-2020-0290 Approved**	1	8.8	55.6	64.5	8.8	55.6	64.5
4	**Amortization of Pension & OPEB Cash Versus Accrual Differential Deferral - Post-2019 Additions**	2	0.0	0.0	0.0	5.6	33.0	38.6
5	**Actual Pension and OPEB Accrual Costs - Nuclear**	3	0.0	125.6	125.6	0.0	205.2	205.2
6	**Actual Pension and OPEB Cash Amounts - Nuclear**	4	0.0	234.9	234.9	0.0	268.2	268.2
7	**Total Addition to Primary Sub-Account Tracking Balance** (line 1 + line 2 + line 3 + line 4 + line 5 - line 6)		24.1	43.6	67.6	29.7	122.8	152.5
8	**Total Addition to Contra Sub-Account Tracking Balance** (line 7 x -1)		(24.1)	(43.6)	(67.6)	(29.7)	(122.8)	(152.5)
9	**Net Total Addition to Primary and Contra Sub-Accounts Tracking Balances**		0.0	0.0	0.0	0.0	0.0	0.0
10	**Primary Sub-Account Tracking Credit Balance - Opening**	5	45.0	267.4	312.4	69.1	310.9	380.0
11	**Primary Sub-Account Tracking Credit Balance - Closing** (line 7 + line 10)		69.1	310.9	380.0	98.7	433.8	532.5
12	**Total Addition to Carrying Charges Sub-Account**	6	(2.9)	(14.8)	(17.6)	(4.0)	(17.8)	(21.9)

Notes:
1. Col. (a) and (d) per EB-2020-0290 Payment Amounts Order, App. C, Table 1, lines 10-12, col. (i) and (j), respectively. Cols. (b) and (e) per EB-2020-0290 Payment Amounts Order, App. D, Table 1, lines 15-17, col. (i) and (j), respectively.
2. Col. (d) per EB-2023-0336 Decision and Order, App. A, Table 1, line 12, col. (g). Col. (e) per EB-2023-0336 Decision and Order, App. A, Table 2, line 16, col. (g).
3. Cols. (b) and (e) from Ex. H1-1-1, Table 7b, line 6, cols. (a) and (b), respectively.
4. Cols. (b) and (e) represents the portion of OPG's actual pension contributions and OPEB payments for 2023 and 2024 respectively, as set out in Ex. F4-3-2, Attachment 2, pp. 9-10, attributed to the nuclear facilities.
5. Cols. (a) and (b) from EB-2023-0336, Ex. H1-1-1, Table 8a, line 10, cols. (g) and (h), respectively. Cols. (d) and (e) are equal to line 11 of the preceding year.
6. Carrying charges are calculated on the monthly opening cumulative balance in the Primary Sub-Account (when in a credit position) using the OEB's prescribed Construction Work in Progress rate, as follows: 2023 - 5.01% for Q1 to Q3 and 5.48% for Q4; 2024 - 5.48% for Q1, 4.98% for Q2 to Q3 and 4.55% for Q4.

Numbers may not add due to rounding.

Table 7b
Pension and OPEB Cost Variance Account - Nuclear
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
1	**Forecast Accrual Pension Costs**	1	134.3	111.7
2	**Forecast Accrual OPEB Costs**	1	159.9	161.0
3	**Total Forecast Accrual Pension and OPEB Costs** (line 1 + line 2)	2	294.1	272.7
4	**Actual Accrual Pension Costs**	3	(27.9)	47.2
5	**Actual Accrual OPEB Costs**	3	153.5	158.0
6	**Total Actual Accrual Pension and OPEB Costs** (line 4 + line 5)		125.6	205.2
7	**Addition to Variance Account - Pension Costs** (line 4 - line 1)		(162.2)	(64.5)
8	**Addition to Variance Account - OPEB Costs** (line 5 - line 2)		(6.3)	(3.0)
9	**Addition to Variance Account - Income Tax Impact**	4	(50.2)	(26.8)
10	**Total Addition to Variance Account** (line 7 + line 8 + line 9)		(218.7)	(94.4)

Notes:
1 From EB-2020-0290, Ex. F4-3-2, Chart 1.
2 From EB-2020-0290 Payment Amounts Order, App. E, p.10, line 27.
3 Represents the portion of OPG's actual pension and OPEB costs in 2023 and 2024, as set out in Ex. F4-3-2, Attachment 2, pp. 9-10, attributed to the nuclear facilities.
4 Table to Note 4 - The income tax impact of the pension and OPEB cost additions to the account is calculated as follows ($M):

Line No.		Note	Actual 2023	Actual 2024
			(a)	(b)
1a	Forecast Income Tax Impact	*	13.7	5.8
	Actual Additions to / Deductions from Regulatory Earnings Before Tax:			
2a	Actual Accrual Pension Costs (line 4)		(27.9)	47.2
3a	Actual Accrual OPEB Costs (line 5)		153.5	158.0
4a	Less: Actual Pension Contributions	**	128.2	161.7
5a	Less: Actual OPEB Payments	**	106.8	106.5
6a	Net Additions to Regulatory Earnings Before Tax (line 2a + line 3a - line 4a - line 5a)		(109.3)	(63.0)
7a	Actual Income Tax Impact (line 6a x 25% / (1 - 25%))		(36.4)	(21.0)
8a	Addition to Variance Account - Income Tax Impact (line 7a - line 1a)		(50.2)	(26.8)

* From EB-2020-0290 Payment Amounts Order, App. E, p. 11, line 2.
** Represents the portion of OPG's actual pension contributions and OPEB payments in 2023 and 2024, as set out in Ex. F4-3-2, Attachment 2, pp. 9-10, attributed to the nuclear facilities.

Numbers may not add due to rounding.

Table 8
Hydroelectric Deferral and Variance Over/Under Recovery Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
1	**Regulated Hydroelectric Rider ($/MWh)-EB-2020-0290**	1	1.03	1.03
2	**Regulated Hydroelectric Rider ($/MWh)-EB-2023-0336**	2		2.61
3	**Regulated Hydroelectric Production Forecast Used to Set Rider (TWh) EB-2020-0290**	3	33.0	33.0
4	**Regulated Hydroelectric Production Forecast Used to Set Rider (TWh) EB-2023-0336**	4		16.5
5	**Regulated Hydroelectric Actual Production (TWh)**	5	31.4	32.5
6	**Regulated Hydroelectric Actual Production (TWh) - For Six Months Beginning July 1, 2024**			15.7
7	**Production Variance for Regulated Hydroelectric Rider (TWh) EB-2020-0290** (line 3 - line 5)		1.6	0.5
8	**Production Variance for Regulated Hydroelectric Rider (TWh) EB-2023-0336** (line 4 - line 6)			0.8
9	**Addition to Variance Account ($M)** - **Regulated Hydroelectric Rider-EB-2020-0290** (line 7 x line 1)		1.6	0.5
10	**Addition to Variance Account ($M)** - **Regulated Hydroelectric Rider-EB-2023-0336** (line 8 x line 2)			2.1
11	**Addition to Variance Account ($M)** (line 9 + line 10)		1.6	2.6

Notes:
1 From EB-2020-0290 Payment Amounts Order, App. C, Table 1, line 23, cols. (i) and (j).
2 From EB-2023-0336 Decision and Order, App. A, Table 1, line 21, col. (g).
3 From EB-2020-0290 Payment Amounts Order, App. C, Table 1, line 22, cols. (i) and (j).
4 From EB-2023-0336 Decision and Order, App. A, Table 1, line 20, col. (g).
5 From Ex. E1-1-1, Table 1, line 4, cols. (h) and (i).

Table 9
Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Capital Addition to Variance Account:			
1	**Actual Net Plant Rate Base Amount**	1	19.3	19.0
2	**Weighted Average Cost of Capital**	2	6.85%	6.85%
3	**Actual Cost of Capital Amount** (line 1 x line 2)		1.3	1.3
4	**Cost of Capital Variance**		1.3	1.3
5	**Forecast Depreciation**		0.0	0.0
6	**Actual Depreciation**		0.2	0.2
7	**Depreciation Variance** (line 6 - line 5)		0.2	0.2
	Income Tax Impact:			
8	**Forecast Capital Cost Allowance Deduction**		0.0	0.0
9	**Actual Capital Cost Allowance Deduction**		0.6	0.6
10	**Difference** (line 8 - line 9)		(0.6)	(0.6)
11	**Net Increase in Regulatory Taxable Income**	3	0.4	0.5
12	**Income Tax Rate**	4	25%	25%
13	**Income Tax Impact** (line 11 x line 12 / (1 - line 12))		0.1	0.2
14	**Total Addition to Variance Account** (line 4 + line 7 + line 13)		1.7	1.7

Notes:

1 The continuity of the variation between the original Niagara Tunnel Project rate base disallowance of $28M and the varied disallowance of $6.4M is as follows:

	Table to Note 1 - Niagara Tunnel Project Disallowance Continuity ($M)		
Line No.		2023	2024
		(a)	(b)
1a	Opening Balance (col. (a) from EB-2023-0336, Ex. H1-1-1, Table 10, line 4a, col. (c))	19.4	19.1
2a	In-Service	0.0	0.0
3a	Depreciation Expense (line 6)	(0.2)	(0.2)
4a	Closing Balance	19.1	18.9
5a	Actual Net Plant Rate Base Amount (lines 1a+ 4a)/ 2	19.3	19.0

2 From EB-2013-0321 Payment Amounts Order, App. A, Table 6b, line 6, col. (c).

3 The change in regulatory taxable income is calculated as the sum of lines 7 and 10, plus the ROE component of the cost of capital variance at line 4. The ROE component of the variance is equal to line 1 multiplied by the OEB-approved equity portion (45%) of the capital structure, multiplied by the EB-2013-0321 OEB-approved ROE rate of 9.30%.

4 From EB-2013-0321 Payment Amounts Order, App. A, Table 8, line 31, col. (c).

Table 10
Bruce Lease Net Revenues Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
1	**Actual Total Bruce Lease Net Revenues ($M)**	1	(25.8)	42.5
2	**Forecast Bruce Lease Net Revenue**	2	(38.7)	(48.1)
3	**Forecast Nuclear Production (TWh)**	3	31.2	34.0
4	**Rate Credited to (Recovered from) Customers ($/MWh)** (line 2 / line 3)	4	(1.24)	(1.42)
5	**Actual Nuclear Production (TWh)**	5	36.1	33.0
6	**Amount Credited to (Recovered from) Customers ($M)** (line 4 x line 5)		(44.8)	(46.7)
7	**Total Addition to Variance Account ($M)** (line 6 - line 1)		(19.0)	(89.2)

Notes:
1 From Ex. G2-2-1, Table 1, line 3, cols. (d) and (e).
2 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, App. E, p. 17.
3 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, App. B, Table 1, line 2, cols. (b) and (c), respectively.
4 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, App. E, p. 17.
5 From Ex. E2-1-1, Table 1, line 3, cols. (d) and (e).

Table 11
Nuclear Deferral and Variance Over/Under Recovery Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
1	**Nuclear Rider ($/MWh)-EB-2020-0290**	1	1.25	1.15
2	**Nuclear Rider ($/MWh)-EB-2023-0336**	2		3.13
3	**Nuclear Production Forecast Used to Set Nuclear Rider (TWh)-EB-2020-0290**	3	31.2	34.0
4	**Nuclear Production Forecast Used to Set Nuclear Rider (TWh)-EB-2023-0336**	4		17.0
5	**Actual Nuclear Production (TWh)**	5	36.1	33.0
6	**Actual Nuclear Production (TWh) - For Six Months Beginning July 1, 2024**			17.7
7	**Production Variance for Nuclear Rider (TWh) EB 2020-0290** (line 3 - line 5)		(4.9)	1.03
8	**Production Variance for Nuclear Rider (TWh) EB 2023-0336** (line 4 - line 6)			(0.8)
9	**Addition To Variance Account - Nuclear Rider-EB-2020-0290** (line 7 x line 1)		(6.1)	1.2
10	**Addition To Variance Account - Nuclear Rider-EB-2023-0336** (line 8 x line 2)			(2.4)
11	**Addition To Variance Account** (line 9 + line 10)		(6.1)	(1.2)

Notes:
1. From EB-2020-0290 Payment Amounts Order, App. D, Table 1, line 32, cols. (i) and (j).
2. From EB-2023-0336 Decision and Order, App. A, Table 2, line 31, col. (g)
3. From EB-2020-0290 Payment Amounts Order, App. D, Table 1, line 31, cols. (i) and (j).
4. From EB-2023-0336 Decision and Order, App. A, Table 2, line 30, col. (g).
5. From Ex. E2-1-1, Table 1, line 3, cols. (d) and (e).

Numbers may not add due to rounding.

Table 12
SR&ED ITCs Variance Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Entry (i): Additions Based on Current Year Tax Provision			
1	**Forecast Annual SR&ED ITCs**	1	16.3	16.4
2	**Less: Tax on Provincial Portion Taxable in Current Year**		(0.8)	(0.8)
3	**Less: Tax on Federal ITC in Prior Year**		(3.3)	(3.3)
4	**Forecast Annual SR&ED ITCs, net of Tax**		12.2	12.3
5	**Actual Annual SR&ED ITCs Recorded in the Year**		19.7	15.0
6	**Less: Tax on Provincial Portion Taxable in Current Year**		(1.0)	(0.7)
7	**Less: Tax on Federal ITC in Prior Year**		(4.0)	(4.4)
8	**Actual Annual SR&ED ITCs Recorded, net of Tax**		14.8	9.9
9	**Addition to Variance Account based on Current Year Tax Provision** ((line 4 - line 8) / (1-25%))		(3.4)	3.2
	Entry (ii): True Up Adjustments Based on Prior Year's Income Tax Return			
10	**Actual Annual SR&ED ITCs Recorded, net of Tax**	2	13.5	14.8
11	**Prior Year Actual Annual SR&ED ITCs per Income Tax Return Completed in Current Year**		19.7	21.6
12	**Less: Tax on Provincial Portion Taxable in Current Year**		(1.0)	(1.1)
13	**Less: Tax on Federal ITC in Prior Year**		(4.1)	(4.0)
14	**Prior Year Actual Annual SR&ED ITCs Finalized in Current Year, net of Tax**		14.7	16.6
15	**True-Up Adjustment Based on Prior Year Actual Annual SR&ED ITCs Finalized in Current Year, net of tax** (line 10 - line 14)	3	(1.2)	(1.8)
16	**Addition to Variance Account based on True-Up Adjustments based on Prior Year's Income Tax Return** (line 15 / (1-25%))		(1.6)	(2.4)
	Entry (iii): Increase of SR&ED ITCs Recognition Percentage from 75% to 100% in 2023 for 2017 from June 1 to December 31, 2017	4		
17	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 75%**		(12.1)	0.0
18	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 100%** (line 17 x 4/3)		(16.2)	0.0
19	**Addition to Variance Account** ((line 18 - line 17) / (1-25%))		(5.4)	0.0
	Entry (iv): Increase of SR&ED ITCs Recognition Percentage from 75% to 100% in 2023 for 2018	5		
20	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 75%**		(16.9)	0.0
21	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 100%** (line 20 x 4/3)		(22.6)	0.0
22	**Addition to Variance Account** ((line 21 - line 20) / (1-25%))		(7.5)	0.0
	Entry (v): Increase of SR&ED ITCs Recognition Percentage from 75% to 100% in 2024 for 2019	6		
23	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 75%**		0.0	(14.2)
24	**Actual Annual SR&ED ITCs per Income Tax Return, net of Tax on ITCs, at 100%** (line 23 x 4/3)		0.0	(18.9)
25	**Addition to Variance Account** ((line 24 - line 23) / (1-25%))		0.0	(6.3)
26	**Total Addition to Variance Account** (line 9 + line 16 + line 19 + line 22+ line 25)		(18.0)	(5.5)

Notes:
1 Cols. (a) and (b) per EB-2020-0290 Payment Amounts Order, App. E, p. 18.
2 Col. (a) from EB-2023-0336, Ex. H1-1-1, Table 14, line 8, col (c). Col. (b) from line 8, col. (a).
3 Represents the adjustment based on the final ITC values determined in 2023 and 2024 as part of the filing of the 2022 and 2023 income tax returns and trued up as part of the 2023 and 2024 entries to the variance account, respectively.
4 Recorded in 2023 following the resolution, during 2023, of the 2017 taxation year audit. Amount in line 17 represents the June 1 to December 31, 2017 portion of SR&ED ITCs, net of tax on ITCs, for the nuclear faciliites for 2017 previously credited to ratepayers at 75% through the EB-2016-0152 payment amounts and the SR&ED ITC Variance Account (i.e., 7/12 x EB-2020-0290, Ex. H1-1-1, Table 14, line 11, col. (a)) . The SR&ED ITC Variance Account became effective on June 1, 2017.
5 Recorded in 2023 following the resolution, during 2023, of the 2018 taxation year audit. Amount in line 20 represents the SR&ED ITCs, net of tax on ITCs, for nuclear facilities for 2018 previously credited to ratepayers at 75% through the EB-2016-0152 payment amounts and the SR&ED ITC Variance Account (i.e., EB-2020-0290, Ex. H1-1-1, Table 14, line 11, col. (b)).
6 Recorded in 2024 following the resolution, during 2024, of the 2019 taxation year audit. Amount in line 23 represents actual SR&ED ITCs, net of tax on ITCs, for nuclear facilities for 2019 previously credited to ratepayers at 75% through EB-2016-0152 payment amounts and the SR&ED ITC Variance Account (i.e., EB 2023-0336, Ex. H1-1-1, Table 14, line 11, col. (a)).

Table 13
Capacity Refurbishment Variance Account - Nuclear - Non-Capital Portion - Non DRP
Summary of Account Transactions 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Non-Capital Addition to Variance Account - Non-DRP			
	Forecast Non-Capital Costs:			
1	**Pickering Extended Operations**	1	0.0	0.0
2	**Fuel Channel Life Extension Project**	1	0.0	0.0
3	**FCLE Related Ongoing Costs**	1	18.7	1.1
4	**Darlington U3 Fuel Channel Component Retrieval Project**	1	0.0	0.0
5	**Darlington Annulus Spacer Life Management Project**		0.0	0.0
6	**Pickering B Refurbishment Feasibility Assessment**		0.0	0.0
7	**Darlington Steam Generator Primary Moisture Separators Replacement**		0.0	0.0
8	**Optimization of Pickering Shutdown**	1	4.9	18.4
9	**Fuel Channel Life Management Phase V Project**		0.0	0.0
10	**Total** (lines 1 through 9)	2	23.6	19.4
	Actual Non-Capital Costs:	3		
11	**Pickering Extended Operations**		0.4	0.0
12	**Fuel Channel Life Extension Project**		3.0	(0.1)
13	**FCLE Related Ongoing Costs**		46.8	1.9
14	**Darlington U3 Fuel Channel Component Retrieval Project**		0.1	0.0
15	**Darlington Annulus Spacer Life Management Project**		0.4	0.0
16	**Pickering B Refurbishment Feasibility Assessment**		17.8	0.0
17	**Darlington Steam Generator Primary Moisture Separators Replacement**		4.5	3.8
18	**Optimization of Pickering Shutdown**		11.6	15.0
19	**Fuel Channel Life Management Phase V Project**		1.1	5.3
20	**Total** (lines 11 through 19)		85.7	25.9
	Non-Capital Addition to Variance Account:			
21	**Pickering Extended Operations** (line 11 - line 1)		0.4	0.0
22	**Fuel Channel Life Extension Project** (line 12 - line 2)		3.0	(0.1)
23	**FCLE Related Ongoing Costs** (line 13 - line 3)		28.0	0.8
24	**Darlington U3 Fuel Channel Component Retrieval Project** (line 14 - line 4)		0.1	0.0
25	**Darlington Annulus Spacer Life Management Project** (line 15 - line 5)		0.4	0.0
26	**Pickering B Refurbishment Feasibility Assessment** (line 16 - line 6)		17.8	0.0
27	**Darlington Steam Generator Primary Moisture Separators** (line 17 - line 7)		4.5	3.8
28	**Optimization of Pickering Shutdown** (line 18 - line 8)		6.7	(3.4)
29	**Fuel Channel Life Management Phase V Project** (line 19 - line 9)		1.1	5.3
30	**Non-Capital Addition to Variance Account** (lines 21 through 29)		62.1	6.5

Notes:
1 Cols. (a) and (b) from EB-2020-0290, Ex. L-H1-01-Staff-328, Chart 1.
2 Cols. (a) and (b) from EB-2020-0290 Payment Amounts Order, App. E, p. 9.
3 Details for actual non-capital costs can be found at Ex. F2-1-1, Table 1a, F2-2-1, Table 1a, F2-3-1, Table 1, and Ex. F2-4-1, Table 1.

Table 14
Capacity Refurbishment Variance Account - Nuclear - Capital Portion - Non-DRP
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Capital Addition to Variance Account:			
1	**Forecast Cost of Capital Amount**	1	0.8	0.3
2	**Actual Net Plant Rate Base Amount**	2	68.5	151.5
3	**Weighted Average Cost of Capital**	1	5.83%	5.90%
4	**Actual Cost of Capital Amount** (line 2 x 3)		4.0	8.9
5	**Cost of Capital Variance** (line 4 - line 1)		3.2	8.6
6	**Forecast Depreciation**	1	8.8	8.8
7	**Actual Depreciation**	2	11.5	9.9
8	**Depreciation Variance** (line 7 - line 6)		2.7	1.1
	Income Tax Impact			
9	**Forecast Capital Cost Allowance Deduction**	1	1.9	1.7
10	**Actual Capital Cost Allowance Deduction**		12.0	14.6
11	**Actual SR&ED Qualifying Capital Expenditures**		4.8	14.7
12	**Difference** (line 9 - line 10 - line 11)		(14.9)	(27.5)
13	**Net Increase (Decrease) in Regulatory Taxable Income**	3	(10.1)	(20.8)
14	**Income Tax Rate**		25.0%	25.0%
15	**Income Tax Impact** (line 13 x line 14 / (1 - line 14))		(3.4)	(6.9)
16	**Capital Addition to Variance Account - Non-DRP** (line 5 + line 8 +line 15)		2.5	2.7

For notes see Table 14a

Table 14a

Notes to Table 14

Capacity Refurbishment Variance Account - Nuclear - Capital Portion - Non-DRP ($M)

Notes:

1 The amounts in line 1 are determined as follows:

Table to Note 1 - Capacity Refurbishment Variance Account - Forecast Capital Amounts for Nuclear Projects - EB-2020-0290 ($M)

Line No.		2023	2024
		(a)	(b)
1a	Forecast Net Plant Rate Base Amount*	14.4	5.6
2a	Weighted Average Cost of Capital**	5.83%	5.90%
3a	Forecast Cost of Capital Amount (line 1a x line 2a)^	0.8	0.3
4a	ROE Component of Forecast Cost of Capital Amount	0.6	0.2
5a	Forecast Depreciation^	8.8	8.8
6a	Forecast Capital Cost Allowance Deduction^	1.9	1.7

* Represents the EB-2020-0290 forecast for the Pickering Extended Operations projects.

** Col. (a) is calculated as EB-2020-0290 Payment Amounts Order, App. A, Table 12: line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b). Col. (b) is calculated as EB-2020-0290 Payment Amounts Order, App. A, Table 13: line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).

^ For lines 5a and 6a, cols. (a) and (b) as shown in EB-2020-0290, Ex. L-H1-01-Staff-328, Chart 3. The sum of the following in cols. (a) and (b) equals $12.1M and $11.6M respectively, per EB-2020-0290 Payment Amounts Order, App. E, p. 9: (i) line 3a; (ii) line 5a; and (iii) the result of the following, multiplied by 25% / (1-25%): line 4a plus line 5a minus line 6a.

2 The amounts in line 2 are determined as follows:

Table to Note 2 - Capacity Refurbishment Variance Account - Actual Net Plant Rate Base Amounts for Nuclear Projects ($M)

Line No.		2023	2024
		(a)	(b)
1b	Gross Plant Opening Balance (col. (a) from EB-2023-0336, Ex. H1-1-1, Table 16a, line 3b, col. (c))	38.1	121.0
2b	In-service Addition - Darlington Steam Generator Primary Moisture Separators Replacement+	82.2	87.9
2bb	In-service Addition - Pickering Extended Operations	0.6	0.0
3b	Gross Plant Closing Balance (line 1b + line 2b + line 2bb)	121.0	208.9
4b	Gross Plant Rate Base Amount (line 1b + line 3b)/2 ++	93.2	186.9
5b	Accumulated Depreciation Opening Balance (col. (a) from EB-2023-0336, Ex. H1-1-1, Table 16a, line 7b, col. (c))	18.9	30.5
6b	Depreciation - Darlington Steam Generator Primary Moisture Separators Replacement	2.1	5.1
6bb	Depreciation - Pickering Extended Operations	9.5	4.8
7b	Accumulated Depreciation Closing Balance (line 5b + line 6b + line 6bb)	30.5	40.4
8b	Accumulated Depreciation Rate Base Amount (line 5b + line 7b)/2	24.7	35.4
9b	Net Plant Rate Base Amount (line 4b - line 8b)	68.5	151.5

\+ Col. (a) as shown in Ex. B3-3-1, Table 1a, Note 1 and Ex. D2-1-3, Table 4a, line 13, col. (l). Col. (b) as shown in Ex. B3-3-1 Table 1a, Note 1 and Ex. D2-1-3 Table 4a, line 38, col. (c).

\++ In-service additions in 2023 and 2024 for Darlington Steam Generator Primary Moisture Separator exceed $50M, hence the month in which the addition is reflected is used to determine the gross plant rate base amount, instead of a mid-year average.

3 The change in regulatory taxable income is calculated as the sum of lines 8 and 12, plus the ROE component of the cost of capital variance at line 5. The ROE component of the variance is equal to the difference between (i) line 2 multiplied by the OEB-approved equity portion (45%) of the capital structure and the OEB-approved ROE rate of 8.66% for 2023 and 2024, and (ii) line 4a, for the corresponding year.

Numbers may not add due to rounding.

Table 15
Capacity Refurbishment Variance Account - Nuclear - Non-Capital Portion - DRP
Summary of Account Transactions 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2016	Actual Jan - May 2017	Actual Jun - Dec 2017	(b) + (c) Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	(a)+(d)+(e)+(f)+(g)+(h)+(i)+(j)+(k) Total	Budget 2025	Budget 2026
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
	Non-Capital Addition to Variance Account:															
	Forecast Non-Capital Costs															
1	**Forecast Non-Capital Costs**	1	12.4	5.2	24.2	29.4	13.8	3.5	48.4	19.7	24.2	23.6	29.3		25.0	8.4
2	**Actual Non-Capital Costs**	2	3.1	12.1	24.0	36.1	31.3	1.7	19.0	35.6	22.3	39.0	59.7		10.5	1.8
3	**Non-Capital Addition to Variance Account Before Adjustments** (line 2 - line 1)		(9.3)	6.9	(0.2)	6.7	17.6	(1.8)	(29.4)	15.8	(1.9)	15.4	30.4		(14.5)	(6.6)
4	**Less: EB-2013-0321 Impact Statement (Ex. N1) Adjustment - DRP**	3	1.1	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
5	**Less: EB-2016-0152 DRP L&ILW Variable Expenses Adjustment**		0.0	0.0	2.3	2.3	2.1	3.2	4.6	5.3	0.0	0.0	0.0		0.0	0.0
6	**Less: DRP-Related Impact Recorded in Nuclear Liability Deferral Account**	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	15.7	15.9		1.9	0.3
7	**Non-Capital Addition to Variance Account - DRP** (line 3 - line 4 - line 5 - line 6)		(10.4)	6.4	(2.5)	3.9	15.5	(5.0)	(33.9)	10.6	(6.4)	(0.3)	14.5	(11.5)	(16.4)	(6.9)

Notes:

1 The forecast amounts are determined as follows:

Table to Note 1 - Capacity Refurbishment Variance Account - Forecast Non-Capital Amounts for the Darlington Refurbishment Program ($M)

Line No.		2014	2015	((a)+(b)) / 2 Reference Amount	equals col. (c) 2016	col. (d)/12*5 Jan 1 2017- May 31 2017	col. (g)/12*7 Jun 1 2017 - Dec 31 2017	EB-2016-0152 Full Year 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1a	EB-2013-0321 Forecast Costs*	6.6	18.2	12.4	12.4	5.2											
2a	EB-2016-0152 Forecast Costs**						24.2	41.5	13.8	3.5	48.4	19.7					
3a	EB-2020-0290 Forecasts Costs***												24.2	23.6	29.3	25.0	8.4

* Col. (a) from EB-2013-0321, Ex. F2-7-1, Table 1, line 3, col. (e) less EB-2013-0321, Ex. N2-1-1, p. 8, line 2. Col. (b) from EB-2013-0321, Ex. F2-7-1, line 3, col. (f).
** Cols. (g) to (k) from EB-2016-0152, Ex. F2-1-1, line 5, cols. (e) to (i), as per EB-2016-0152 Payment Amounts Order, App. G, p. 10, Note 12.
*** Cols. (l) to (n) from EB-2020-0290 Payment Amounts Order, App. E, p.9.

2 Cols. (a), (d), (e) and (f) from EB-2020-0290, Ex. F2-7-1, Table 1, line 4.
Cols. (g) to (k) and cols. (m) and (n) from Ex. F2-7-1, Table 1, line 4 for 2020 to 2024.

3 Col. (a) amount is from EB-2016-0152, Ex. H1-1-1, Table 11a, line 9a and col. (b) is calculated as 5/12 of that value.

4 Reflects the impact on the Darlington Refurbishment Program L&ILW variable expenses recorded in the Nuclear Liability Deferral Account as a result of the 2022 ONFA Reference Plan. This adjustment avoids duplication across the Capacity Refurbishment Variance Account and the Nuclear Liability Deferral Account.

Table 16
Capacity Refurbishment Variance Account - Nuclear - Capital Portion - DRP - Excluding D2O Storage Project
Summary of Account Transactions - 2016, 2017, 2018 , 2019, 2020, 2021, 2022, 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2016	Actual Jan - May 2017	Actual Jun - Dec 2017	(b) + (c) Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	(a)+(d)+(e)+(f)+(g)+(h)+(i)+(j)+(k) Total	Budget 2025	Budget 2026
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(j)	(k)
	Capital Addition to Variance Account:															
1	**Forecast Cost of Capital Amount**	1	10.3	4.3	23.2		38.2	37.1	301.7	330.5	293.2	280.7	419.7		484.9	524.1
2	**Actual Net Plant Rate Base Amount**	2	340.8	594.6	594.6		693.6	684.7	3,398.0	5,238.0	5,059.1	5,883.0	7,013.5		8,316.2	9,620.3
3	**Weighted Average Cost of Capital**	1	6.85%	6.85%	6.65%		6.50%	6.46%	6.44%	6.43%	5.89%	5.83%	5.90%		5.92%	5.92%
4	**Actual Cost of Capital Amount**		23.3	17.0	23.1	40.0	45.1	44.2	218.8	336.8	298.0	343.0	413.8		492.3	569.5
5	**Cost of Capital Variance** (line 4 - line 1)		13.1	12.6	(0.2)	12.4	6.9	7.1	(82.9)	6.3	4.8	62.2	(5.9)		7.4	45.4
6	**Forecast Depreciation**	1	4.0	1.7	11.1	12.7	19.2	19.3	148.5	166.9	163.4	163.4	249.8		298.9	334.6
7	**Actual Depreciation**	2	16.1	9.9	17.6	27.5	33.9	34.4	123.2	184.6	184.7	226.1	271.8		311.4	373.3
8	**Depreciation Variance** (line 7 - line 6)		12.2	8.2	6.6	14.8	14.7	15.1	(25.3)	17.7	21.3	62.7	22.0		12.5	38.7
	Income Tax Impact:															
9	**Forecast Capital Cost Allowance Deduction**	1	66.8	27.8	106.8	134.6	283.7	354.4	380.8	383.2	523.6	550.7	540.3		538.9	520.2
10	**Actual Capital Cost Allowance Deduction**	6	118.7	78.8	104.3	183.1	243.6	412.4	431.6	454.0	489.5	527.3	525.5		540.7	526.5
11	**SR&ED Qualifying Capital Expenditures**		62.4	0.0	20.7	20.7	18.8	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
12	**Difference** (line 9 - line 10 - line 11)		(114.3)	(51.0)	(18.2)	(69.1)	21.3	(58.0)	(50.8)	(70.8)	34.0	23.4	14.8		(1.7)	(6.3)
13	**Net (Decrease) Increase in Regulatory Taxable Income**	3	(94.2)	(35.0)	(11.7)	(46.7)	40.2	(38.5)	(127.0)	(49.3)	58.6	127.7	32.9		15.6	62.3
14	**Income Tax Rate**		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	0.3	25.0%	25.0%	25.0%		0.3	0.3
15	**Income Tax Impact** (line 13 x line 14 / (1 - line 14))		(31.4)	(11.7)	(3.9)	(15.6)	13.4	(12.8)	(42.3)	(16.4)	19.5	42.6	11.0		5.2	20.8
16	**Capital Addition to Variance Account** (line 5 + line 8 + line 15)		(6.2)	9.2	2.5	11.6	35.0	9.4	(150.5)	7.5	45.6	167.6	27.0		25.1	104.8
17	**Less: EB-2013-0321 Impact Statement (Ex. N1) Adjustment**	5	5.1	2.1		2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
18	**Addition to Variance Account-Capital Portion DRP** (line 16 - line 17)		(11.2)	7.1	2.5	9.5	35.0	9.4	(150.5)	7.5	45.6	167.6	27.0		25.1	104.8
19	**Less: Accelerated Investment Incentive CCA - DRP**	4						(18.9)	(19.9)	3.1						
20	**Total Capital Additon to Variance Account - Capital Portion DRP** (line 18 - line 19)		(11.2)	7.1	2.5	9.5	35.0	28.3	(130.6)	4.4	45.6	167.6	27.0	175.6	25.1	104.8

For notes see Table 16a

Table 16a
Notes to Table 16
Capacity Refurbishment Variance Account - Nuclear - Capital Portion - DRP - Excluding D2O Storage Project

Notes:

1 The amounts in line 1 are determinded as follows:

Table to Note 1 - Capacity Refurbishment Variance Account - Forecast Capital Amounts for the Darlington Refurbishment Program ($M)

Line No.		2014	2015	((a)+(b)) / 2 Reference Amount	equals to col. (c) 2016	col. (d) / 12*5 Jan 1 2017- May 31 2017	col. (g) / 12*7 June 1 2017- Dec 31 2017	EB-2016-0152 Full Year 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1a	Forecast Net Plant Rate Base Amount*	116.0	184.3					598.1	587.7	572.9	4,685.3	5,140.7	4,978.0	4,815.3	7,114.2	8,191.7	8,853.7
2a	Weighted Average Cost of Capital**	6.86%	6.85%					6.65%	6.50%	6.46%	6.44%	6.43%	5.89%	5.83%	5.90%	5.92%	5.92%
3a	Forecast Cost of Capital Amount (line 1a x line 2a)	8.0	12.6	10.3	10.3	4.3	23.2	39.8	38.2	37.1	301.7	330.5	293.2	280.7	419.7	484.9	524.1
4a	ROE Component of Forecast Cost of Capital Amount***	4.9	7.7	6.3	6.3	2.6	13.8	23.6	23.2	22.6	185.1	203.1	194.0	187.7	277.2	319.2	345.0
5a	Forecast Depreciation*	3.0	5.0	4.0	4.0	1.7	11.1	19.0	19.2	19.3	148.5	166.9	163.4	163.4	249.8	298.9	334.6
6a	Forecast Capital Cost Allowance Deduction****	39.3	94.3	66.8	66.8	27.8	106.8	183.1	283.7	354.4	380.8	383.2	523.6	550.7	540.3	538.9	520.2

* Cols. (a) and (b) from EB-2013-0321, Ex. L-4.9-1-Staff-048, Chart 1, "Total" line less "Heavy Water & Drum Handling Facility" line.
Cols. (g) to (k) from EB-2016-0152, Ex. L-2.2-1-Staff-009, Attachment 1, "Total" line less "Heavy Water Storage & Drum Handling Facility" line.
Cols. (l) to (p) from EB-2020-0290 Payment Amounts Order, App. E, Attachment 1, line 1, cols. (a) to (e).

** Cols. (a) and (b) from EB-2013-0321 Payment Amounts Order, App. A, Tables 5b and 6b: line 6, col. (c).
Cols. (g) to (k) from EB-2016-0152 Payment Amounts Order, App. A, Tables 11 to 15: line 6, col. (c).
Cols. (l) to (p) from EB-2020-0290 Payment Amounts Order, App. A, Tables 11 to 15: line 4, col. (b) x col. (c), plus line 5a, col. (c) x line 5b, col. (b).

*** The ROE component of the cost of capital forecast is equal to line 1a mulitiplied by the OEB-approved equity portion (45%) of the capital structure and the OEB-approved ROE rates as follows: 2016 and Jan 1, 2017 to May 31, 2017 - 9.30%; June 1, 2017 to Dec 31, 2021 - 8.78%; 2022 to 2026 - 8.66%.

**** Cols. (a) and (b) from EB-2013-0321, Ex. D2-2-1, p. 29, Note 2.
Cols. (g) to (k) from EB-2016-0152, Ex. F4-2-1, Table 3b, Note 3.
Cols. (l) to (p) from EB-2020-0290 Payment Amounts Order, App. E, Attachment 1, line 11, cols. (a) to (e).

2 The amounts in line 2 are determined as follows:

Table to Note 2 - Capacity Refurbishment Variance Account - Actual Net Plant Rate Base Amounts for the Darlington Refurbishment Program ($M)

Line No.		2016	Jan 1 2017- May 31 2017	June 1 2017- Dec 31 2017	(b) + (c) Total 2017	2018	2019	2020	2021	2022	2023	2024	Budget 2025	Budget 2026
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1b	Gross Plant Opening Balance (col. (a) from EB-2020-0290, Ex. B3-3-1, Table 1, line 2, col. (a))	280.1			444.5	750.4	784.9	800.9	5,575.1	5,582.9	5,586.5	7,826.6	9,568.5	9,607.1
2b	In-service Addition - Darlington Refurbishment - Unit Refurbishments	0.0			0.0	0.0	0.0	4,765.0	6.2	(2.5)	2,240.1	1,739.6	38.6	2,297.7
3b	In-service Addition - Darlington Refurbishment - Early In-Service	103.4			44.9	22.5	7.6	2.2	1.5	2.9	0.0	0.0	0.0	1.7
4b	In-service Addition - Darlington Refurbishment - Facilities & Infrastructure Projects	43.0			16.9	0.9	0.1	10.0	(1.4)	(0.9)	0.0	0.0	0.0	0.0
5b	In-service Addition - Darlington Refurbishment - Safety Improvement Opportunities	17.9			244.1	11.1	8.2	(3.0)	1.5	4.2	0.0	2.3	0.0	0.0
6b	Total In-Service Additions (line 2b + line 3b + line 4b + line 5b)+	164.4	241.0	64.9	305.9	34.5	16.0	4,774.1	7.8	3.7	2,240.1	1,741.9	38.6	2,299.4
7b	Gross Plant Closing Balance (line 1b + line 6b)	444.5			750.4	784.9	800.9	5,575.1	5,582.9	5,586.5	7,826.6	9,568.5	9,607.1	11,906.5
8b	Gross Plant Rate Base Amount (line 1b + line 7b)/2++	362.3			638.0	767.7	792.9	3,585.1	5,579.0	5,584.7	6,614.0	7,993.4	9,587.8	11,234.2
9b	Accumulated Depreciation Opening Balance (col. (a) from EB-2020-0290, Ex. B3-4-1, Table 1, line 2, col. (a))	13.5			29.6	57.1	91.0	125.5	248.6	433.3	618.0	844.1	1,115.9	1,427.3
10b	Depreciation+	16.1	9.9	17.6	27.5	33.9	34.4	123.2	184.6	184.7	226.1	271.8	311.4	373.3
11b	Accumulated Depreciation Closing Balance (line 9b + line 10b)	29.6			57.1	91.0	125.5	248.6	433.3	618.0	844.1	1,115.9	1,427.3	1,800.6
12b	Accumulated Depreciation Rate Base Amount (line 9b + line 11b)/2 +++	21.5			43.4	74.1	108.2	187.0	341.0	525.6	731.0	980.0	1,271.6	1,614.0
13b	Net Plant Rate Base Amount (line 8b - line 12b)	340.8			594.6	693.6	684.7	3,398.0	5,238.0	5,059.1	5,883.0	7,013.5	8,316.2	9,620.3

\+ In-service additions - Cols. (a), (d), (e) and (f) from EB-2020-0290, Ex. D2-2-9, Table 5a, excluding the D2O Storage Project. Cols. (g) to (m) from Ex. D2-2-3, Table 5a, excluding the D2O Storage Project.
Depreciation - Cols. (a), (d), (e) and (f) from EB-2020-0290, Ex. F4-1-1, Table 2, line 2, cols. (a) to (d). Cols. (g) to (m) from Ex. F4-1-1, Table 2, line 2, cols. (a) to (g).

++ Total in-service additions include the following amounts over $50M: 2016 - $88.1M for R&FR - Tooling, 2017 - $191.2 for Safety Improvement Opportunities, 2020 - $4,765.0M for Unit 2, 2023 - $2,221.8M for Unit 3, 2024 - $1,689.9M for Unit 1, and 2026 - $2,291.5M for Unit 4. For these in-service additions, the month in which the addition is reflected is used to determine the gross plant rate base amount, instead of a mid-year average. Amounts at line 8b can also be found as follows -- Cols. (a), (d), (e) and (f) from EB-2020-0290, Ex. B3-3-1, Table 1, col. (f), lines 2, 10, 18 and 26. Cols. (g) to (m) from Ex. B3-3-1, Table 1, col. (f), lines 2, 11, 20, 29, 38, 47 and 59.

+++ Amounts at line 12b can also be found as follows -- Cols. (a), (d), (e) and (f) from EB-2020-0290, Ex. B3-4-1, Table 1, col. (e), lines 2, 10, 18 and 26. Cols. (g) to (k) from Ex. B3-4-1, Table 1, col. (e), lines 2, 11, 20, 29 and 38. Cols. (l) and (m) from Ex. B3-4-1, Table 2, col. (f), lines 2 and 14.

3 The change in regulatory taxable income is calculated as the sum of lines 8 and 12, plus the ROE component of the cost of capital variance at line 5 . The ROE component of the variance is equal to the difference between: (i) line 2 multiplied by the OEB-approved equity portion (45%) of the capital structure and the following OEB-approved ROE rates: 2016 and Jan 1 to May 31, 2017 - 9.30%; June 1, 2017 to Dec 31, 2021 - 8.78%; 2022 to 2024 - 8.66%; and (ii) line 4a, cols. (d) to (f), (h) to (n).

4 Accelerated Investment Incentive CCA is included within the total CCA at line 10, and such amounts for Darlington Refurbishment Program recorded in the Capacity Refuribshment Variance Account have been separately approved for disposition in EB-2020-0290 Payment Amounts Order, Appendix D, Table 1, line 7, col. (f) and EB-2023-0336 Decision and Order, Attachment A, Table 2, line 6, col. (e).

5 Col. (a) amount is from EB-2016-0152 Ex. H1-1-1, Table 11, line 33 and col. (b) is calculated as 5/12 of that value.

6 Amounts are net of impacts to capital cost allowance from the permanent rate base disallowance applied to the D2O Storage Project by the OEB in the EB-2020-0290 Decision and Order.

Table 17
Nuclear Liability Deferral Account
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024	Budget 2025	Budget 2026
			(a)	(b)	(c)	(d)
	Revenue Requirement Impact of Current Approved ONFA Reference Plan Effective January 1, 2022:					
1	**Depreciation Expense**	1	80.5	80.5	1.1	1.1
	Return on Rate Base					
2	**Average Asset Retirement Costs**	2	151.8	71.2	30.4	29.3
3	**Weighted Average Cost of Capital**	3	5.83%	5.90%	5.92%	5.92%
4	**Return on Rate Base** (line 2 x line 3)		8.8	4.2	1.8	1.7
	Variable Expenses					
5	**Used Fuel Storage and Disposal Variable Expenses**	5	0.3	0.7	1.0	1.5
6	**Low & Intermediate Level Waste Management Variable Expenses**	5	28.8	29.4	12.3	7.9
7	**Total Variable Expenses** (line 5 + line 6)		29.1	30.1	13.3	9.4
	Income Tax Impact					
8	**Forecast Contributions to Segregated Funds**	6	100.6	100.6	0.0	0.0
9	**Contributions to Segregated Funds based on Current Approved ONFA Reference Plan**	7	200.1	200.1	116.4	39.2
10	**Increase in Contributions to Segregated Funds** (line 8 - line 9)		(99.5)	(99.5)	(116.4)	(39.2)
11	**Return on Rate Base - ROE Component** (line 2 x 45% x 8.66%)		5.9	2.8	1.2	1.1
12	**Net Increase in Regulatory Taxable Income** (line 1 + line 7 + line 10 + line 11)		16.1	14.0	(100.8)	(27.6)
13	**Income Tax Rate**		25.0%	25.0%	25.0%	25.0%
14	**Income Tax Impact** (line 12 x line 13 / (1 - line 13))		5.4	4.7	(33.6)	(9.2)
15	**Addition to Deferral Account - Year-End 2021 ARO / ARC Adjustment** (lines 1 + 4 + 7 + 14)		123.9	119.5	(17.4)	3.0
16	**Addition to Deferral Account - Change in Pickering Station End-of-Life Dates (December 31, 2020 End-of-Life Extension)**	4	69.4	67.9	19.6	19.6
17	**Total Addition to Deferral Account** (line 15 + line 16)		193.3	187.5	2.2	22.6

Notes:

1 The depreciation expense component of the addition to the deferral account is calculated as follows:

Table to Note 1 - Change in Depreciation Expense ($M)

Line No.		Pickering Units 1 & 4	Pickering Units 5 - 8	Darlington	(a) + (b) + (c) Total
		(a)	(b)	(c)	(d)
	Incremental Asset Retirement Cost ("ARC") Continuity:				
1a	ARC Adjustment at December 31, 2021 (EB-2023-0336, Ex. H1-1-1, Table 18a, line 7b, cols. (a) to (d))**	254.8	(16.5)	34.2	272.6
2a	Remaining Useful Life as at December 31, 2021 (years)*	3.0	3.0	31.0	
3a	2022 Annual Incremental Depreciation (line 1a / line 2a)	84.9	(5.5)	1.1	80.5
4a	Incremental ARC at December 31, 2022 (EB-2023-0336, Ex. H1-1-1, Table 18, Note 1, line 4a)	169.9	(11.0)	33.1	192.0
5a	Remaining Useful Life as at December 31, 2022 (years)*	2.0	2.0	30.0	
6a	2023 Annual Incremental Depreciation (line 4a / line 5a)	84.9	(5.5)	1.1	80.5
7a	Incremental ARC at December 31, 2023 (line 4a - line 6a)	84.9	(5.5)	32.0	111.5
8a	Remaining Useful Life as at December 31, 2023 (years)*	1.0	1.0	29.0	
9a	2024 Annual Incremental Depreciation (line 7a / line 8a)	84.9	(5.5)	1.1	80.5
10a	Incremental ARC at December 31, 2024 (line 7a - line 9a)	0.0	0.0	30.9	30.9
11a	Remaining Useful Life as at December 31, 2024 (years)*	0.0	0.0	28.0	
12a	2025 Annual Incremental Depreciation (line 10a / line 11a)	0.0	0.0	1.1	1.1
13a	Incremental ARC at December 31, 2025 (line 10a - line 12a)	0.0	0.0	29.8	29.8
14a	Remaining Useful Life as at December 31, 2025 (years)*	0.0	0.0	27.0	
15a	2026 Annual Incremental Depreciation (line 13a / line 14a)	0.0	0.0	1.1	1.1
16a	Incremental ARC at December 31, 2026 (line 13a - line 15a)	0.0	0.0	28.7	28.7

* A common end of life date of December 31, 2024 was used to depreciate ARC for Pickering Units 1 & 4 due to the integrated nature of Unit operations.

** Cols. (a) through (d) from Ex. C2-1-1, Table 4, line 14, cols. (a) through (d), respectively.

2 Col. (a) calculated as (line 4a, col. (d) + line 7a, col. (d)) / 2. Col. (b) calculated as (line 7a, col.(d) + line 10a, col. (d)) / 2. Col. (c) calculated as (line 10a, col.(d) + line 13a, col. (d)) / 2. Col. (d) calculated as (line 13a, col.(d) + line 16a, col. (d)) / 2.

3 Col. (a) WAAC: calculated as EB-2020-0290 Payment Amounts Order, Appendix A, Table 12, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (b) WACC: calculated as EB-2020-0290 Payment Amounts Order, Appendix A, Table 13, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (c) WAAC: calculated as EB-2020-0290 Payment Amounts Order, Appendix A, Table 14, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (d) WACC: calculated as EB-2020-0290 Payment Amounts Order, Appendix A, Table 15, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).

4 From Ex. H1-1-1, Table 18, line 22, cols. (a) through (d). Represents the nuclear liabilities component of the revenue requirement impacts arising from the extension of station end-of-life dates for Pickering Units 1 and 4 to December 31, 2024, effective December 31, 2020. As the current approved ONFA Reference Plan reflects this change effective January 1, 2022, this impact is recorded in the Nuclear Liability Deferral Account beginning in 2022. Prior to 2022, the impact was recorded in the Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account as this change in end-of-life dates was not yet reflected in the current approved ONFA Reference Plan.

5 Values are calculated as the difference between: (A) the product of (i) corresponding year unit cost rates for the Used Fuel Storage and Disposal Programs and the Low and Intermediate Level Waste ("L&ILW") Storage and Disposal Programs arising from the current approved ONFA Reference Plan and (ii) the forecast used fuel bundles and L&ILW volumes reflected for the corresponding year in the EB-2020-0290 nuclear revenue requirements, and (B) the product of (i) the corresponding year unit cost rates for the Used Fuel Storage and Disposal Programs and the L&ILW Storage and Disposal Programs applicable following the changes in nuclear liabilities as a result of the extension of station end-of-life dates for Pickering Units 1 and 4 effective December 31, 2020, and (ii) the forecast used fuel bundles and L&ILW volumes reflected for the corresponding years in the EB-2020-0290 nuclear revenue requirements.

6 Per EB-2020-0290, Ex. C2-1-1, Table 2, line 15, cols. (h) through (k).

7 Cols (a) through (d) from Ex. C2-1-1, Table 2, line 14, cols. (d) through (f), respectively.

Table 18

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account - December 31, 2020 End-of-Life Extension[1]
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Description	Note	Actual 2023	Actual 2024	Budget 2025	Budget 2026
			(a)	(b)	(c)	(d)
	Cost of Capital					
1	**Asset Retirement Cost ("ARC") Rate Base** (Note 4, line 4h)		2.3	0.6	(0.3)	(0.2)
2	**Non-ARC Rate Base** (Note 5, line 5f)		3.1	1.0	0.0	0.0
3	**Total Return on Rate Base Impact** (line 1 + line 2)		5.5	1.6	(0.3)	(0.2)
	Depreciation Expense:					
4	**Asset Retirement Costs** (Note 2, col. (f))		29.7	29.7	(0.2)	(0.2)
5	**Non-Asset Retirement Costs** (Note 3, line 3c)		38.1	34.6	0.0	0.0
6	**Total Depreciation Expense Impact** (line 4 + line 5)		67.8	64.3	(0.2)	(0.2)
	Other Expenses:					
7	**Used Fuel Storage and Disposal Variable Expenses**	6	19.4	19.9	14.5	14.6
8	**Low & Intermediate Level Waste Management Variable Expenses**	6, 7	0.8	0.8	0.6	0.4
9	**Total Variable Expenses Impact** (line 7 + line 8)		20.2	20.7	15.1	15.1
	Income Taxes:					
10	**Return on Rate Base - Non-ARC Impact - ROE Component** (Note 5, line 5g x (25%/75%))		0.7	0.2	0.0	0.0
11	**Depreciation Expense on Non-Asset Retirement Costs** (line 5 x (25%/75%))		12.7	11.5	0.0	0.0
12	**Total Non-ARC Income Tax Impact** (line 10 + line 11)		13.4	11.8	0.0	0.0
13	**Return on Rate Base - ARC Impact** (Note 4, line 4k x (25%/75%))		0.5	0.1	(0.1)	(0.1)
14	**Depreciation Expense on Asset Retirement Costs** (line 4 x (25%/75%))		9.9	9.9	(0.1)	(0.1)
15	**Used Fuel Storage and Disposal Variable Expenses** (line 7 x (25%/75%))		6.5	6.6	4.8	4.9
16	**Low & Intermediate Level Waste Management Variable Expenses** (line 8 x (25%/75%))		0.3	0.3	0.2	0.1
17	**Total Nuclear Liabilities Income Tax Impact** (line 13 + line 14 + line 15 + line 16)		17.2	16.9	4.9	4.9
18	**Total Income Tax Impact** (line 12 + line 17)		30.5	28.7	4.9	4.9
19	**Revenue Requirement Impact - Nuclear Liabilities** (line 1 + line 4 + line 9 + line 17)		69.4	67.9	19.6	19.6
20	**Revenue Requirement Impact - Non-ARC** (line 2 + line 5 + line 12)		54.6	47.4	0.0	0.0
21	**Total Revenue Requirement Impact** (line 19 + line 20)		124.0	115.4	19.6	19.6
22	**Less: Revenue Requirement Impact Recorded in Nuclear Liability Deferral Account Beginning Jan. 1, 2022** (line 19)	8	69.4	67.9	19.6	19.6
23	**Total Addition to Deferral Account** (line 21 - line 22)		54.6	47.4	0.0	0.0

For notes see Tables 18a and 18b.

Table 18a

Notes to Table 18

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account - December 31, 2020 End-of-Life Extension ($M)

1 Calculations follow the methodology in EB-2020-0290 Payment Amounts Order, App. F, p.1. Amounts are as set out in EB-2020-0290 Ex. L-F-01-Staff-271, Att. 1, Table 2, other than those that reflect changes between the EB-2020-0290 proposed and OEB approved revenue requirement for the corresponding year, subject to rounding differences.

2 The ARC depreciation expense component of the addition to the deferral account is calculated as follows:

Table to Note 2 - ARC Depreciation Expense ($M)

Line No.		Pickering Units 1 & 4	Pickering Units 5-8	Darlington	(a)+(b)+(c) Total	ARC Depreciation per EB-2020-0290***	(d) - (e) Impact of Year-End 2020 Adjustment
		(a)	(b)	(c)	(d)	(e)	(f)
2a	Asset Retirement Cost as at December 31, 2020 Before Pickering Units 1 & 4 End-of-Life Adjustment*	63.3	187.8	113.9	365.2		
2b	Asset Retirement Cost Adjustment as at December 31, 2020 (Cols. (a) through (d) from Ex. C2-1-1, Table 4, line 7, cols. (a) through (d).)	50.4	5.6	(4.8)	51.1		
2c	Unamortized Asset Retirement Cost as at December 31, 2020 (line 2a + line 2b)	113.6	193.4	109.1	416.2		
2d	Remaining Useful Life as at December 31, 2020 (years)**	4.0	4.0	32.0			
2e	Annual Depreciation (line 2c / line 2d)	28.4	48.3	3.4	80.2	82.2	(2.0)
2f	Unamortized Asset Retirement Cost as at December 31, 2021 (line 2c - line 2e)	85.2	145.0	105.7	336.0		
2g	Remaining Useful Life as at December 31, 2021 (years)**	3.0	3.0	31.0			
2h	2022 Annual Depreciation (line 2f / line 2g)	28.4	48.3	3.4	80.2	82.2	(2.0)
2i	Unamortized Asset Retirement Cost as at December 31, 2022* (line 2f - line 2h)	56.8	96.7	102.3	255.8		
2j	Remaining Useful Life as at December 31, 2022 (years)**	2.0	2.0	30.0			
2k	2023 Annual Depreciation (line 2i / line 2j)	28.4	48.3	3.4	80.2	50.5	29.7
2l	Unamortized Asset Retirement Cost as at December 31, 2023 (line 2i - line 2k)	28.4	48.3	98.9	175.7		
2m	Remaining Useful Life as at December 31, 2023 (years)**	1.0	1.0	29.0			
2n	2024 Annual Depreciation (line 2l / line 2m)	28.4	48.3	3.4	80.2	50.5	29.7
2o	Unamortized Asset Retirement Cost as at December 31, 2024 (line 2l - line 2n)	0.0	0.0	95.5	95.5		
2p	Remaining Useful Life as at December 31, 2024 (years)**	0.0	0.0	28.0			
2q	2025 Annual Depreciation (line 2o / line 2p)	0.0	0.0	3.4	3.4	3.6	(0.2)
2r	Unamortized Asset Retirement Cost as at December 31, 2025 (line 2o - line 2q)	0.0	0.0	92.1	92.1		
2s	Remaining Useful Life as at December 31, 2025 (years)**	0.0	0.0	27.0			
2t	2026 Annual Depreciation (line 2r / line 2s)	0.0	0.0	3.4	3.4	3.6	(0.2)
2u	Unamortized Asset Retirement Cost as at December 31, 2026 (line 2r - line 2t)	0.0	0.0	88.7	88.7		

* From EB-2023-0336, Ex. H1-1-1, Table 19a, line 2a, cols. (a) to (d) (differences due to rounding).

** A common end of life date of December 31, 2024 was used to depreciate ARC for Pickering Units 1 & 4 due to the integrated nature of Unit operations.

*** Per EB-2018-0002 OEB Staff Interrogatory #1, Schedule 1-Staff-1, Att. 1, Table 1a, line 1n, col. (d) for 2021 and EB-2020-0290 Payment Amounts Order, App. A, Table 10, col. (b), lines 8, 17, 26, 35 and 44 for 2023 to 2026, respectively.

3 The non-ARC depreciation and amortization expense component of the addition to the deferral account is calculated as follows:

Table to Note 3 - Non-ARC Depreciation Expense ($M)

Line No.		Actual 2023	Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)	(d)
3a	Unadjusted Non-ARC Depreciation and Amortization Expense - December 31, 2022 Pickering Units 1 & 4 End-of-Life+	421.0	528.2	0.4	0.0
3b	Non-ARC Depreciation and Amortization Expense - December 31, 2024 Pickering Units 1 & 4 End-of-Life#	459.1	562.9	0.4	0.0
3c	Impact of Pickering Units 1 & 4 End-of-Life Extension (line 3b less line 3a)	38.1	34.6	0.0	0.0

\+ EB-2020-0290, Ex. B3-4-1: Table 2, cols. (b) to (d), line 30 for 2023 and line 38 for 2024; Table 3, cols. (b) to (d), line 4 for 2025 and line 12 for 2026.

\# Calculated by applying the revised Pickering end-of-life date to the forecast non-ARC Pickering gross plant including forecast in-service additions reflected in the corresponding year nuclear revenue requirement (EB-2020-0290 for 2023 to 2026) and holding all other variables constant, effective January 1, 2022 onwards.

4 Cost of capital for ARC Rate Base component of the addition to the deferral account is calculated as follows:

Table to Note 4 - Cost of Capital for ARC Rate Base ($M)

Line No.		Actual 2023	Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)	(d)
4a	Average ARC: Note 2, col. (d); (opening ARC + closing ARC for corresponding year)/2	215.7	135.6	93.8	90.4
4b	Average UNL++++	(107.0)	(290.8)	(452.1)	(547.2)
4c	Weighted Average Accretion Rate+	4.86%	4.86%	4.86%	4.86%
4d	Return on Rate Base at Weighted Average Accretion Rate ((lesser of line 4a or 4b) x line 4c)++	0.0	0.0	0.0	0.0
4e	Return on Rate Base at Weighted Average Cost of Capital (line 4a x WACC, as line 4b < 0)+++	12.6	8.0	5.6	5.4
4f	EB-2020-0290 Return on Rate Base at Weighted Average Accretion Rate^	0.0	0.0	0.0	0.0
4g	EB-2020-0290 Return on Rate Base at Weighted Average Cost of Capital^^	10.2	7.4	5.8	5.6
4h	Impact of Pickering Units 1 & 4 End-of-Life Extension ((line 4d + line 4e) - (line 4f + line 4g))	2.3	0.6	(0.3)	(0.2)
4i	ROE Component of Line 4e Cost of Capital ((line 4a x 45% x 8.66%), as line 4b < 0)	8.4	5.3	3.7	3.5
4j	ROE Component of Line 4g Cost of Capital^^^	6.8	4.9	3.8	3.7
4k	Impact of Pickering Units 1 & 4 End-of-Life Extension on Cost of Capital for Income Tax Calculation ((line 4d - line 4f) + (line 4i - line 4j))	1.6	0.4	(0.2)	(0.2)

\+ From EB-2020-0290, Ex. L-A1-2-Staff-002, Att. 1, Table 5, line 7, col. (c).

++ When UNL is a negative value, no return on rate base at weighted average accretion is recorded and the return at rate base is limited to average ARC at line 4a multiplied by the OEB-approved weighted average cost of capital (WACC), as shown in line 4e.

+++ Col. (a) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 12, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (b) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 13, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (c) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 14, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (d) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 15, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).

++++ From EB-2020-0290, Ex. L-F-01-Staff-271, Att. 1, Table 2b, line 4b, cols. (b)-(e) for the corresponding years.

^ EB-2020-0290 Payment Amounts Order, App. A: Table 12, line 7, col. (d) for 2023, Table 13, line 7, col. (d) for 2024, Table 14, line 7, col. (d) for 2025 and Table 15, line 7, col. (d) for 2026.

^^ Col. (a): EB-2020-0290, Ex. C2-1-1, Table 1a, line 8a, col. (c) multiplied by WACC (see note +++).
Col. (b): EB-2020-0290, Ex. C2-1-1, Table 1a, line 9a, col. (c) multiplied by WACC (see note +++).
Col. (c): EB-2020-0290, Ex. C2-1-1, Table 1a, line 10a, col. (c) multiplied by WACC (see note +++).
Col. (d): EB-2020-0290, Ex. C2-1-1, Table 1a, line 11a, col. (c) multiplied by WACC (see note +++).

^^^ Col. (a): EB-2020-0290, Ex. C2-1-1, Table 1a, line 8a, col. (c) x 45% OEB-apporved equity ratio x 8.66% OEB-approved ROE.
Col. (b): EB-2020-0290, Ex. C2-1-1, Table 1a, line 9a, col. (c) x 45% OEB-apporved equity ratio x 8.66% OEB-approved ROE.
Col. (c): EB-2020-0290, Ex. C2-1-1, Table 1a, line 10a, col. (c) x 45% OEB-apporved equity ratio x 8.66% OEB-approved ROE.
Col. (d): EB-2020-0290, Ex. C2-1-1, Table 1a, line 11a, col. (c) x 45% OEB-apporved equity ratio x 8.66% OEB-approved ROE.

Table 18b

Notes to Table 18 - Continued

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account - December 31, 2020 End-of-Life Extension ($M)

5 Cost of Capital for Non-ARC Rate Base component of the addition to the deferral account is calculated as follows:

Table to Note 5 - Cost of Capital for Non-ARC Rate Base ($M)

Line No.		Actual 2023	Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)	(d)
5a	Opening Non-ARC Net Plant Balance Impact##	72.7	34.6	0.0	0.0
5b	Non-ARC Depreciation and Amortization Expense Impact (Note 3, line 3c x -1)	(38.1)	(34.6)	0.0	0.0
5c	Ending Non-ARC Net Plant Balance Impact (line 5a + line 5b)	34.6	0.0	0.0	0.0
5d	Non-ARC Rate Base Impact (line 5a + line 5c)/2	53.7	17.3	0.0	0.0
5e	Weighted Average Cost of Capital###	5.83%	5.90%	5.92%	5.92%
5f	Total Cost of Capital (line 5d x line 5e)	3.1	1.0	0.0	0.0
5g	ROE Component of Cost of Capital (line 5d x 45% x 8.66%)	2.1	0.7	0.0	0.0

Col. (a) from EB-2023-0336, Ex. H1-1-1, Table 19b, line 5c., col. (b).

See Ex. H1-1-1, Table 18a, Note +++.

6 The variable expense component of the addition to the deferral account is determined by multiplying the differences between (i) and (ii) by the corresponding forecast used fuel bundles and low and intermediate level waste ("L&ILW") volumes reflected in the EB-2020-0290 nuclear revenue requirements for the corresponding year, where:
(i) is the corresponding year unit cost rates for the Used Fuel Storage and Disposal Programs and the L&ILW Storage and Disposal Programs reflecting the 2.01% discount rate used to determine the year-end 2020 ARO adjustment reflecting the Pickering Units 1 and 4 end-of-life extension, and (ii) is the equivalent corresponding year unit cost rates reflected in the corresponding variable expenses included in the EB-2020-0290 nuclear revenue requirements.

7 Actual 2023 and 2024 amounts exclude $1.3M and $1.1M of low & intermediate level waste management variable expenses related to the Darlington Refurbishment Project as these impacts are captured in the Capacity Refurbishment Variance Account. The amount recorded in the Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account has been calculated to avoid duplication. Budget 2025 and 2026 amounts of $0.4M and $0.1M, respectively, are excluded for the same reason.

8 Refer to Ex. H1-1-1, Table 17, Note 4.

Numbers may not add due to rounding.

Table 19

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account - December 31, 2023 End-of-Life Extension[1]

Summary of Account Transactions - 2024 ($M)

Line No.	Description	Note	Actual 2024	Budget 2025	Budget 2026
			(a)	(b)	(c)
	Cost of Capital:				
1	**Asset Retirement Cost ("ARC") Rate Base** (Note 4, line 4j)		18.5	17.4	17.1
2	**Non-ARC Rate Base** (Note 5, line 5f)		1.9	3.6	3.1
3	**Total Return on Rate Base Impact** (line 1 + line 2)		20.5	21.0	20.2
	Depreciation Expense:				
4	**Asset Retirement Costs** (Note 2, col. (h))		78.1	6.8	6.8
5	**Non-Asset Retirement Costs** (Note 3, line 3c)		(65.5)	8.9	8.7
6	**Total Depreciation Expense Impact** (line 4 + line 5)		12.6	15.7	15.6
	Other Expenses:				
7	**Used Fuel Storage and Disposal Variable Expenses**	6	(29.9)	(21.9)	(21.8)
8	**Low & Intermediate Level Waste Management Variable Expenses**	6,7	(5.8)	(4.4)	(3.1)
9	**Total Variable Expenses Impact** (line 7 + line 8)		(35.7)	(26.2)	(24.9)
	Income Taxes:				
10	**Return on Rate Base - Non-ARC Impact - ROE Component** (Note 5, line 5g x (25%/75%))		0.4	0.8	0.7
11	**Depreciation Expense on Non-Asset Retirement Costs** (line 5 x (25%/75%))		(21.8)	3.0	2.9
12	**Total Non-ARC Income Tax Impact** (line 10 + line 11)		(21.4)	3.7	3.6
13	**Return on Rate Base - ARC Impact** (Note 4, line 4o x (25%/75%))		7.6	6.6	6.5
14	**Depreciation Expense on Asset Retirement Costs** (line 4 x (25%/75%))		26.0	2.3	2.3
15	**Used Fuel Storage and Disposal Variable Expenses** (line 7 x (25%/75%))		(10.0)	(7.3)	(7.3)
16	**Low & Intermediate Level Waste Management Variable Expenses** (line 8 x (25%/75%))		(1.9)	(1.5)	(1.0)
17	**Total Nuclear Liabilities Income Tax Impact** (line 13 + line 14 + line 15 + line 16)		21.7	0.2	0.5
18	**Total Income Tax Impact** (line 12 + line 17)		0.3	3.9	4.1
19	**Revenue Requirement Impact - Nuclear Liabiilties** (line 1 + line 4 + line 9 + line 17)		82.6	(1.9)	(0.4)
20	**Revenue Requirement Impact - Non-ARC** (line 2 + line 5 + line 12)		(84.9)	16.2	15.4
21	**Total Addition to Deferral Account** (line 19 + line 20)		(2.3)	14.4	15.0

For notes see Tables 19a and 19b.

Table 19a
Notes to Table 19
Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account - December 31, 2023 End-of-Life Extension ($M)

1 Calculations follow the methodology in EB-2020-0290 Payment Amounts Order, App. F, p.1.
2 The ARC depreciation expense component of the addition to the deferral account is calculated as follows:

Table to Note 2 - ARC Depreciation Expense ($M)

Line No.		Pickering Units 1 & 4	Pickering Units 5-8	Darlington	(a)+(b)+(c) Total	ARC Depreciation per EB-2020-0290 *	Impact of Year-End 2020 Adjustment**	Impact of 2022 ONFA Reference Plan (Year-End 2021) Adjustment***	(d) - (e) - (f) - (g) Impact of Year-End 2023 Adjustment
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2a	Asset Retirement Cost as at December 31, 2023 Before Pickering Units 5-8 End-of-Life Adjustment (Col. (d) from Ex. C2-1-1, Table 2, line 23, col. (d).)	113.1	42.7	130.9	286.7				
2b	Asset Retirement Cost Adjustment as at December 31, 2023 (Cols. (a) through (d) from Ex. C2-1-1, Table 4, line 22, cols. (a) through (d).)	114.3	490.7	(130.9)	474.1				
2c	Unamortized Asset Retirement Cost as at December 31, 2023 (line 2a + line 2b)	227.4	533.4	0.0	760.8				
2d	Remaining Useful Life as at December 31, 2023 (years) #	1.0	47.0	29.0					
2e	2024 Annual Depreciation (line 2c / line 2d) (Col. (d) from Ex. C2-1-1, Table 2, line 22, col. (e) and from Ex. F4-1-1, Table 2, line 9, col. (e).)	227.4	11.3	0.0	238.8	50.5	29.7	80.5	78.1
2f	Unamortized Asset Retirement Cost as at December 31, 2024 (line 2c - line 2e)	0.0	522.0	0.0	522.0				
2g	Remaining Useful Life as at December 31, 2024 (years) #	0.0	46.0	28.0					
2h	2025 Annual Depreciation (line 2f / line 2g)	0.0	11.3	0.0	11.3	3.6	(0.2)	1.1	6.8
2i	Unamortized 2025 Asset Retirement Cost as at December 31, 2025 (line 2f - line 2h)	0.0	510.7	0.0	510.7				
2j	Remaining Useful Life as at December 31, 2025 (years) #	0.0	45.0	27.0					
2k	2026 Annual Depreciation (line 2i / line 2j)	0.0	11.3	0.0	11.3	3.6	(0.2)	1.1	6.8
2l	Unamortized 2026 Asset Retirement Cost as at December 31, 2026 (line 2i - line 2k)	0.0	499.3	0.0	499.3				

* Per EB-2020-0290 Payment Amounts Order, App. A, Table 10, col. (b), lines 26, 35 and 44 for 2024 to 2026, respectively.
** From Ex. H1-1-1, Table 18, line 4, cols. (b) through (d) for 2024 to 2026, respectively.
*** Ex. H1-1-1, Table 17, line 1, cols. (b) through (d) for 2024 to 2026, respectively.
\# A common end of life date of December 31, 2024 is used to depreciate ARC for Pickering Units 1 & 4 due to the integrated nature of Unit operations. An end of life date of December 31, 2070 is used to depreciate ARC for Pickering Units 5-8.

3 The non-ARC depreciation and amortization expense component of the addition to the deferral account is calculated as follows:

Table to Note 3 - Non-ARC Depreciation Expense ($M)

Line No.		Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)
3a	Unadjusted non-ARC Depreciation and Amortization Expense - December 31, 2024 Pickering Units 5-8 End of Life+	562.9	0.4	0.0
3b	Non-ARC Depreciation and Amortization Expense - December 31, 2070 Pickering Units 5-8 End-of Life++	497.4	9.2	8.7
3c	Impact of Pickering End-of-Life Extension (line 3b less line 3a)	(65.5)	8.9	8.7

\+ Cols. (a) through (c) from Ex. H1-1-1, Table 18a, line 3b, cols. (b) through (d), respectively.
\++ Calculated by applying the revised Pickering end-of-life date to the forecast non-ARC Pickering gross plant including forecast in-service additions reflected in the corresponding year nuclear revenue requirement (EB-2020-0290 for 2024-2026) and holding all other variables constant, effective January 1, 2022.

Table 19b

Notes to Table 19 - Continued

Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account (December 31, 2023 End-of-Life Extension) ($M)

4 Cost of capital for ARC Rate Base component of the addition to the deferral account is calculated as follows:

Table to Note 4 - Cost of Capital for ARC Rate Base ($M)

Line No.		Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)
4a	Average ARC: Note 2, col. (d); (opening ARC + closing ARC for corresponding year)/2	641.4	516.4	505.0
4b	Average UNL	774.0	640.3	567.0
4c	Weighted Average Accretion Rate (Ex. C1-1-1, Table 9, line 7, col. (c))	4.79%	4.79%	4.79%
4d	Return on Rate Base at Weighted Average Accretion Rate ((lesser of line 4a or 4b) x line 4c)	30.7	24.7	24.2
4e	Return on Rate Base at Weighted Average Cost of Capital ((line 4a - line 4b) x WACC), if line 4a > line 4b)[#]	0.0	0.0	0.0
4f	EB-2020-0290 Return on Rate Base at Weighted Average Accretion Rate (from Ex. H1-1-1, Table 18a, line 4f)	0.0	0.0	0.0
4g	EB-2020-0290 Return on Rate Base at Weighted Average Cost of Capital (from Ex. H1-1-1, Table 18a, line 4g)	7.4	5.8	5.6
4h	Impact of Year-End 2020 ARO Adjustment (from Ex. H1-1-1, Table 18a, line 4h, cols. (b) to (d))	0.6	(0.3)	(0.2)
4i	Impact of 2022 ONFA Reference Plan (Year-End 2021) ARO Adjustment (from Ex. H1-1-1, Table 17, line 4, cold. (b) to (d))	4.2	1.8	1.7
4j	Impact of Pickering Units 5-8 End-of-Life Extension ((line 4d + line 4e) - (line 4f + line 4g) - (line 4h + line 4i))	18.5	17.4	17.1
4k	ROE Component of Line 4e Cost of Capital (((line 4a-4b) x 45% x 8.66%), if line 4a > line 4b)	0.0	0.0	0.0
4l	ROE Component of Line 4g Cost of Capital (from Ex. H1-1-1, Table 18a, line 4j, cols. (b) to (d))	4.9	3.8	3.7
4m	ROE Component of Impact of Year-End 2020 ARO Adjustment (from Ex. H1-1-1, Table 18a, line 4k, cols. (b) to (d))	0.4	(0.2)	(0.2)
4n	ROE Component of Impact of 2022 ONFA Reference Plan (Year-End 2021) ARO Adjustment[^]	2.8	1.2	1.1
4o	Impact of Pickering Units 5-8 End-of-Life Extension on Cost of Capital for Income Tax Calculation ((line 4d - line 4f) + (line 4k - line 4l) - line 4m - line 4n)	22.7	19.9	19.5

[#] Col. (a) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 13, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (b) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 14, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).
Col. (c) WACC : EB-2020-0290 Payment Amounts Order, App. A, Table 15, line 4, col. (b) x col. (c) plus line 5a, col. (c) x line 5b, col. (b).

[^] Col. (a) Ex. H1-1-1, Table 17, line 2, col. (b) x 45% OEB-approved equity ratio x 8.66% OEB-approved ROE.
Col. (b) Ex. H1-1-1, Table 17, line 2, col. (c) x 45% OEB-approved equity ratio x 8.66% OEB-approved ROE.
Col. (c) Ex. H1-1-1, Table 17, line 2, col. (d) x 45% OEB-approved equity ratio x 8.66% OEB-approved ROE.

5 Cost of Capital for non-ARC Rate Base component of the addition to the deferral account is calculated as follows:

Table to Note 5 - Cost of Capital for Non-ARC Rate Base ($M)

Line No.		Actual 2024	Budget 2025	Budget 2026
		(a)	(b)	(c)
5a	Opening Non-ARC Net Plant Balance Impact	0.0	65.5	56.6
5b	Non-ARC Depreciation and Amortization Expense Impact (Note 3, line 3c x -1)	65.5	(8.9)	(8.7)
5c	Ending Non-ARC Net Plant Balance Impact (line 5a + line 5b)	65.5	56.6	47.9
5d	Non-ARC Rate Base Impact (line 5a + line 5c)/2	32.7	61.0	52.2
5e	Weighted Average Cost of Capital[+]	5.90%	5.92%	5.92%
5f	Total Cost of Capital (line 5d x line 5e)	1.9	3.6	3.1
5g	ROE Component of Cost of Capital (line 5d x 45% x 8.66%)	1.3	2.4	2.0

[+] For calculation of WACC, see note [##]

6 The variable expense component of the addition to the deferral account is determined by multiplying the differences between (i) and (ii) by the corresponding forecast used fuel bundles and low and intermediate level waste ("L&ILW") volumes reflected in the EB-2020-0290 nuclear revenue requirement for the corresponding year, where:
(i) is the corresponding year unit cost rates for the Used Fuel Storage and Disposal Programs and the L&ILW Storage and Disposal Programs reflecting the 3.93% discount rate used to determine the year-end 2023 ARO adjustment reflecting the Pickering Units 5-8 end-of-life extension, and(ii) is the equivalent corresponding year unit cost rates reflected in the corresponding variable expenses reflecting the 2.45% discount rate used to record variable expenses during 2022 and 2023, following the year-end 2021 ARO adjustment reflecting the impact of the 2022 ONFA Reference Plan.

7 Actual 2024 amount excludes $7.5M of low & intermediate level waste management variable expenses related to the Darlington Refurbishment Project as these impacts are captured in the Capacity Refurbishment Variance Account. The amount recorded in the Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account has been calculated to avoid duplication. Budget 2025 and 2026 amounts of $1.7M and $0.2M, respectively, are excluded for the same reason.

Table 20
Nuclear Development Variance Account - Darlington New Nuclear Program
Summary of Account Transactions - 2023 and 2024 ($M)

Line No.	Particulars	Note	Actual 2023	Actual 2024
			(a)	(b)
	Capital Addition to Variance Account:			
	Income Tax Impact:			
1	**Forecast Capital Cost Allowance Deduction**		0.0	0.0
2	**Actual Capital Cost Allowance Deduction**		0.0	23.9
3	**Actual SR&ED Qualifying Expenditures**		21.1	56.0
4	**Difference** (line 1 - line 2 - line 3)		(21.1)	(79.9)
5	**Net Decrease in Regulatory Taxable Income** (line 4)		(21.1)	(79.9)
6	**Income Tax Rate**		25%	25%
7	**Income Tax Impact** (line 5 x line 6 / (1 - line 6))		(7.0)	(26.6)
8	**Capital Addition to Variance Account** (line 7)		(7.0)	(26.6)
	Non-Capital Addition to Variance Account:			
9	**Forecast Costs**	2	2.2	2.3
10	**Actual Costs**	3	1.1	2.3
11	**Difference** (line 10 - line 9)		(1.1)	0.1
12	**Non-Capital Addition to Variance Account** (line 11)		(1.1)	0.1
13	**Total Addition to Variance Account** (line 8 + line 12)		(8.1)	(26.5)

Notes:

1 From EB-2020-0290 Payment Amounts Order, App. E, p.16.

2 From Ex. F2-1-1, Table 1a, line 8, cols. (d) and (e).