PENSION AND OTHER POST-EMPLOYMENT BENEFIT COSTS

1.0 PURPOSE

The purpose of this exhibit is to:

- Detail the forecast IR term pension and other post-employment benefit ("OPEB") costs for OPG's regulated facilities and the DNNP facilities determined in accordance with US GAAP ("accrual costs") included in the proposed revenue requirements and set out supporting evidence for these amounts;
- Present the forecast IR term pension contributions and OPEB benefit payments ("cash amounts") as well as the differential between the accrual costs and cash amounts. These amounts are provided for reference and continuity with past proceedings;
- Present the historical and bridge period pension and OPEB accrual costs and cash amounts for OPG's regulated facilities; and
- Support the request for disposition of balances in the Pension and OPEB Cost Variance Account, Pension & OPEB Cash versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account, and the Pension and OPEB Forecast Accrual versus Actual Cash Differential Variance Account, as set out in Ex. H1-1-1.

2.0 OVERVIEW

OPG's pension and OPEB programs applicable to the prescribed facilities consist of a registered pension plan ("RPP"), a supplementary pension plan, other post-retirement benefits such as group life insurance and health and dental care for pensioners and their dependants, as well as long-term disability ("LTD") benefits for current employees.[1] This includes the DNNP facilities, for which DNNP LP is entering into a lease with OPG. DNNP LP will undertake the development, construction, and operation of the DNNP facilities, with OPG contracted to act as the project manager and operator of the facilities. As such, OPG is expected to charge DNNP LP for the corresponding portion of the costs of the pension and OPEB plans under the

[1] The term "other post-retirement benefits" is used to refer to post-employment benefit plans other than the RPP and LTD benefits. Unless otherwise noted, OPEB is used to refer to all post-employment benefits other than the RPP benefits.

terms of the associated agreements. As discussed in Ex. A1-4-4, DNNP LP will not have its own workforce and will contract all applicable services with OPG.

Consistent with the OEB's policy on pension and OPEB cost recovery set out in the OEB's Report: *Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs* (the "Pension & OPEB Report"),[2] the pension and OPEB costs in the proposed revenue requirements have been calculated on an accrual basis.[3]

For OPG's regulated nuclear facilities, this methodology represents a continuation of the treatment reflected in the OEB-approved settlement proposal in EB-2020-0290 and the resulting payment amounts and attendant deferral and variance accounts. The same treatment has been applied to the DNNP facilities in this Application. As the regulated hydroelectric payment amounts have been underpinned by the revenue requirements approved in EB-2013-0321, they do not yet reflect pension and OPEB accrual costs and instead reflect the then forecasted pension and OPEB cash amounts. Upon being rebased in this Application as proposed, the regulated hydroelectric payment amounts will reflect the same treatment for pension and OPEB costs as OPG's regulated nuclear facilities.

The operation of deferral and variance accounts related to pension and OPEB costs is discussed in Ex. H1-1-1, including the continued application of the Pension and OPEB Forecast Accrual versus Actual Cash Differential Variance Account that records interest, at the OEB's prescribed Construction Work In Progress rate, on the difference between pension and OPEB accrual costs and cash amounts, asymmetrically in favour of ratepayers.

The nature of pension and OPEB accrual costs and cash amounts presented in this evidence and the methodologies used to derive them are unchanged from those reflected in EB-2020-

[2] The Pension & OPEB Report was issued in the OEB's generic consultation on the issue (EB-2015-0040).
[3] As the OEB stated in EB-2018-0243, Decision and Payments Amounts Order, February 21, 2019, p.4: In accepting the settlement proposal, the OEB notes the following:

- The parties agreed the accrual method is the appropriate regulatory accounting and recovery basis for pensions and other post-employment benefits for OPG consistent with the Report of the Ontario Energy Board: Regulatory Treatment of Pension and Other Post-Employment Benefits (OPEBs) Costs (Report), issued in EB-2015-0040.

0290. This includes the DNNP facilities, for which amounts chargeable by OPG under the respective agreements are expected to be determined in the same manner as the amounts attributed to OPG's regulated facilities.

Forecast pension and OPEB accrual costs attributed to the nuclear facilities for the IR term are $226.6M in 2027, $224.8M in 2028, $233.2M in 2029, $239.0M in 2030, and $251.0M in 2031 (see Chart 1). Forecast pension and OPEB accrual costs attributed to the regulated hydroelectric facilities for the IR term are $44.2M in 2027, $43.9M in 2028, $45.7M in 2029, $47.2M in 2030, and $49.6M in 2031 (see Chart 2). Overall pension and OPEB accrual costs attributed to OPG's regulated facilities are very close to the approximate cash amounts for the IR term (for Nuclear see Chart 4 and for regulated hydroelectric see Chart 5). Pension accrual costs continue to be lower than the pension cash amounts, while OPEB accrual costs continue to be higher than the OPEB cash amounts.

Forecast pension and OPEB accrual costs attributed to the DNNP facilities for the IR term are $14.5M in 2027, $13.9M in 2028, $12.5M in 2029, $11.1M in 2030, and $11.0M in 2031 (see Chart 3). The DNNP facilities will not experience a difference between pension and OPEB accrual costs and cash amounts, as, once charged to DNNP LP by OPG, any pension and OPEB costs become cash expenditures of DNNP LP by virtue of being payable to OPG under the respective agreements.

Section 3.0 summarizes OPG's pension and OPEB costs for the regulated facilities for the historical and bridge years, and the IR term. For reference and continuity with past proceedings, this evidence shows both the accrual costs and cash amounts for pension and OPEB. Sections 4.0 and 5.0, respectively, set out how the accrual costs and cash amounts presented in Section 3.0 were developed and discuss related trends and variances.

As part of this exhibit, the list of attachments includes Aon's reports on the pension and OPEB costs for 2020-2031 (Attachment 1-3), Aon's report on the latest actuarial valuation as at January 1, 2025 (Attachment 4) and summary appendices 1-3 of the pension and OPEB

accrual costs compared to the OEB approved amounts, and pension contributions and OPEB cash payments for the historical, bridge period and IR term (Attachment 5).

3.0 SUMMARY OF PENSION AND OPEB COSTS

Charts 1, 2, 2A, and 3 set out pension and OPEB accrual costs attributed to the regulated facilities in the historical and bridge years, and the IR term. OPG's total accrual costs for these periods were determined by Aon, an independent actuary, in accordance with US GAAP, as set out in Attachment 1 for the 2025-2031 forecast amounts, Attachment 2 for the 2023-2024 actual amounts, and Attachment 3 for the 2020-2022 actual amounts.[4,5]

After increasing in 2027 following the expected adoption of a new mortality improvement scale actuarial assumption recommended by Aon (see Section 4.1), pension accrual costs are projected to generally decrease over the IR term reflecting earnings on the pension asset, at the expected rate of return, that are increasing faster than the interest cost on the benefit obligation, at the current discount rate. OPEB accrual costs are projected to generally increase over the IR term reflecting increasing interest cost on the benefit obligation over time.

Chart 1 – Total Pension and OPEB Accrual Costs – OPG Nuclear (2020 to 2031)[6] ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	124.0	154.9	65.7	(27.9)	47.2	(12.0)	10.0	22.6	13.8	11.2	7.8	9.3	64.7
OPEB	179.0	165.0	151.1	153.5	158.0	186.8	190.5	204.0	211.0	222.0	231.2	241.7	1,109.9
Total	**303.0**	**319.9**	**216.8**	**125.6**	**205.2**	**174.8**	**200.5**	**226.6**	**224.8**	**233.2**	**239.0**	**251.0**	**1,174.6**

[4] Aon's reports in support of the 2016 and 2017 actual amounts were provided in EB-2018-0243, Ex. H1-1-1 Attachment 3. Aon's reports in support of the 2018 and 2019 actual amounts were provided in EB-2020-0290, Ex. F4-3-2 Attachment 2. Aon's reports in support of the 2020-2022 actual amounts were provided in EB-2023-0336, Ex. H1-1-1, Attachment 5.

[5] Actual amounts for years prior to 2023 are those reflected in the previously approved balances of the Pension and OPEB Cost Variance, Pension & OPEB Cash versus Accrual Differential Deferral Account, and Pension & OPEB Cash Payment Variance Account, as applicable.

[6] OPG's nuclear pension and OPEB amounts presented in this exhibit exclude amounts related to the Nuclear Waste Management Organization, which is consolidated into OPG's financial statements.

Chart 2 – Total Pension and OPEB Accrual Costs – OPG Regulated Hydroelectric (2020-2031) ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	23.0	28.4	12.4	(5.0)	8.1	(2.0)	1.7	4.6	2.7	2.2	1.5	1.6	12.6
OPEB	30.3	30.7	28.6	27.7	26.9	31.9	36.8	39.6	41.2	43.5	45.7	48.0	218.0
Total	**53.3**	**59.1**	**41.0**	**22.7**	**35.0**	**29.9**	**38.5**	**44.2**	**43.9**	**45.7**	**47.2**	**49.6**	**230.6**

Chart 2A – Total Pension and OPEB Accrual Costs – OPG Regulated Hydroelectric (2016-2019) ($M)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Pension	46.6	28.8	34.6	33.2
OPEB	24.1	25.5	27.8	27.7
Total	**70.7**	**54.3**	**62.4**	**60.9**

Chart 3 – Total Pension and OPEB Costs – DNNP Facilities (2026-2031) ($M)

	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	0.7	1.7	0.7	0.5	0.3	0.3	3.5
OPEB	9.4	12.8	13.2	12.0	10.8	10.7	59.5
Total	**10.1**	**14.5**	**13.9**	**12.5**	**11.1**	**11.0**	**63.0**

Charts 4 and 5 below sets out pension and OPEB cash amounts attributed to OPG's regulated facilities in the historical and bridge years, and the IR term. The cash amounts consist of contributions to the RPP and benefit payments to retirees and dependents under the OPEB plans. OPG's total forecast cash amounts for pension and OPEB for 2025-2031 were calculated by Aon, as shown in Attachment 1. Beginning in 2025, pension contributions have been set to equal projected employee contributions to reflect a permissible reduction in OPG's contributions under the *Pension Benefits Act* (Ontario) ("PBA") due to the available surplus in the plan and are projected to increase during the IR term as total employee contributions

increase (see Sections 5.0 and 5.1). Increasing OPEB benefit payments over the period reflect the growing retiree population and expected increases in per capita health and dental costs due to inflation.

Cash amounts are not shown for the DNNP facilities as DNNP LP will not make RPP contributions or make benefit payments under OPG's plans. Instead, it is expected to pay OPG its attributed portion of OPG's pension and OPEB accrual costs under the respective agreements.

Chart 4 – Pension and OPEB Cash Amounts – OPG Nuclear

(2020-2031) ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	148.3	137.7	147.0	128.2	161.7	99.1	100.4	100.6	103.4	109.0	111.6	115.3	539.9
OPEB	83.1	89.2	87.5	106.8	106.6	117.6	114.1	118.0	122.4	129.6	134.3	139.4	643.7
Total	**231.4**	**226.9**	**234.5**	**235.0**	**268.3**	**216.7**	**214.5**	**218.6**	**225.8**	**238.6**	**245.9**	**254.7**	**1,183.6**

Chart 5 – Pension and OPEB Cash Amounts – Regulated Hydroelectric

(2020-2031) ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	24.6	25.7	27.9	23.1	27.6	16.9	19.5	19.5	20.2	21.4	22.1	22.9	106.1
OPEB	13.8	16.6	16.6	19.3	18.2	20.1	22.1	22.9	23.8	25.4	26.6	27.7	126.4
Total	**38.4**	**42.3**	**44.5**	**42.4**	**45.8**	**37.0**	**41.6**	**42.4**	**44.0**	**46.8**	**48.7**	**50.6**	**232.5**

Chart 5A – Pension and OPEB Cash Amounts – OPG Regulated Hydroelectric (2016-2019) ($M)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Pension	32.5	26.3	25.3	24.1
OPEB	13.7	13.5	14.4	15.4
Total	**46.2**	**39.8**	**39.7**	**39.5**

Charts 6 and 7 below set out the difference between pension and OPEB accrual costs and cash amounts attributed to OPG's regulated facilities for the historical and bridge years, and the IR term (i.e., the difference between the amounts in Charts 1 to 2 and the amounts in Charts 4 to 5). In aggregate, pension and OPEB accrual costs attributed to OPG's regulated facilities are very close to the cash amounts for the IR term and are lower than the cash amounts over the historical and bridge years.

Chart 6 – Pension and OPEB Accrual-Cash Differential Amounts – OPG Nuclear (2020-2031)[7] ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	(24.3)	17.2	(81.3)	(156.1)	(114.5)	(111.1)	(90.4)	(78.0)	(89.6)	(97.8)	(103.8)	(106.0)	(475.2)
OPEB	95.9	75.8	63.6	46.7	51.4	69.2	76.4	86.0	88.6	92.4	96.9	102.3	466.2
Total	**71.6**	**93.0**	**(17.7)**	**(109.4)**	**(63.1)**	**(41.9)**	**(14.0)**	**8.0**	**(1.0)**	**(5.4)**	**(6.9)**	**(3.7)**	**(9.0)**

Chart 7 – Pension and OPEB Accrual-Cash Differential Amounts – Regulated Hydroelectric (2020-2031)[7] ($M)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2027-2031 Total
Pension	(1.6)	2.7	(15.5)	(28.1)	(19.5)	(18.9)	(17.8)	(14.9)	(17.5)	(19.2)	(20.6)	(21.3)	(93.5)
OPEB	16.5	14.1	12.0	8.4	8.7	11.8	14.7	16.7	17.	18.1	19.1	20.3	91.6
Total	**14.9**	**16.8**	**(3.5)**	**(19.7)**	**(10.8)**	**(7.1)**	**(3.1)**	**1.8**	**(0.1)**	**(1.1)**	**(1.5)**	**(1.0)**	**(1.9)**

[7] Positive amounts represent excess of accrual costs over cash amounts.

Chart 7A – Pension and OPEB Accrual-Cash Differential Amounts – Regulated Hydroelectric (2016-2019)[7] ($M)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Pension	14.1	2.5	9.3	9.1
OPEB	10.4	12.0	13.4	12.3
Total	**24.5**	**14.5**	**22.7**	**21.4**

As set out in Ex. H1-1-1, this Application requests the disposition of balances recorded as at December 31, 2024, less amortization amounts previously approved by the OEB for the 2025-2026 period, in the following pension and OPEB related deferral and variance accounts: the Pension and OPEB Cost Variance Account, Pension & OPEB Cash versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account, and the Pension & OPEB Forecast Accrual versus Actual Cash Differential Variance Account.

4.0 ACCRUAL COSTS FOR PENSION AND OPEB

As in prior applications, OPG's accrual costs for pension and OPEB continue to be determined in accordance with US GAAP and include several components. These components are: current service cost (net of required employee contributions for funded plans), interest cost on the benefit obligations at the appropriate discount rate, the expected return on RPP fund assets using an assumed long-term rate of return, amounts for past service costs arising from plan amendments, and amounts for actuarial gains or losses. Actuarial gains or losses consist of experience gains or losses, which arise because actual experience differs from that assumed (e.g., investment returns higher than assumed), and adjustments for changes in assumptions (e.g., discount rates).

In accordance with US GAAP, OPG's pension and other post-retirement benefit accrual costs for a given year are based on the measurement of benefit obligations and RPP fund assets at the end of the previous year. As discussed below, the full impact of certain events arising during a year is not charged to pension and OPEB costs for that year; rather, certain amounts are accumulated and amortized over future periods. OPG's LTD costs for the current year are based on the measurement of the benefit obligation at the end of both the current and the

previous year, in accordance with US GAAP. The full impact of events arising during a year related to LTD benefits is charged to OPEB costs for that year.

The accounting obligations for pension and other post-retirement benefits continue to be determined using the projected benefit method pro-rated on service. Under this method, an equal portion of the total estimated benefit liability is attributed to each year of service until the date the plan participant would be entitled to the full benefit. The obligation at a particular date is the actuarial present value of the benefits attributed to the service rendered up to that date. The LTD obligation continues to be determined using the projected benefit method on a terminal basis. Under this method, the total estimated future benefit is attributed to the year of service in which a disability occurs.

OPG's pension and OPEB costs and obligations continue to be determined annually by an independent actuary using management's best estimate assumptions, both economic (e.g., inflation, salary escalation and health care cost trends) and demographic (e.g., mortality rates and improvement scale, termination rates and retirement rates). The long-term inflation assumption is based on a long-term outlook view of the consumer price index, informed by economic forecasts and the Bank of Canada's target range of inflation. It also takes into consideration the spreads between nominal and real interest rates. The salary escalation rate builds on the long-term inflation assumption, subject to adjustments in the near term for known short-term salary expectations based on collective agreement provisions and other expectations of salary growth. Determined in consultation with Aon, the longer-term salary escalation rate is equal to the long-term inflation rate plus 0.75%, an increase from plus 0.50% used prior to December 31, 2023. Expected per capita health and dental costs and trends rates underpinning the OPEB costs are developed by Aon based on OPG's actual historical experience and the health care trend assumption model published by the Canadian Institute of Actuaries (the "CIA"). Many of the pension assumptions used for accounting purposes are the same as those used in the actuarial valuations for funding purposes discussed in Section 5.0.

OPG uses the Full Yield Curve Approach to determine the current service and interest cost components of pension and OPEB costs. This approach involves calculating the current service cost by applying individual spot interest rates based on a representative AA corporate bond yield curve to discount each future year's underlying projected benefit payments, and interest cost by multiplying individual spot rates from the yield curve by each year's present values of future projected benefit payments.[8] There has been no new educational notes or articles issued by the CIA since OPG's last major rate application in 2020 pertaining to methods for determining such accounting discount rates, nor has there been new guidance from CPA Canada on approaches to selecting such discount rates.[9]

For purposes of determining pension costs, RPP fund assets continue to be valued using a market-related value of assets. The market-related value used in determining OPG's pension costs recognizes gains and losses on equity assets relative to a 6% assumed real return over a five-year period. This contributes to the smoothing of impacts from equity market volatility over time. Gains and losses on other than equity assets continue to be recognized in the market-related value of assets immediately.

The expected long-term rate of return on the RPP fund assets continues to be calculated by Aon based on the pension fund asset mix and capital market expectations of future risk and return for each asset class within the fund portfolio.

Actuarial gains and losses for pension and other post-retirement benefits are generally amortized over future periods. In accordance with US GAAP, OPG amortizes the net cumulative unamortized gain or loss for each of these plans in excess of 10% of the greater of the benefit obligation and the market-related value of the plan assets over the expected average remaining service life of the employees (i.e., the "corridor approach"). Past service

[8] Tied to financial market conditions, discount rates are often a main driver of variability in accrual costs. Changes in discount rates affect accrual costs in several different ways: 1) they directly decrease or increase current service cost component, which is determined on a present value basis; 2) they decrease or increase the benefit obligation, which is determined on a present value basis, giving rise to an actuarial gain or loss that, in turn, is subject to amortization under the corridor approach (other than for LTD); and 3) they change the interest rates applied to the benefit obligation cash flows to determine the interest cost component.

[9] Detailed discussions on discount rates were provided in prior applications: EB-2013-0321, Ex. F4-3-1, Section 6.3.3 and EB-2016-0152, Ex. N1-1-1, Section 3.1.2.

costs or credits for pension and other post-retirement benefits continue to be amortized over the expected average remaining service period to full eligibility of the affected employee groups. All actuarial gains and losses and past service costs related to LTD benefits continue to be recognized in the year they arise, in accordance with US GAAP.

Comprehensive accounting valuations of the pension and OPRB benefit obligations are conducted periodically to incorporate current demographics of plan membership, and update applicable assumptions to represent the current best estimate based on plan experience and current expectations. Since EB-2016-0152, OPG has conducted a comprehensive accounting valuation at each year-end, as triggered by the availability of more current information as a result of performing annual pension funding valuations discussed in Section 5.0. Performing comprehensive accounting valuations ensures that OPG's accounting obligations continue to be fairly stated in accordance with US GAAP.

4.1 Forecasting Pension and OPEB Accrual Costs

Forecasting pension and OPEB accrual costs requires estimating the values of the benefit obligations and pension fund asset value at the end of the year preceding the forecast year. Developing these estimates requires projections of the actual pension fund performance as well as projections of assumptions that will be used to determine the actual obligations. Forecasting LTD costs also requires estimating the value of the benefit obligation at the end of the last year in the forecast period.

OPG's total projected pension and OPEB accrual costs for 2027-2031 underpinning this Application were determined by Aon. The forecast 2025 costs were determined using actual December 31, 2024 values of the benefit obligations and pension fund assets, and the final assumptions as of December 31, 2024.[10] The forecast 2026-2031 costs reflect projections of benefit obligations and pension fund assets at the end of each year in the 2025-2030 period using the assumptions determined as of the end of December 2024, as updated, effective

[10] As the final December 31, 2024 assumptions were used in the projection, the 2025 pension and OPEB costs are expected to be close to the actual costs for the year with the exception of LTD costs. The 2025 LTD cost projections are less definitive because the actual costs will be calculated using information as of year-end 2025.

December 31, 2026, to reflect the 2024 Mortality Improvement Scale ("MI-2024") released by the CIA, as recommended by Aon.[11] Prior to the end of 2026, OPG's pension and OPEB valuations continue to reflect the CIA's 2017 Mortality Improvement Scale, being the last mortality improvement scale issued prior to MI-2024. Aon advised that the CIA has communicated that MI-2024 will help inform the valuation and reporting of Canadian pension plans and determine commuted values, after the CIA completes the review and endorsement process in early 2026, and as such that MI-2024 is expected to be widely adopted by pension plan sponsors in Canada starting in 2026.[12]

Additionally, the forecast 2025-2031 costs reflect the previously negotiated pension reform measures for unionized employees that became effective in 2025, related to the earnings basis and retirement eligibility provisions. These cost saving measures are discussed further in Ex. F4-3-1, Sections 7.0.1 and 7.0.2.

Chart 8 below presents the assumptions used to determine OPG's 2020-2024 actual and 2025-2031 projected pension and OPEB accrual costs in accordance with US GAAP.[13]

Chart 8 – Key Assumptions for Pension and OPEB Accrual Costs

	2020 Actual[14]	**2021 Actual[14]**	**2022 Actual[14]**	**2023 Actual[15]**	**2024 Actual[15]**	**2025-2031 Plan[16]**
Discount rate for pension[17,18]	Current service cost – 3.19% Interest cost – 2.91%	Current service cost – 2.86% Interest cost – 2.10%	Current service cost – 3.38% Interest cost – 2.79%	Current service cost - 5.25% Interest cost – 5.23%	Current service cost – 4.62% Interest cost – 4.63%	Current service cost – 4.80% Interest cost – 4.39%

[11] A mortality improvement scale is a standard actuarial input into pension and OPEB valuations and refers to a set of factors that measures the expected percentage decrease in mortality rates over time.
[12] For further details on the MI-2024 mortality improvement scale, refer to Aon's report in Attachment 1, p. 6.
[13] The assumptions used to determine OPG's 2016-2019 actual pension and OPEB accrual costs in accordance with US GAAP can be found in EB-2020-0290, Ex. F4-3-2, Chart 4.
[14] These are the same assumptions used to develop the final 2020, 2021, and 2022 pension and OPEB costs presented in EB-2023-0336 (see EB-2023-0336, Ex. H1-1-1, Chart 3, p.31). They can also be found at pp. 6-8 of Aon's report in Attachment 3.
[15] The assumptions for 2023-2024 can also be found at pp. 6-8 of Aon's report in Attachment 2.
[16] The assumptions for 2025-2031 can also be found at pp. 5-8 of Aon's report in Attachment 1.
[17] The rate for current service cost shown represents the single equivalent discount rate implicit in the current service cost calculations under the Full Yield Curve Approach.
[18] The rates for interest cost shown apply to the projected benefit obligations at the beginning of the year under the

	2020 Actual[14]	2021 Actual[14]	2022 Actual[14]	2023 Actual[15]	2024 Actual[15]	2025-2031 Plan[16]
Discount rate for other post-retirement benefit[17,18]	Current service cost – 3.21% Interest cost – 3.00%	Current service cost – 2.93% Interest cost – 2.29%	Current service cost - 3.43% Interest cost – 2.91%	Current service cost – 5.25% Interest cost – 5.24%	Current service cost - 4.61% Interest cost – 4.63%	Current service cost – 4.81% Interest cost – 4.47%
Discount rate for long-term disability[17,18,19]	Current service cost – 2.83% Interest cost – 2.55%	Current service cost – 1.89% Interest cost – 1.28%	Current service cost – 2.69% Interest cost – 2.16%	Current service cost - 5.21% Interest cost – 5.19%	Current service cost - 4.61% Interest cost – 4.63%	Current service cost – 4.37% Interest cost – 3.98%
Expected long-term rate of return on pension fund assets	6.00%	5.75%	5.75%	6.25%	6.25%	6.25%
Inflation rate	1.75%	1.75%	2.00%	2.00%	2.00%	2.00%
Weighted average salary schedule escalation rate[20]	1.7% from Jan 1, 2020 to Dec 31, 2026; 2.25% thereafter	1.6% from Jan 1, 2021 to Dec 31, 2026 and 2.25% thereafter	1.6% from Jan 1, 2022 to Dec 31, 2026 and 2.50% thereafter	1.7% from Jan 1, 2023 to Dec 31, 2026 and 2.50% thereafter	3.25% from Jan 1, 2024 to Dec 31, 2025; 2.75% thereafter	3.0% from Jan 1, 2025 to Dec 31, 2026; 2.75% thereafter
Rate of return used to project year-end pension fund asset values[21]	N/A	N/A	N/A	N/A	N/A	6.25% in 2025 to 2031

The actual returns on pension fund assets were 7.10% for 2020, 11.71% for 2021, -2.13% for 2022, 7.90% for 2023, and 10.29% for 2024.

Full Yield Curve Approach. Under this approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2020-2022, this rate can be found at pp. 6-7 of Attachment 3. For 2023 and 2024, this rate can be found at pp. 6-7 of Attachment 2. For 2025-2031, this rate can be found at pp. 5 of Attachment 1.

[19] As the LTD costs for the year are based on the re-measurement of the benefit obligation at the end of the year in accordance with US GAAP, the total LTD costs inclusive of any actuarial gains or losses due to the re-measurement continue to reflect the discount rate used to determine the year-end benefit obligations, notwithstanding the adoption of the Full Yield Curve Approach. This discount rate was 1.89% for December 31, 2020, 2.69% for December 31, 2021, 5.21% for December 31, 2022, 4.61% for December 31, 2023, and 4.37% for December 31, 2024.

[20] Where applicable, the weighted average salary schedule escalation rates reflect assumptions based on existing collective agreements and, prior to its repeal, the requirements of *Protecting a Sustainable Public Sector for Future Generations Act, 2019* ("Bill 124") that limited public sector salary and total compensation increases (see Ex. F4-3-1, Section 6.2). The longer-term salary schedule escalation (currently after 2026) is set at the assumed inflation rate plus 0.75% (plus 0.5% prior to 2024).

[21] Projections of rates of return to determine year-end pension fund asset values are not required for the calculation of the 2020-2024 costs because the actual prior year-end asset values are known.

4.2 Pension and OPEB Accrual Cost Distribution

A portion of OPG's total pension and OPEB accrual costs continues to be charged to OPG businesses and functions as part of standard labour rates, based on an estimate of the accrual current service cost for pension and OPEB. The remainder of the accrual costs, which include interest costs on the obligations, the expected return on pension plan assets, amounts for past service costs and actuarial gains and losses, and any current service cost variance from the estimate reflected in standard labour rates, continues to be recorded as a centrally-held cost (line 1 of Ex. F4-4-1, Tables 1-3).

The centrally held portion of pension and OPEB costs continues to be directly assigned and allocated to the operating businesses, in proportion to amounts of pension and OPEB costs charged directly to each of the businesses (including amounts assigned and allocated as part of corporate Support Services costs). This methodology has been reviewed by an independent expert as part of OPG's overall cost allocation methodology and is unchanged from prior OPG applications.[22]

The above methodologies will also be used by OPG to distribute pension and OPEB costs to the DNNP facilities and, as is expected, to charge DNNP LP such costs under the terms of the respective agreements (line 1 of Ex. F4-4-1, Table 4).

4.3 Comparison of Pension and OPEB Accrual Costs

4.3.1 Historical, Bridge Period and IR Term Pension and OPEB Accrual Costs

Chart 9 below provides a breakdown of the pension and OPEB accrual costs shown in Chart 1 for OPG's regulated nuclear facilities for the years 2020-2031 between amounts charged to OPG businesses/functions and those recorded in centrally held costs. Charts 10 and 10A provide such breakdown of the pension and OPEB accrual costs shown in Charts 2 and 2A for the regulated hydroelectric facilities for the years 2016-2031. Chart 11 provides such breakdown of the pension and OPEB accrual costs shown in Chart 3 for the DNNP facilities for the years 2026-2031. As noted above, OPG is providing independent actuarial reports in

[22] Refer to Ex. F3-1-4, Attachment 1 for an independent expert's report on OPG's cost allocation methodology.

support of the total OPG forecast 2025-2031 costs (Attachment 1), the actual 2023 and 2024 costs (Attachment 2), and the actual 2020-2022 costs (Attachment 3).

Chart 9 – Total Pension and OPEB Accrual Costs – OPG Nuclear (2020-2031) ($M)*

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Business Unit Charge	235.3	232.9	232.5	255.9	198.6	272.0	274.2	283.5	291.5	305.7	309.4	319.5
Pension – Centrally Held	(111.2)	(78.0)	(166.8)	(283.8)	(151.4)	(284.0)	(264.1)	(260.9)	(277.7)	(294.4)	(301.6)	(310.2)
Total Pension Cost	**124.0**	**154.9**	**65.7**	**(27.9)**	**47.2**	**(12.0)**	**10.0**	**22.6**	**13.8**	**11.2**	**7.8**	**9.3**
OPEB – Business Unit Charge	57.6	56.6	55.3	64.3	65.8	83.4	83.9	86.8	89.2	93.6	94.7	97.8
OPEB – Centrally Held	121.4	108.4	95.8	89.2	92.2	103.4	106.6	117.3	121.7	128.4	136.5	143.8
Total OPEB Cost	**179.0**	**165.0**	**151.1**	**153.5**	**158.0**	**186.8**	**190.5**	**204.0**	**211.0**	**222.0**	**231.2**	**241.7**
Total Pension and OPEB Costs	**303.0**	**319.9**	**216.8**	**125.6**	**205.2**	**174.8**	**200.5**	**226.6**	**224.8**	**233.2**	**239.0**	**251.0**

* Numbers may not add due to rounding.

Chart 10 – Total Pension and OPEB Accrual Costs – Regulated Hydroelectric (2020-2031)[23] ($M)*

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Business Unit Charge	41.4	43.6	45.1	46.0	33.7	46.4	52.9	55.2	56.9	59.9	61.1	63.3
Pension – Centrally Held	(18.5)	(15.3)	(32.6)	(51.1)	(25.6)	(48.4)	(51.1)	(50.5)	(54.2)	(57.7)	(59.6)	(61.7)
Total Pension Cost	**23.0**	**28.4**	**12.4**	**(5.0)**	**8.1**	**(2.0)**	**1.7**	**4.6**	**2.7**	**2.2**	**1.5**	**1.6**
OPEB – Business Unit Charge	10.1	9.6	9.9	11.5	11.4	14.2	16.2	16.9	17.4	18.3	18.7	19.4
OPEB – Centrally Held	20.2	21.1	18.7	16.2	15.6	17.6	20.6	22.7	23.8	25.2	27.0	28.6
Total OPEB Cost	**30.3**	**30.7**	**28.6**	**27.7**	**26.9**	**31.9**	**36.8**	**39.6**	**41.2**	**43.5**	**45.7**	**48.0**
Total Pension and OPEB Costs	**53.3**	**59.1**	**41.0**	**22.7**	**35.0**	**29.9**	**38.5**	**44.2**	**43.9**	**45.7**	**47.2**	**49.6**

* Numbers may not add due to rounding.

Chart 10A – Total Pension and OPEB Accrual Costs – Regulated Hydroelectric (2016-2019) ($M)*

	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Pension – Business Unit Charge	34.9	33.3	32.9	35.1
Pension – Centrally Held	11.7	(4.5)	1.7	(1.9)
Total Pension Cost	**46.6**	**28.8**	**34.6**	**33.2**
OPEB – Business Unit Charge	9.4	9.3	9.5	9.8
OPEB – Centrally Held	14.7	16.3	18.3	17.9
Total OPEB Cost	**24.1**	**25.5**	**27.8**	**27.7**
Total Pension and OPEB Costs	**70.7**	**54.3**	**62.4**	**60.9**

* Numbers may not add due to rounding.

[23] See footnote 5.

Chart 11 – Total Pension and OPEB Costs – DNNP Facilities

(2026-2031) ($M)*

	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Business Unit Charge	13.7	17.9	18.0	16.5	14.5	14.1
Pension – Centrally Held	(12.9)	(16.2)	(17.4)	(16.0)	(14.2)	(13.8)
Total Pension Cost	**0.7**	**1.7**	**0.7**	**0.5**	**0.3**	**0.3**
OPEB – Business Unit Charge	4.2	5.5	5.5	5.0	4.4	4.3
OPEB – Centrally Held	5.2	7.3	7.6	7.0	6.4	6.4
Total OPEB Cost	**9.4**	**12.8**	**13.2**	**12.0**	**10.8**	**10.7**
Total Pension and OPEB Costs	**10.1**	**14.5**	**13.9**	**12.5**	**11.1**	**11.0**

* Numbers may not add due to rounding.

Pension costs increased from 2020 to 2021, primarily due to the impact of lower discount rates, and a reduction in the expected return on pension plan assets from 6.00% to 5.75%, partially offset by the impact of the negative expected net growth in cost components.[24]

Pension costs deceased from 2021 to 2022, primarily due to the impact of higher discount rates and a higher-than-expected year-end 2021 pension fund asset value, partially offset by the impact of an increase in the inflation assumption from 1.75% to 2.00%.

Pension costs decreased from 2022 to 2023, primary due to the impact of higher discount rates, and an increase in the expected return on pension plan assets from 5.75% to 6.25%, partially offset by a lower-than-expected year-end 2022 pension fund asset value.

[24] As in previous proceedings, “expected net growth” (i.e., change) in cost components is used to refer to the net impact of the following: increases in current service costs due to the passage of time in the present value calculation, higher interest costs on a higher benefit obligation due to the passage of time, changes in the pension asset value due to expected earnings and expected unwinding of the market-related value, and related changes in amortization of historical actuarial gains or losses under the corridor approach. “Expected net growth” can be negative if, for example, earnings on the pension assets, at the expected rate of return, are increasing faster than the interest cost on the benefit obligation, at the current discount rate.

Pension costs increased from 2023 to 2024, primarily due to the impact of lower discount rates, updated salary increase assumptions reflecting new collective agreements for unionized employees and an updated long-term salary escalation rate, and higher regular headcount. Collective bargaining outcomes are discussed in Ex. F4-3-1.

Pension costs are projected to decrease from 2024 to 2025, primary due to the impact of lower discount rates and the previously achieved pension plan reform measures which came into effect in 2025 (i.e. earnings basis for pension and retirement eligibility for an undiscounted pension) as discussed in Ex. F4-3-1, Section 7.0.2, partially offset higher regular headcount. OPEB costs are projected to increase from 2024 to 2025, primary due to the impact of higher regular headcount and an LTD actuarial gain in 2024, partially offset by the impact of lower discount rates.

Pension and OPEB costs are forecasted to increase from 2025 to 2026, mainly due to the impact of higher regular headcount, and from 2026 to 2027, due to the expected adoption of the MI-2024 mortality improvement scale effective December 31, 2026. Over the remainder of the 2027-2031 forecast period for the nuclear and regulated hydroelectric facilities, pension costs are forecasted to generally decrease reflecting negative expected net growth in cost components, and OPEB costs are forecasted to generally increase reflecting expected net growth in cost components. The forecasted DNNP facilities pension and OPEB costs decrease over the remainder of the 2027-2031 forecast period mainly due to the completion of Unit 1 execution by 2030.

Charts 12, 13, 13A, and 14 present the current service cost component of the pension and OPEB accrual costs shown in Charts 9, 10, 10A, and 11. As discussed in Section 5.2, total current service cost is comprised of estimated amounts charged to the business units through standard labour rates as well as variances from these estimated amounts, which are included in centrally held costs. The total of pension and OPEB current service cost shown in Charts 12, 13, 13A, and 14 is presented as part of the respective total compensation details in Ex. F4-3-1, Attachment 1.

Chart 12 – Pension and OPEB Accrual Current Service Cost – OPG Nuclear (2020-2031) ($M)*

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Direct Charge	235.3	232.9	232.5	255.9	198.6	272.0	274.2	283.5	291.5	305.7	309.4	319.5
Pension – Centrally Held	28.3	47.5	27.6	(116.9)	35.8	(41.9)	(27.2)	(32.9)	(36.2)	(38.4)	(36.7)	(37.4)
Total Pension Current Service Cost	**263.6**	**280.4**	**260.1**	**139.0**	**234.4**	**230.1**	**247.0**	**250.6**	**255.3**	**267.3**	**272.7**	**282.1**
OPEB – Direct Charge	57.6	56.6	55.3	64.3	65.8	83.4	83.9	86.8	89.2	93.6	94.7	97.8
OPEB – Centrally Held	17.3	21.3	16.6	(12.7)	16.1	4.2	6.3	5.2	5.0	5.3	7.6	8.9
Total OPEB Current Service Cost	**74.9**	**77.9**	**71.9**	**51.6**	**81.9**	**87.6**	**90.2**	**92.0**	**94.2**	**98.9**	**102.3**	**106.7**
Total Pension and OPEB Current Service Cost	**338.5**	**358.3**	**332.0**	**190.6**	**316.3**	**317.7**	**337.2**	**342.6**	**349.5**	**366.2**	**375.0**	**388.8**

* Numbers may not add due to rounding.

Chart 13 – Pension and OPEB Accrual Current Service Cost – Regulated Hydroelectric (2020-2031) ($M)*

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Direct Charge	41.4	43.6	45.1	46.0	33.7	46.4	52.9	55.2	56.9	59.9	61.1	63.3
Pension – Centrally Held	4.8	8.1	4.4	(20.9)	6.4	(7.2)	(5.3)	(6.4)	(7.1)	(7.5)	(7.3)	(7.5)
Total Pension Current Service Cost	**46.2**	**51.7**	**49.4**	**25.1**	**40.1**	**39.2**	**47.6**	**48.8**	**49.8**	**52.4**	**53.8**	**55.8**
OPEB – Direct Charge	10.1	9.6	9.9	11.5	11.4	14.2	16.2	16.9	17.4	18.3	18.7	19.4
OPEB – Centrally Held	2.9	4.8	3.7	(2.2)	2.6	0.7	1.2	1.0	1.0	1.1	1.5	1.8
Total OPEB Current Service Cost	**13.0**	**14.4**	**13.6**	**9.3**	**14.0**	**14.9**	**17.4**	**17.9**	**18.4**	**19.4**	**20.2**	**21.2**
Total Pension and OPEB Current Service Cost	**59.2**	**66.1**	**63.1**	**34.4**	**54.1**	**54.1**	**65.0**	**66.7**	**68.2**	**71.8**	**74.0**	**77.0**

* Numbers may not add due to rounding.

Chart 13A – Pension and OPEB Accrual Service Cost – Regulated Hydroelectric (2016-2019) ($M)*

	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Pension – Direct Charge	34.9	33.3	32.9	35.1
Pension – Centrally Held	(0.3)	(0.5)	8.5	5.9
Total Pension Current Service Cost	**34.6**	**32.8**	**41.4**	**41.0**
OPEB – Direct Charge	9.4	9.3	9.5	9.8
OPEB – Centrally Held	(0.3)	(0.4)	1.5	0.4
Total OPEB Current Service Cost	**9.1**	**8.9**	**11.0**	**10.2**
Total Pension and OPEB Current Service Cost	**43.7**	**41.7**	**52.4**	**51.2**

* Numbers may not add due to rounding.

Chart 14 – Pension and OPEB Current Service Cost – DNNP Facilities (2026-2031) ($M)*

	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Pension – Direct Charge	13.7	17.9	18.0	16.5	14.5	14.1
Pension – Centrally Held	(1.4)	(2.1)	(2.2)	(2.1)	(1.8)	(1.8)
Total Pension Current Service Cost	**12.3**	**15.8**	**15.8**	**14.4**	**12.7**	**12.3**
OPEB – Direct Charge	4.2	5.5	5.5	5.0	4.4	4.3
OPEB – Centrally Held	0.3	0.3	0.3	0.3	0.4	0.4
Total OPEB Current Service Cost	**4.5**	**5.8**	**5.8**	**5.3**	**4.8**	**4.7**
Pension and OPEB Current Service Cost	**16.8**	**21.6**	**21.6**	**19.7**	**17.5**	**17.0**

* Numbers may not add due to rounding.

Pension accrual current service cost increased from 2020-2021, primarily due to the impact of lower discount rates. Pension current service cost decreased from 2021 to 2022, primarily due to the impact of higher discount rates, partially offset by the impact of an increase in the inflation assumption from 1.75% to 2.00%. OPEB accrual current service cost decreased from 2021 to 2022, mainly due to the impact of higher discount rates.

Both pension and OPEB accrual current service costs decreased from 2022 to 2023, primarily due to the impact of higher discount rates.

Pension accrual current service cost increased from 2023 to 2024, primarily due to the impact of lower discount rates, updated salary increase assumptions reflecting new collective agreements for unionized employees, and increased regular headcount. OPEB accrual current service cost increased from 2023 to 2024, mainly due to the impact of lower discount rates and increased regular headcount.

Pension accrual current service cost is projected to decrease from 2024 to 2025, primary due to the impact of higher discount rates and the previously achieved pension plan reform measures which came into effect in 2025 (i.e. earnings basis for pension and retirement eligibility for an undiscounted pension) as discussed in Ex. F4-3-1 Section 7.0.2, largely offset by the impact of increased regular headcount.

Forecast accrual current service costs for both pension and OPEB increase from 2025 to 2026, primarily due to the impact of higher regular headcount. Forecast current service costs for both pension and OPEB are generally stable between 2026 and 2027 for OPG's nuclear and regulated hydroelectric facilities. Forecast current service costs for both pension and OPEB increase from 2026 to 2027 for the DNNP facilities due to increased regular headcount. Over the remainder of the 2027-2031 forecast period, the nuclear and regulated hydroelectric facilities current service costs for both pension and OPEB are forecasted to generally increase, mainly reflecting expected pensionable earnings and expected increases in per capita health and dental costs. The forecasted DNNP facilities current service costs for both pension and OPEB decrease over the remainder of the 2027-2031 forecast period mainly due to the completion of Unit 1 execution by 2030.

The split of each year's accrual current service cost between direct charges and centrally held costs primarily varies with differences between actual and budgeted current service cost amounts, and differences between total estimated payroll for regular employees used to develop standard labour rates and the company's actual payroll.

Main drivers of year-over-year changes in pension and OPEB approval costs for the regulated hydroelectric facilities for years 2016-2020 are the same as provided for the nuclear facilities in EB-2020-0290, Ex. F4-3-2, pp. 11-12.

4.3.1 Historical and Bridge Period to OEB Approved Pension and OPEB Accrual Costs

Chart 15 below presents the EB-2020-0290 projected (2020 and 2021) and OEB-approved (2022-2026) pension and OPEB accrual costs for the nuclear facilities.

Chart 15 – EB-2020-0290 Forecasted Pension and OPEB Accrual Costs – OPG Nuclear ($M)

	2020	2021	2022	2023	2024	2025	2026
Pension – Business Unit Charge	246.4	243.1	243.3	243.9	245.3	217.3	193.8
Pension – Centrally Held	(122.0)	(72.0)	(89.3)	(109.7)	(133.6)	(146.0)	(157.2)
Total Pension Cost	**124.4**	**171.1**	**154.0**	**134.2**	**111.7**	**71.3**	**36.6**
OPEB – Business Unit Charge	60.3	57.8	56.5	56.1	56.5	51.1	45.9
OPEB – Centrally Held	110.2	97.0	101.2	103.8	104.6	105.8	101.0
Total OPEB Cost	**170.5**	**154.8**	**157.7**	**159.9**	**161.1**	**156.9**	**146.9**
Total Pension and OPEB Costs	**294.9**	**325.9**	**311.7**	**294.1**	**272.8**	**228.2**	**183.5**

As anticipated, with the exception of the long-term disability costs that were calculated using information as of December 31, 2020, the 2020 actual accrual costs for pension and OPEB were very close or equal to the 2020 projected costs provided in EB-2020-0290, as the projection was determined using actual December 31, 2019 values of the benefit obligations and pension fund assets, and the final assumptions as of December 31, 2019.

The 2021 actual pension accrual costs were lower than projected in EB-2020-0290. This was primarily due to the impact of a higher-than-expected year-end 2020 pension fund asset value, partially offset by the impact of lower discount rates and a reduction in the expected return on pension plan assets from 6.00% to 5.75%.

Actual pension accrual costs for 2022 were lower than the forecast amounts underpinning the EB-2020-0290 nuclear revenue requirements, primarily due to the impact of higher discount rates and higher than expected year-end 2020 and 2021 pension fund asset values, partially offset by the impact of a higher inflation rate assumption of 2.00% compared to 1.75% and a lower expected return on pension plan assets of 5.75% compared to 6.00%.

The 2023 actual pension accrual costs were lower than the forecast amounts underpinning the EB-2020-0290 nuclear revenue requirements, primary due to the impact of higher discount rates, a higher than expected year-end 2022 pension fund asset value and an increase in the expected return on the pension plan assets of 6.25% compared to 6.00%, partially offset by the impact of a higher inflation rate assumption of 2.00% compared to 1.75% and a higher long-term salary scale assumption of 2.50% compared to 2.25%.

The 2024 actual, 2025 estimated and 2026 forecast pension accrual costs are lower than the corresponding forecast amounts underpinning the EB-2020-0290 revenue requirements, primarily due to the impact of higher discount rates, a higher than expected preceding year-end pension fund asset value and a higher expected return on the pension plan assets of 6.25% compared to 6.00%, partially offset the impact of a higher inflation rate assumption of 2.00% compared to 1.75%, a higher long-term salary scale assumption of 2.75% compared to 2.25% and higher than planned regular headcount.

The 2025 estimated and 2026 forecast OPEB accrual costs are higher than the forecast amounts underpinning the EB-2020-0290 revenue requirements, primary due to higher planned headcount and higher LTD benefit payments, partially offset by the impact of higher discount rates. The forecast pension and OPEB costs underpinning the EB-2020-0290 revenue requirements reflected anticipated declines in headcount in 2025 and 2026 due to the then-planned Pickering end of commercial operations and associated reduction in the workforce.

5.0 CASH AMOUNTS FOR PENSION AND OPEB

OPG's pension plans are defined benefit pension plans that provide members with a pension amount based on years of service and salary at retirement. The RPP is funded by member (i.e., employee) and OPG (i.e., employer) contributions.[25] The PBA sets the minimum funding requirements for registered pension plans to ensure that plans have sufficient assets in place to meet existing and future obligations. Contributions must be made to fund the plan's current

[25] The supplementary pension plan is not funded but is secured by letters of credit.

service cost (also known as normal cost), as well as deficiencies (i.e., deficits), if any, through defined special payments over a period of time.

The PBA requires actuarial valuations on both going concern and solvency bases to be performed at least once every three years to determine the funded status of a registered pension plan (i.e., the difference between the value of pension fund assets and the actuarial present value of the accrued liability[26] as of the valuation date) and required future contributions. The going concern valuation measures the financial position of the pension plan assuming that the plan continues indefinitely into the future. The solvency valuation measures the financial position of the pension plan, as defined pursuant to the PBA, assuming that the plan is wound-up on the valuation date and all benefits are settled by either lump sum payments or annuity purchases.[27]

Going concern special payments are required to be made over a 10-year period. To the extent that going concern special payments will not eliminate 85% of the solvency deficit over a five-year period beginning no later than 12 months from the date of the valuation in which the solvency deficiency is determined, additional payments towards the solvency deficit (i.e., solvency special payments) are required over the five-year period. Valuations are prepared and certified by an independent actuary and must be filed with the Financial Services Regulatory Authority of Ontario ("FSRA") and the Canada Revenue Agency ("CRA").

In determining the going concern accrued liability and current service cost, an actuary attributes the present value of future expected benefits over each plan member's projected service. The obligation at a particular date is the actuarial present value of the benefits attributed to each member's service rendered up to that date. Employer's current service cost represents the actuarial present value of benefits earned in respect of each additional year of employee service, less any required employee contributions to the pension plan.

[26] The term "accrued liability" and "benefit obligation" may be used interchangeably in this exhibit.

[27] Contingent benefits such as indexation are excluded from the solvency liabilities as permitted by the PBA. The PBA also requires actuarial valuations on a hypothetical wind-up basis to be performed as part of the actuarial valuation. This hypothetical wind-up valuation is similar to the solvency valuation except that contingent benefits are included in the liabilities. The wind-up deficit is not required to be funded except on actual plan wind up.

In order to establish funding requirements, economic and demographic assumptions are required to determine the plan's accrued liability as of the valuation date and to project current service cost for future years. Examples of economic assumptions include discount rates, inflation rate, and salary escalation rate. Examples of demographic assumptions include mortality rates and improvement scale, termination rates, and retirement rates. As discussed below, certain assumptions differ between going concern valuations and solvency valuations. Many of the assumptions used in the going concern funding valuations are also applied in accounting valuations for determining the pension obligation and accrual costs, as discussed in Section 4.0.

Going concern valuation assumptions and methods are determined by the actuary preparing the valuation, in accordance with accepted actuarial practice and taking into account regulatory and legislative constraints and guidance issued by the CIA, with input from plan sponsors. As prescribed by the PBA, key assumptions used in the solvency valuation are required to be set in accordance with specific CIA standards of practice.

The going concern benefit obligation and funding requirements are determined using a discount rate based on the expected long-term rate of return on pension plan assets. This long-term rate of return is based on the pension fund asset mix and capital market expectations of future risk and return for each asset class within the fund portfolio, net of passive investment management fees.[28] A provision for adverse deviation ("PfAD") is required to be included in the non-indexed going concern benefit obligation and total current service cost, which serves to increase funding requirements.[29] The PfAD is determined based on the plan's target asset allocation at the valuation date and is tested against an overall benchmark discount rate that varies with government of Canada bonds yields.[30]

[28] The long-term expected rate of return used for US GAAP accrual accounting purposes is determined in a similar way to the going concern discount rate, with the main differences being that the accounting rate does not take into account an allowance for passive investment management fees.
[29] There is no equivalent to PfAD in the accrual accounting calculations under US GAAP.
[30] The PfAD is also determined by whether the plan is "open" or "closed" to new entrants.

For the solvency valuation, the discount rates used to determine the benefit obligation are required to be determined in accordance with specific standards of practice issued by the CIA and with reference to government of Canada bonds.[31]

Under the PBA, a registered pension plan sponsor is allowed to reduce employer contributions from the otherwise required levels when the plan has what is referred to as available actuarial surplus ("AAS") and meets the associated requirements. A public sector registered pension plan has AAS that can be used to reduce employer contributions when: (i) no special payments are required; (ii) it is fully funded on a going concern basis (including the PfAD); and (iii) its solvency ratio, which measures the funded status on a solvency basis, is not less than 105%.

The most recently filed actuarial valuation of OPG's RPP is as at January 1, 2025. That valuation showed that the pension fund was in a surplus position. Funding requirements pursuant to the valuation are therefore for the employer's portion of current service cost only, with no going concern or solvency special payments and before any application of the AAS. The January 1, 2025 valuation is filed in Attachment 4. The next actuarial valuation of the OPG RPP is assumed to be completed in 2028, on a triennial cycle, using data and assumptions as of January 1, 2028, and must be filed with FSRA and CRA by September 30, 2028. A subsequent valuation is similarly assumed to be completed as of January 1, 2031.

OPG's RPP has AAS and therefore OPG is permitted to reduce employer contributions to the plan. As discussed in Ex. F4-3-1, in March 2025, OPG's Board of Directors approved such a reduction in OPG's contributions to match the level of employee contributions over the 2025-2027 period, effective March 1, 2025, subject to meeting the legislative requirements. OPG has implemented the approved reduction in employer contributions.

Aon has determined that AAS is projected to continue throughout the IR term. Consistent with OPG's 2025-2031 Business Plan, the forecast RPP contributions for the 2027-2031 period

[31] The solvency discount rates are typically lower than the going concern discount rates, as the solvency rates reflect current government bond yields and annuity purchase rates determined using information provided by insurance companies rather than the rate of return expected to be earned on pension fund assets.

have therefore been set equal to the projected employee contributions as determined by Aon, which will be subject to future approvals by OPG's Board of Directors for years after 2027. As discussed further in Section 5.1, Aon prepared this projection based on information available as of December 31, 2024.

Cash amounts for OPEB reflect OPG's benefit payments to retirees and dependants in accordance with the provisions of the plans. Forecast OPEB payments for the 2027-2031 period represent the total estimated future cash flows used by Aon to project OPEB benefit obligations over this period, as attributed to the regulated facilities.

5.1 Forecasting Pension and OPEB Cash Amounts

Projecting the availability of the AAS and forecasting the RPP contributions requires estimating the funded status of the plan during the forecast period. Aon has estimated the going concern and solvency funded status of the plan as of January 1 each year from 2026 to 2031, which confirmed a sufficient forecast AAS to meet the requirements for the ongoing contribution reduction. Developing these estimates of funded status required expectations of assumptions that will be used to determine the accrued liability as of these dates, and projections of the actual pension fund performance to those dates. In order to project the January 1 benefit obligations, Aon applied the January 1, 2025 funding valuation assumptions, as updated for the MI-2024 mortality improvement scale for the estimated going concern position for January 1, 2028 and onwards. The January 1 pension asset values were projected by Aon based on the end of December 2024 actual value, at the expected long-term rate of return of 6.25% per annum. OPG's total projected required RPP contributions for the 2026-2031 period, set to match the projected level of contributions remitted by the employees for the respective years, were calculated by Aon, as set out in Attachment 1. The projected employee contributions reflect employee contribution provisions set out in Ex. F4-3-1, Section 7.0.1.

Projected benefit payments for OPEB plans reflect the cash flows of the underlying accounting benefit obligations discussed in Section 4.0.

As in previous proceedings, total OPG projected RPP contributions and OPEB payments were attributed to OPG's regulated facilities in proportion to the respective benefit costs. The resulting cash amounts for OPG's regulated facilities are presented in Charts 4, 5, and 5A above.

5.2 Pension and OPEB Cash Amounts Trends

OPG's RPP contributions were stable throughout the 2020-2022 period, reflecting such minimum required contributions pursuant to the respective actuarial valuations filed with FSRA. OPEB benefit payments were stable throughout the 2020-2022 period.

OPG's RRP contribution decreased from 2022 to 2023, reflecting lower minimum required contributions pursuant to the actuarial valuation as of January 1, 2023 filed with FSRA. OPEB benefit payments increased from 2022 to 2023, mainly due to retiree health and dental claims returning to typical levels following the COVID-19 pandemic.

OPG's RPP contribution increased from 2023 to 2024, reflecting lower minimum required contributions pursuant to the actuarial valuation as of January 1, 2024 filed with FSRA. The RPP contribution is forecasted to decrease from 2024 to 2025, reflecting the reduction in OPG's contributions to match the level of employee contributions effective March 1, 2025.

There were no going concern or solvency special payments required under the respective actuarial valuations of the RPP filed with FSRA and none were made over the 2020-2024 period.

OPG's RPP contributions are forecasted to increase over the 2025-2031 period reflecting the expected increase in estimated employee contributions, which OPG's contributions have been set to match as a result of the availability of AAS, due to an increase in headcounts and employee pensionable earnings. OPEB benefit payments are forecasted to increase gradually over the same period reflecting the growing retiree population and expected increases in per capita health and dental costs.

LIST OF ATTACHMENTS

Attachment 1:	Aon Report on OPG's Estimated Pension and OPEB Costs for 2025-2031
Attachment 2:	Aon Report on OPG's Pension and OPEB Costs for 2023 and 2024
Attachment 3:	Aon Report on OPG's Pension and OPEB Costs for 2020-2022
Attachment 4:	Aon Report on the actuarial valuation as at January 1, 2025 for OPG's pension plan
Attachment 5:	Summary Appendices of the historical, bridge period and IR term, actual pension and OPEB accrual costs, compared to the OEB-approved expenses, and pension contributions and OPEB payments

Note: The Aon Report included in Attachment 4 is marked "Proprietary and Confidential" by Aon, but for purposes of this Application and having received permission from Aon, it is being treated as non-confidential in its entirety.

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Report on the Estimated Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2025 to 2031

Ontario Power Generation Inc.

January 1, 2025 to December 31, 2031

December 2025

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Introduction

This report summarizes the estimated accounting costs for fiscal years 2025 through 2031 for the post employment benefit plans sponsored by Ontario Power Generation Inc. (“OPG”).

This report covers the following plans sponsored by OPG:

- Ontario Power Generation Inc. Pension Plan (“RPP”);
- Ontario Power Generation Inc. Supplementary Pension Plan (“SPP”) ;
- Non-pension Post Retirement Plan which provides other post-retirement benefits (“OPRB”) including retiree medical, dental, life insurance, and retirement bonus benefits; and
- Post Employment Plan which provides long-term disability benefits (“LTD”) including sick leave benefits before LTD begins and the continuation of medical, dental and life insurance while on LTD.

Collectively SPP, OPRB and LTD are known as Other Post-Employment Benefits (“OPEB”).

The results cover the fiscal years from January 1, 2025 to December 31, 2031. The results have been developed in accordance with US Generally Accepted Accounting Principles (“US GAAP”) under ASC 710, 712 and 715.

The results in this report do not include amounts related to the benefit plans of the Nuclear Waste Management Organization or operating subsidiaries which are included in OPG’s consolidated financial statements.

Unless otherwise stated, all assumptions, data elements, methodologies, plan provisions, and information about assets reflected in this report are the same as those underlying and/or contained in the December 31, 2024 disclosure reports ("the Reports") prepared by Aon in accordance with US GAAP for the post employment benefit plans sponsored by OPG. These disclosure reports were dated March 2025 and are titled as follows:

- US GAAP Accounting Information – Non Pension Post-retirement and Post-employment Benefits Plans, and
- US GAAP Accounting Information – Pension Plans.

Sincerely,

Aon

[Original signed by]

Linda M. Byron
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

Aon

[Original signed by]

Isabelle Hasbani
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

December 2025

AON

Actuarial Report

Projected Results for Fiscal Years 2025 to 2031

OPG's total estimated pension and OPEB costs for fiscal years 2025 through 2031 as determined in accordance with US GAAP are as follows:

(in Canadian $000s)	2025	2026	2027	2028	2029	2030	2031
RPP	$ (15,119)	$ 14,390	$ 35,103	$ 22,286	$ 18,592	$ 13,837	$ 14,794
SPP	29,697	30,041	31,754	32,345	32,954	33,605	34,354
OPRB	153,898	171,893	190,173	199,779	209,709	217,760	228,793
LTD	51,814	53,243	55,082	56,591	59,755	63,096	66,624
Total	**$ 220,290**	**$ 269,567**	**$ 312,112**	**$ 311,001**	**$ 321,010**	**$ 328,298**	**$ 344,565**

Further details of the above OPG-wide estimated costs, by plan, as well as OPG's estimated contributions to the RPP fund and benefit payments for OPEB are provided in Schedules 1A through 1G to this report.

The estimated 2025 costs for the RPP, SPP and OPRB plans are not expected to change, unless a significant event, such as a curtailment or settlement or other unexpected changes to OPG's operations, were to take place prior to December 31, 2025. The final 2025 cost under US GAAP for the LTD plan will be determined at December 31, 2025 based on applicable information and assumptions at that date.

The final 2026 to 2031 costs for all plans under US GAAP will be determined based on applicable information, experience and assumptions in the future.

We continue to update membership for the LTD plan annually.

Actuarial Methods and Assumptions

The actuarial methodology and accounting policies used in the development of the estimated costs for fiscal years 2025 through 2031 under US GAAP are summarized below.

- Benefit obligations for RPP, SPP and OPRB are determined using the projected benefit method prorated on service;
- Benefit obligations for LTD are determined using the projected benefit method on a terminal basis such that the total estimated future benefit is attributed to the year of service in which a disability occurs;
- The discount rates have been determined in accordance with US GAAP, with reference to those representative of AA corporate bond yields in Canada having duration similar to the liabilities of the plans. For the estimated pension and OPEB costs for 2025 through 2031, the discount rates were set using the applicable bond yields used to determine the corresponding benefit obligations as of December 31, 2024.
- The following effective discount rates (per annum) were used to estimate OPG's 2025 to 2031 pension and OPEB costs under the full yield curve approach:[1]

	RPP and SPP	OPRB	LTD
Current Service Cost	4.80%	4.81%	4.37%
Interest Cost[2]	4.39%	4.47%	3.98%

The discount rates used to determine the projected benefit obligations as at December 31, 2024 and subsequent fiscal year-ends are 4.70% per annum for RPP and SPP, 4.73% per annum for OPRB and 4.37% per annum for LTD;

Under the full yield curve approach, individual spot discount rates along the yield curve are applied to the projected cash flows at the relevant maturity, resulting in a more precise measurement of interest cost. The service cost is also more precisely determined under the full yield curve approach, based on duration specific spot rates applied to discount the service cost projected cash flows.

[1] A series of individual spot rates applied to projected cash flows under the full yield curve approach is expressed as a single effective discount rate for disclosure purposes.

[2] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. This rate is 4.71% for RPP and SPP costs, 4.79% for OPRB costs and 3.98% for LTD costs.

- A building block approach is used in determining the expected long-term rate of return on plan assets. Historical markets are studied and long-term historical relationships between equities and fixed-income are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established using the fund's asset allocations, via a building block approach with proper consideration of diversification and rebalancing. Aon calculated the expected return based on this methodology. An expected rate of return on assets of 6.25% per annum determined using the above approach was used for determining the estimated 2025 through 2031 RPP costs;
- The actual asset value for the RPP as at December 31, 2024 was used to determine the estimated 2025 RPP costs. The projected asset value for the RPP as at December 31, 2025 and subsequent fiscal year-ends used to estimate the 2026 through 2031 RPP costs are based on the actual asset value at December 31, 2024, projected using the expected rate of return on assets of 6.25% per annum;
- As recommended by Aon, in estimating the 2027 through 2031 costs for the pension and OPRB plans, the best estimate assumption for mortality improvement rates has been updated to reflect the MI-2024 Improvement Scale ("MI-2024") developed by the Canadian Institute of Actuaries ("CIA"), effective December 31, 2026. This updated improvement scale was published by the CIA in 2024 based on a study using experience data from 1980 to 2019 and was informed by statistical methods used to determine the best estimate of future mortality improvement rates in Canada. The CIA has communicated that the study will help inform the valuation and reporting of Canadian pension plans and determine commuted values, after the CIA completes the review and endorsement process in early 2026. Therefore Aon expects MI-2024 to be widely adopted by pension plan sponsors in Canada starting in 2026, as a best estimate of mortality improvement assumption for the Canadian pensioner population.
- Other actuarial assumptions are management's best estimate of future events, as determined in consultation with us and as set out in the Reports. These assumptions include the inflation rate, which was established at 2.00% per annum, and the salary scale increase rates, which, for determining 2025 through 2031 costs, were established at 2.75% per annum for all employee representations, with the exception of using the provisions of existing collective agreements to assume wage increases of 3.75% per year in 2025 and 2.50% per year in 2026 for employees represented by the Power Workers' Union ("PWU"), and 3.25% per year for 2025 for employees represented by the Society of United Professionals ("Society") (plus Promotion, Progression, Merit for all years);
- Changes coming into effect during 2025 for the pension plans have been reflected in the 2025 to 2031 RPP and SPP costs. These include changes to unreduced early retirement eligibility effective January 1, 2025 for management group employees, and March 31, 2025 for members represented by the PWU or Society, and changes to the earnings averaging period used to calculate pension benefits effective March 31, 2025 for members represented by the PWU or Society. The plan changes coming into effect in 2025 are described in the Plan Provisions section of the Actuarial Valuation as at January 1, 2025 for Ontario Power Generation Pension Plan.
- The active membership headcount is calculated based on the assumed decrements, and then compared to the estimated December 31, 2024 to December 31, 2031 active headcounts as provided by OPG. If the calculated headcount differs from the estimated headcount, appropriate

adjustments are made via retirements, terminations or new entrants assumed, to align the headcounts. The estimated December 31, 2024 to December 31, 2031 active headcounts used are as follows:

End of Year	2024	2025	2026	2027	2028	2029	2030	2031
Total	9,916	[redacted]						

- Actuarial gains or losses for RPP, SPP and OPRB have been amortized using the 10% corridor method, except where immediate recognition is required under US GAAP for non-routine events during the year (none expected during 2025 through 2031);
- Past service costs for RPP, SPP and OPRB have been amortized on a straight-line basis over the expected average remaining service lifetime at the amendment date, except where immediate recognition is required under US GAAP during the year (none expected during 2025 through 2031);
- Special termination benefits, if any, are immediately recognized under US GAAP (none expected during 2025 through 2031);
- For LTD, all actuarial gains and losses and past service costs are required to be recognized immediately in the cost. Therefore, under US GAAP, the cost is equal to the change in the benefit obligation plus benefit payments; and
- Expected return on assets and amortization of actuarial gains/losses are based on a market-related value of assets where investment gains and losses on equity assets in excess of an expected return of 6.00% per annum plus the increase in Consumer Price Index are smoothed over five years.

The 2025 to 2027 contributions to the RPP fund are based on the latest filed actuarial valuation for funding purposes as of January 1, 2025 of the RPP, taking into account the Available Actuarial Surplus ("AAS"). The next actuarial valuation for funding purposes must have an effective date no later than January 1, 2028. We have assumed that based on a triennial filing, the next actuarial valuation for funding purposes would have an effective date of January 1, 2028, with a subsequent actuarial valuation for funding purposes prepared with an effective date of January 1, 2031. The estimated contributions for 2028 to 2031 to the RPP fund are based on the projected going concern and solvency valuations as of the assumed funding valuation dates of January 1, 2028 and January 1, 2031.

During each year from 2025 to 2031, OPG's contributions to the RPP are set equal to the estimated required employee contributions to reflect OPG's decision to utilize AAS as permitted under the *Pension Benefits Act* (Ontario). The existence of a sufficient AAS over this period based on an estimate of the going concern and solvency positions of the RPP on January 1 of each year, including years in which full valuations are not required, has been tested and confirmed based on the assumptions outlined in this document. The estimated annual required employee contributions reflect the above actuarial assumptions and active headcounts.

The assumptions and methods used for the determination of the projected going concern funded status as of January 1 of each year between 2026 and 2031 are the same as those used for the funding valuation as of January 1, 2025, with the exception of the mortality improvement scale which has been

updated to MI-2024 for the estimated going concern position for January 1, 2028 and onwards. The assumptions and methods used for the determination of the projected solvency funded status as of January 1 of each year between 2026 and 2031 are the same as those used for the funding valuation as of January 1, 2025.

The projected benefit payments for the OPEB plans reflect the estimated cash flows of the underlying benefit obligations.

Schedule 1A – Summary of Estimated 2025 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2025 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2025 to December 31, 2025 is determined based on the actual balance sheet items at January 1, 2025.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Net Asset (Liability) Recognized as at January 1, 2025				
Projected Benefit Obligation	(17,338,912)	(388,714)	(2,561,110)	(254,803)
Fair Value of Plan Assets	17,641,433	-	-	-
Net Asset (Liability) Recognized	**302,521**	**(388,714)**	**(2,561,110)**	**(254,803)**
Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2025				
Unrecognized Past Service Costs (Credits)	9,838	439	49,854	-
Unrecognized Net Actuarial Loss (Gain)	529,074	94,075	(670,971)	-
Total Accumulated Other Comprehensive Loss (Income)	**538,912**	**94,514**	**(621,117)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2025 to December 31, 2025				
Employer Current Service Cost	289,906	8,865	61,755	39,749
Interest Cost	759,452	17,107	115,341	10,988
Expected Return on Plan Assets	(1,064,526)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,077
Amortization of Past Service Cost	49	45	3,706	-
Amortization of Net Loss (Gain)	-	3,680	(26,904)	-
Total Cost	**(15,119)**	**29,697**	**153,898**	**51,814**
2025 Estimated Employer Pension Contributions / Benefit Payments	**124,829[1]**	**17,090**	**94,137**	**36,942**

[1] $202,939,000 was used in the calculation of the Expected Return on Plan Assets component of the estimated 2025 cost.

Schedule 1B – Summary of Estimated 2026 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2026 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2026 to December 31, 2026 is determined based on the projected balance sheet items at January 1, 2026.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2026				
Projected Benefit Obligation	(17,728,599)	(399,023)	(2,654,510)	(269,675)
Fair Value of Plan Assets	18,108,872	-	-	-
Net Asset (Liability) Recognized	**380,273**	**(399,023)**	**(2,654,510)**	**(269,675)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2026				
Unrecognized Past Service Costs (Credits)	9,789	394	46,148	-
Unrecognized Net Actuarial Loss (Gain)	591,319	91,822	(633,626)	-
Total Accumulated Other Comprehensive Loss (Income)	**601,108**	**92,216**	**(587,478)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2026 to December 31, 2026				
Employer Current Service Cost	331,414	9,105	71,385	40,451
Interest Cost	776,637	17,563	119,813	11,651
Expected Return on Plan Assets	(1,093,710)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,141
Amortization of Past Service Cost	49	45	3,706	-
Amortization of Net Loss (Gain)	-	3,328	(23,011)	-
Total Cost	**14,390**	**30,041**	**171,893**	**53,243**
2026 Estimated Employer Pension Contributions / Benefit Payments	**134,275**	**17,432**	**100,496**	**34,788**

Schedule 1C – Summary of Estimated 2027 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2027 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2027 to December 31, 2027 is determined based on the projected balance sheet items at January 1, 2027.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2027				
Projected Benefit Obligation	(18,560,619)	(419,048)	(2,823,927)	(288,130)
Fair Value of Plan Assets	18,558,239	-	-	-
Net Asset (Liability) Recognized	**(2,380)**	**(419,048)**	**(2,823,927)**	**(288,130)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2027				
Unrecognized Past Service Costs (Credits)	9,740	349	42,442	-
Unrecognized Net Actuarial Loss (Gain)	1,093,906	99,283	(531,900)	-
Total Accumulated Other Comprehensive Loss (Income)	**1,103,646**	**99,632**	**(489,458)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2027 to December 31, 2027				
Employer Current Service Cost	342,944	9,551	74,575	41,490
Interest Cost	814,478	18,456	127,584	12,379
Expected Return on Plan Assets	(1,122,368)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,213
Amortization of Past Service Cost	49	45	3,706	-
Amortization of Net Loss (Gain)	-	3,702	(15,692)	-
Total Cost	**35,103**	**31,754**	**190,173**	**55,082**
2027 Estimated Employer Pension Contributions / Benefit Payments	**135,883**	**17,781**	**104,430**	**37,169**

Schedule 1D – Summary of Estimated 2028 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2028 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2028 to December 31, 2028 is determined based on the projected balance sheet items at January 1, 2028.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2028				
Projected Benefit Obligation	(19,029,577)	(430,827)	(2,929,356)	(306,043)
Fair Value of Plan Assets	19,073,522	-	-	-
Net Asset (Liability) Recognized	**43,945**	**(430,827)**	**(2,929,356)**	**(306,043)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2028				
Unrecognized Past Service Costs (Credits)	9,691	304	38,736	-
Unrecognized Net Actuarial Loss (Gain)	1,148,410	97,134	(508,508)	-
Total Accumulated Other Comprehensive Loss (Income)	**1,158,101**	**97,438**	**(469,772)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2028 to December 31, 2028				
Employer Current Service Cost	351,619	9,813	77,410	42,234
Interest Cost	834,554	18,977	132,307	13,076
Expected Return on Plan Assets	(1,163,936)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,281
Amortization of Past Service Cost	49	45	3,706	-
Amortization of Net Loss (Gain)	-	3,510	(13,644)	-
Total Cost	**22,286**	**32,345**	**199,779**	**56,591**
2028 Estimated Employer Pension Contributions / Benefit Payments	**140,926**	**18,137**	**109,152**	**39,480**

Schedule 1E – Summary of Estimated 2029 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2029 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2029 to December 31, 2029 is determined based on the projected balance sheet items at January 1, 2024.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2029				
Projected Benefit Obligation	(19,488,402)	(443,079)	(3,038,725)	(323,155)
Fair Value of Plan Assets	19,582,617	-	-	-
Net Asset (Liability) Recognized	**94,215**	**(443,079)**	**(3,038,725)**	**(323,155)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2029				
Unrecognized Past Service Costs (Credits)	9,642	259	35,030	-
Unrecognized Net Actuarial Loss (Gain)	1,216,829	95,223	(486,060)	-
Total Accumulated Other Comprehensive Loss (Income)	**1,226,471**	**95,482**	**(451,030)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2029 to December 31, 2029				
Employer Current Service Cost	366,211	10,083	80,476	44,595
Interest Cost	854,729	19,520	137,206	13,807
Expected Return on Plan Assets	(1,202,487)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,353
Amortization of Past Service Cost	139	45	3,706	-
Amortization of Net Loss (Gain)	-	3,306	(11,679)	-
Total Cost	**18,592**	**32,954**	**209,709**	**59,755**
2029 Estimated Employer Pension Contributions / Benefit Payments	**147,909**	**18,500**	**115,744**	**41,687**

Schedule 1F – Summary of Estimated 2030 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2030 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2030 to December 31, 2030 is determined based on the projected balance sheet items at January 1, 2030.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2030				
Projected Benefit Obligation	(19,943,145)	(455,825)	(3,144,033)	(341,223)
Fair Value of Plan Assets	20,099,450	-	-	-
Net Asset (Liability) Recognized	**156,305**	**(455,825)**	**(3,144,033)**	**(341,223)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2030				
Unrecognized Past Service Costs (Credits)	9,503	214	31,324	-
Unrecognized Net Actuarial Loss (Gain)	1,284,195	93,560	(471,011)	-
Total Accumulated Other Comprehensive Loss (Income)	**1,293,698**	**93,774**	**(439,687)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2030 to December 31, 2030				
Employer Current Service Cost	372,882	10,361	82,254	47,089
Interest Cost	875,400	20,085	141,839	14,579
Expected Return on Plan Assets	(1,235,446)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,428
Amortization of Past Service Cost	1,001	23	3,771	-
Amortization of Net Loss (Gain)	-	3,136	(10,104)	-
Total Cost	**13,837**	**33,605**	**217,760**	**63,096**
2030 Estimated Employer Pension Contributions / Benefit Payments	**151,288**	**18,870**	**119,186**	**44,018**

Schedule 1G – Summary of Estimated 2031 US GAAP Results

The following table provides a summary of the estimated US GAAP results for 2031 for the post employment benefit plans sponsored by OPG. The estimated net periodic pension/benefit cost for the period January 1, 2031 to December 31, 2031 is determined based on the projected balance sheet items at January 1, 2031.

(in Canadian $000's)	RPP	SPP	OPRB	LTD
Projected Net Asset (Liability) Recognized as at January 1, 2031				
Projected Benefit Obligation	(20,452,268)	(469,091)	(3,258,365)	(360,446)
Fair Value of Plan Assets	20,670,280	-	-	-
Net Asset (Liability) Recognized	**218,012**	**(469,091)**	**(3,258,365)**	**(360,446)**
Estimated Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2031				
Unrecognized Past Service Costs (Credits)	8,502	191	27,553	-
Unrecognized Net Actuarial Loss (Gain)	1,360,940	92,114	(451,482)	-
Total Accumulated Other Comprehensive Loss (Income)	**1,369,442**	**92,305**	**(423,929)**	**-**
Components of Estimated Net Periodic Pension/Benefit Cost, January 1, 2031 to December 31, 2031				
Employer Current Service Cost	386,420	10,646	85,512	49,722
Interest Cost	897,739	20,672	146,988	15,394
Expected Return on Plan Assets	(1,270,366)	-	-	-
Recognition of LTD Actuarial Loss (Gain)	-	-	-	1,508
Amortization of Past Service Cost	1,001	22	4,505	-
Amortization of Net Loss (Gain)	-	3,014	(8,212)	-
Total Cost	**14,794**	**34,354**	**228,793**	**66,624**
2031 Estimated Employer Pension Contributions / Benefit Payments	**157,044**	**19,247**	**124,279**	**46,479**

About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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Report on the Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2023 and 2024

Ontario Power Generation Inc.

January 1, 2023 to December 31, 2024

December 2025

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Introduction

This report summarizes the accounting costs for fiscal years 2023 and 2024 for the post employment benefit plans sponsored by Ontario Power Generation Inc. ("OPG"). In addition, Aon prepared this report to provide an independent actuary's confirmation of information for the post employment benefit plans sponsored by OPG in relation to the December 31, 2024 balances in OPG's Pension & OPEB Cash Versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account and the Pension and OPEB Cost Variance Account, established by the Ontario Energy Board ("OEB"). We understand that this report is expected to be filed with the OEB.

This report covers the following post-employment benefit plans sponsored by OPG:

- Ontario Power Generation Inc. Pension Plan ("OPG RPP");
- Ontario Power Generation Inc. Supplementary Pension Plan ("SPP");
- Non-pension Post-Retirement Plan which provides other postretirement Benefits ("OPRB") including retiree medical, retiree dental, retiree life insurance, and retirement bonus benefits; and
- Post-Employment Plan which provides Long-Term Disability ("LTD") benefits including sick leave benefits before LTD begins and the continuation of medical, dental and life insurance while on LTD.

Collectively SPP, OPRB and LTD are known as Other Post Employment Benefits ("OPEB").

The results cover the fiscal years from January 1, 2023 to December 31, 2023, and from January 1, 2024 to December 31, 2024. The results have been developed in accordance with US Generally Accepted Accounting Principles ("US GAAP") under ASC 710, 712 and 715.

The results in this report do not include amounts related to the benefit plans of the Nuclear Waste Management Organization or operating subsidiaries which are included in OPG's consolidated financial statements. Where applicable, the registered pension plan ("RPP") results in this report include amounts related to the New Horizon System Solutions Pension Plan, which was assumed by OPG effective November 1, 2022 following insourcing of information technology service operations and, following subsequent regulatory approval, was transferred into OPG's RPP in July 2024.

Unless otherwise stated, all assumptions, data elements, methodologies, plan provisions, and information about assets reflected in this report are the same as those underlying and/or contained in the December 31, 2023 or the December 31, 2024 disclosure reports ("the Reports") prepared by Aon in accordance with US GAAP for the post employment benefit plans sponsored by OPG. These disclosure reports were dated March 2024 and March 2025, respectively, and are titled as follows:

- US GAAP Accounting Information – Non Pension Post-Retirement and Post-Employment Benefits Plans, and
- US GAAP Accounting Information – Pension Plans.

Sincerely,

Aon

[Original signed by]

Nathan LaPierre
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

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[Original signed by]

Isabelle Hasbani
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries
For OPRB and LTD Plans

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[Original signed by]

Linda M. Byron
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

December 2025

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Actuarial Report

Results for 2023 and 2024

This report confirms OPG's total actual pension and OPEB costs for the period from January 1, 2023 to December 31, 2024, as determined in accordance with US GAAP, are as follows:

(in Canadian $ 000's)	January 1, 2023 to December 31, 2023	January 1, 2024 to December 31, 2024
RPP	$ (35,725)	$ 60,022
SPP	19,074	27,119
OPRB	101,905	145,448
LTD	75,312	28,553
Total	**$ 160,566**	**$ 261,142**

Further details of the OPG-wide costs provided above, by plan, as well as OPG's actual contributions to the RPP fund and benefit payments for OPEB for the periods from January 1, 2023 to December 31, 2024 are provided in Schedules 1 and 2 to this report.

In its November 2014 decision under case number EB-2013-0321, the OEB established the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the Pension & OPEB Cash Payment Variance Account for OPG's nuclear and regulated hydroelectric businesses, effective November 1, 2014. The OEB authorized the continuation of these accounts in subsequent OPG applications.

As shown in materials being filed by OPG under OEB case number EB-2025-0297, additions to the Pension & OPEB Cash Versus Accrual Differential Deferral Account for the period from January 1, 2023 to December 31, 2024 were calculated by OPG by comparing the portion of the January 1, 2023 to December 31, 2024 OPG-wide US GAAP pension and OPEB costs attributed to OPG's regulated hydroelectric business to the regulated hydroelectric business' portion of OPG's total actual RPP fund contributions and actual benefit payments under OPEB plans for the corresponding periods. As also shown in those materials, additions to the Pension & OPEB Cash Payment Variance Account for the period from January 1, 2023 to December 31, 2024 were calculated by OPG by comparing the regulated hydroelectric business' portion of the total actual RPP fund contributions and actual benefit payments under OPEB plans to such forecast amounts included in the regulated prices established by the OEB under case number EB-2013-0321.

The OEB established the Pension and OPEB Cost Variance in its June 2011 decision under case number EB-2011-0090 and subsequently authorized its continuation in subsequent OPG applications. In its November 2014 decision under case number EB-2013-0321, the OEB ordered that no new variances be recorded in the account effective November 1, 2014. In its decisions and orders under case number EB-2020-0290, the OEB authorized the account to resume recording variances for the nuclear business effective January 1, 2022. As shown in materials being filed by OPG under OEB case number EB-2025-0297, additions to the Pension and OPEB Cost Variance Account for the period from January 1, 2023 to

December 31, 2024 were calculated by OPG by comparing the portion of the January 1, 2023 to December 31, 2024 OPG-wide US GAAP pension and OPEB costs attributed to OPG's nuclear business and related tax impacts to such forecast amounts reflected in the regulated prices for the nuclear business established by the OEB under case number EB-2020-0290.

The resulting unamortized balances of the Pension & OPEB Cash Versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account and the Pension and OPEB Cost Variance Account calculated and recorded by OPG as at December 31, 2024 were $376 million to be recovered from ratepayers, and $321 million and $411 million to be paid to ratepayers, respectively, as reported in the audited schedule of regulatory balances as at December 31, 2024, prepared by OPG for filing with the OEB and dated November 28, 2025, and a copy of which was provided to Aon.

Actuarial Methods and Assumptions

Aon confirms that the OPG-wide costs for the years ended December 31, 2023 and December 31, 2024 as disclosed in this report were determined using the actuarial methodology and accounting standards described below. We furthermore confirm that the methodology under US GAAP is consistent with the methodology outlined in OPG's application to the OEB under case number EB-2020-0290 used to determine the forecast of OPG-wide pension and OPEB costs for 2023 and 2024, which were presented by OPG in that proceeding through the filing of our report on these costs, "Report on the Estimated Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2021 to 2026" dated December 2020.

- Benefit obligations for RPP, SPP and OPRB are determined using the projected benefit method prorated on service;
- Benefit obligations for LTD are determined using the projected benefit method on a terminal basis such that the total estimated future benefit is attributed to the year of service in which a disability occurs; and
- The discount rates have been determined in accordance with US GAAP, with reference to those representative of AA corporate bond yields in Canada having duration similar to the liabilities of the plans. For the RPP, SPP, and OPRB costs for 2023 and 2024, the discount rates were set using the applicable bond yields used to determine the corresponding benefit obligations as of December 31, 2022 and December 31, 2023, respectively.

  The following effective discount rates for determining the 2023 pension and OPEB costs under the full yield curve approach[1] were as follows:

	RPP and SPP	OPRB	LTD
Current Service Cost	5.25% per annum	5.25% per annum	5.21% per annum
Interest Cost[2]	5.23% per annum	5.24% per annum	5.19% per annum

  The discount rate used to determine the projected benefit obligation at December 31, 2023 was 4.61% per annum for LTD;

[1] A series of individual spot rates applied to projected cash flows under the full yield curve approach is expressed as a single effective discount rate for disclosure purposes.

[2] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2023, this rate was 5.25% for RPP and SPP costs, 5.27% for OPRB costs and 5.19% for LTD costs.

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The effective discount rates for determining the 2024 pension and OPEB costs under the full yield curve approach were as follows:

	RPP and SPP	OPRB	LTD
Current Service Cost	4.62% per annum	4.61% per annum	4.61% per annum
Interest Cost[1]	4.63% per annum	4.63% per annum	4.63% per annum

The discount rate used to determine the projected benefit obligation at December 31, 2024 was 4.37% per annum for LTD;

Under the full yield curve approach, individual spot discount rates along the yield curve are applied to the projected cash flows at the relevant maturity, resulting in a more precise measurement of interest cost. The service cost is also more precisely determined under the full yield curve approach, based on duration specific spot rates applied to discount the service cost projected cash flows.

- A building block approach is used in determining the expected long-term rate of return on plan assets. Historical markets are studied and long-term historical relationships between equities and fixed-income are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established using the fund's asset allocations, via a building block approach with proper consideration of diversification and rebalancing. Aon calculated the expected return based on this methodology. An expected rate of return on assets of 6.25% per annum determined using the above approach was used for determining the 2023 and 2024 OPG RPP costs.

- Other actuarial assumptions are management's best estimate of future events, as determined in consultation with us and as set out in the Reports. For 2023 and 2024 costs, the inflation rate was set at 2.00% per annum. The salary scale increase rate set for 2023 costs was established at 2.00% per annum to the end of 2026 for all employee representations, with the exception of 1.00% per annum for 2022 and 2023 for employees represented by the Power Workers' Union ("PWU"), and 1.80% for 2022 followed by 1.00% per annum to end of 2024 for members represented by the Society of United Professionals ("Society"), and 1.80% per annum for 2022 and 2023 for non-represented members, and 2.50% per annum for all employee representations thereafter (plus Promotion, Progression, Merit for all years). For the 2024 costs, the assumed salary scale increase rate was established at 2.75% per annum, with the exception of 3.50% for 2023 for employees represented by the PWU, and 3.25% for 2023 followed by 4.75% for 2024 and 3.25% for 2025 for members represented by the Society (plus Promotion, Progression, Merit for all years);
- Actuarial gains or losses for RPP, SPP and OPRB have been amortized using the 10% corridor method, except where immediate recognition is required under US GAAP for non-routine events during the year (none during 2023 and 2024);

[1] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2024, this rate was 4.63% for RPP, SPP, OPRB, and LTD costs.

- Past service costs for RPP, SPP and OPRB have been amortized on a straight-line basis over the expected average remaining service lifetime at the measurement date, except where immediate recognition is required under US GAAP for non-routine events during the year (none during 2023 and 2024);
- For LTD, all actuarial gains and losses and past service costs are required to be recognized immediately in the cost. Therefore, under US GAAP, the cost is equal to the change in the benefit obligation plus benefit payments; and
- Expected return on assets and amortization of actuarial gains/losses are based on a market-related value of assets for the RPP where investment gains and losses on equity assets in excess of an expected return of 6.00% per annum plus the increase in Consumer Price Index are smoothed over five years.

For the period January 1, 2023 to December 31, 2023, OPG's contributions to the RPP funds were made pursuant to the filed actuarial valuation reports for funding purposes as of January 1, 2023 of the plans. For the period January 1, 2024 to December 31, 2024, OPG's contributions to the RPP funds were made pursuant to the filed actuarial valuation report for funding purposes as of January 1, 2024 of the plan.

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Schedule 1 – Summary of 2023 US GAAP Results

The following table provides a summary of US GAAP results for 2023 for the post employment benefit plans sponsored by OPG. The net periodic pension/benefit cost for this period was determined based on the balance sheet items at January 1, 2023.

(in Canadian $ 000s)	RPP	SPP	OPRB	LTD
Net Asset (Liability) Recognized as at January 1, 2023				
Projected Benefit Obligation	$ (15,100,435)	$ (303,746)	$ (2,195,299)	$ (216,695)
Fair Value of Plan Assets	15,804,843	-	-	-
Net Asset (Liability) Recognized	**$ 704,408**	**$ (303,746)**	**$ (2,195,299)**	**$ (216,695)**
Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2023				
Unrecognized Past Service Costs (Credits)	$ (6,102)	$ 162	$ 9,326	$ -
Unrecognized Net Actuarial Loss (Gain)	(201,787)	22,087	(920,844)	-
Total Accumulated Other Comprehensive Loss (Income)	**$ (207,889)**	**$ 22,249**	**$ (911,518)**	**$ -**
Components of Net Periodic Pension/Benefit Cost, January 1, 2023 to December 31, 2023				
Employer Current Service Cost	$ 177,808	$ 3,472	$ 37,951	$ 24,434
Interest Cost	779,260	15,579	114,781	11,650
Expected Return on Plan Assets	(991,909)	-	-	-
Recognition of LTD Past Service Cost (Credit)	-	-	-	347
Recognition of LTD Actuarial (Gain) Loss	-	-	-	38,881
Amortization of Past Service Cost (Credit)	(884)	23	364	-
Amortization of Net Actuarial Loss (Gain)			(51,191)	-
Total Cost	**$ (35,725)**	**$ 19,074**	**$ 101,905**	**$ 75,312**
2023 Estimated Employer Pension Contributions / Benefit Payments				
Amounts used for developing net periodic pension/benefit costs	$ 192,653	$ 18,711	$ 85,977	$ 33,331
2023 Actual Employer Pension Contributions / Benefit Payments	**$ 163,830**	**$ 16,681**	**$ 84,714**	**$ 35,132**

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Schedule 2 – Summary of 2024 US GAAP Results

The following table provides a summary of US GAAP results for 2024 for the post employment benefit plans sponsored by OPG. The net periodic pension/benefit cost for this period was determined based on the balance sheet items at January 1, 2024.

(in Canadian $ 000s)	RPP	SPP	OPRB	LTD
Net Asset (Liability) Recognized as at January 1, 2024				
Projected Benefit Obligation	$ (17,035,094)	$ (367,764)	$ (2,481,610)	$ (256,875)
Fair Value of Plan Assets	16,489,172	-	-	-
Net Asset (Liability) Recognized	**$ (545,922)**	**$ (367,764)**	**$ (2,481,610)**	**$ (256,875)**
Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2024				
Unrecognized Past Service Costs (Credits)	$ (5,622)	$ 139	$ 28,159	$ -
Unrecognized Net Actuarial Loss (Gain)	1,247,214	83,735	(671,462)	-
Total Accumulated Other Comprehensive Loss (Income)	**$ 1,241,592**	**$ 83,874**	**$ (643,303)**	**$ -**
Components of Net Periodic Pension/Benefit Cost, January 1, 2024 to December 31, 2024				
Employer Current Service Cost	$ 298,296	$ 6,741	$ 56,887	$ 40,586
Interest Cost	785,440	16,952	115,473	12,914
Expected Return on Plan Assets	(1,022,762)	-	-	-
Recognition of LTD Past Service Cost (Credit)	-	-	-	797
Recognition of LTD Actuarial (Gain) Loss	-	-	-	(25,744)
Amortization of Past Service Cost (Credit)	(952)	23	1,884	-
Amortization of Net Actuarial Loss (Gain)		3,403	(28,796)	-
Total Cost	**$ 60,022**	**$ 27,119**	**$ 145,448**	**$ 28,553**
2024 Estimated Employer Pension Contributions / Benefit Payments				
Amounts used for developing net periodic pension/benefit cost	$ 186,778	$ 16,727	$ 90,900	$ 37,065
2024 Actual Employer Pension Contributions / Benefit Payments	**$ 205,785**	**$ 16,809**	**$ 88,134**	**$ 30,625**

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Aon plc (NYSE: AON) exists to shape decisions for the better—to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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Report on the Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2020, 2021 and 2022

Ontario Power Generation Inc.

January 1, 2020 to December 31, 2022

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Introduction

This report summarizes the accounting costs for fiscal years 2020, 2021 and 2022 for the post employment benefit plans sponsored by Ontario Power Generation Inc. ("OPG"). In addition, Aon prepared this report to provide an independent actuary's confirmation of information for the post employment benefit plans sponsored by OPG in relation to the December 31, 2022 balances in OPG's Pension & OPEB Cash Versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account and the Pension and OPEB Cost Variance Account, established by the Ontario Energy Board ("OEB"). We understand that this report is expected to be filed with the OEB.

This report covers the following plans sponsored by OPG:

- Ontario Power Generation Inc. Pension Plan ("OPG RPP");
- Ontario Power Generation Inc. Supplementary Pension Plan ("SPP");
- Non-Pension Post Retirement Plan which provides other post retirement benefits ("OPRB") including retiree medical, retiree dental, retiree life insurance, and retirement bonus benefits; and
- Post Employment Plan which provides long-term disability benefits ("LTD") including sick leave benefits before LTD begins and the continuation of medical, dental and life insurance while on LTD.

Collectively SPP, OPRB and LTD are known as Other Post Employment Benefits ("OPEB").

The results cover the fiscal years from January 1, 2020 to December 31, 2020, January 1, 2021 to December 31, 2021, and from January 1, 2022 to December 31, 2022. The results have been developed in accordance with US generally accepted accounting principles ("US GAAP") under ASC 710, 712 and 715.

The results in this report do not include amounts related to the benefit plans of the Nuclear Waste Management Organization or operating subsidiaries which are included in OPG's consolidated financial statements. Where applicable, the registered pension plan ("RPP") results in this report include amounts related to the New Horizon System Solutions Pension Plan, which was assumed by OPG effective November 1, 2022 following insourcing of information technology service operations.

Unless otherwise stated, all assumptions, data elements, methodologies, plan provisions, and information about assets reflected in this report are the same as those underlying and/or contained in the December 31, 2020, December 31, 2021, or the December 31, 2022 disclosure reports ("the Reports") prepared by Aon in accordance with US GAAP for the post employment benefit plans sponsored by OPG. These disclosure reports were dated March 2021, March 2022, and March 2023 respectively, and are titled as follows:

- US GAAP Accounting Information Non-pension Post-retirement and Post-employment Benefits Plans; and
- US GAAP Accounting Information – Pension Plans.

Sincerely,

Aon

[Original signed by]

Linda M. Byron
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

Aon

[Original signed by]

Isabelle Hasbani
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

November 2023

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Actuarial Report

Results for 2020, 2021 and 2022

This report confirms OPG's total actual pension and OPEB costs for the period from January 1, 2020 to December 31, 2022, as determined in accordance with US GAAP, are as follows:

(in Canadian $ 000's)	January 1, 2020 to December 31, 2020	January 1, 2021 to December 31, 2021	January 1, 2022 to December 31, 2022
RPP	$ 158,857	$ 199,089	$ 85,612
SPP	26,408	26,902	24,859
OPRB	156,539	150,020	154,882
LTD	42,515	35,765	17,403
Total	**$ 384,319**	**$ 411,776**	**$ 282,756**

Further details of the OPG-wide costs provided above, by plan, as well as OPG's actual contributions to the RPP fund and benefit payments for OPEB for the periods from January 1, 2020 to December 31, 2022 are provided in Schedules 1, 2 and 3 to this report.

In its November 2014 decision under case number EB-2013-0321, the OEB established the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the Pension & OPEB Cash Payment Variance Account for OPG's nuclear and regulated hydroelectric businesses, effective November 1, 2014. The OEB authorized the continuation of these accounts in subsequent OPG applications.

As shown in materials being filed by OPG under OEB case number EB-2023-0336, additions to the Pension & OPEB Cash Versus Accrual Differential Deferral Account for the period from January 1, 2020 to December 31, 2022 were calculated by OPG by comparing the portion of the January 1, 2020 to December 31, 2022 OPG-wide US GAAP pension and OPEB costs attributed to OPG's regulated businesses[1] to the regulated businesses'[1] portion of OPG's total actual RPP fund contributions and actual benefit payments under OPEB plans for the corresponding periods. As also shown in those materials, additions to the Pension & OPEB Cash Payment Variance Account for the period from January 1, 2020 to December 31, 2022 were calculated by OPG by comparing the regulated businesses'[1] portion of the total actual RPP fund contributions and actual benefit payments under OPEB plans to such forecast amounts included in the regulated prices established by the OEB under case number EB-2016-0152 (for 2020 and 2021) and EB-2020-0290 (for 2022) for the nuclear business and EB-2013-0321 for the regulated hydroelectric business.

The OEB established the Pension and OPEB Cost Variance in its June 2011 decision under case number EB-2011-0090 and subsequently authorized its continuation in subsequent OPG applications. In its November 2014 decision under case number EB-2013-0321, the OEB ordered that no new variances be recorded in the account effective November 1, 2014. In its decisions and orders under case number EB-

[1] Nuclear and regulated hydroelectric for 2020 and 2021, regulated hydroelectric only for 2022.

2020-0290, the OEB authorized the account to resume recording variances for the nuclear business effective January 1, 2022. As shown in materials being filed by OPG under OEB case number EB-2023-0336, additions to the Pension and OPEB Cost Variance Account for the period from January 1, 2022 to December 31, 2022 were calculated by OPG by comparing the portion of the January 1, 2022 to December 31, 2022 OPG-wide US GAAP pension and OPEB costs attributed to OPG's nuclear business and related tax impacts to such forecast amounts reflected in the regulated prices for the nuclear business established by the OEB under case number EB-2020-0290.

The resulting unamortized balances of the Pension & OPEB Cash Versus Accrual Differential Deferral Account, the Pension & OPEB Cash Payment Variance Account and the Pension and OPEB Cost Variance Account calculated and recorded by OPG as at December 31, 2022 were $799 million to be recovered from ratepayers, and $460 million and $78 million to be paid to ratepayers, respectively, as reported in the audited schedule of regulatory balances as at December 31, 2022, prepared by OPG for filing with the OEB and dated November 28, 2023, and a copy of which was provided to Aon.

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Actuarial Methods and Assumptions

Aon confirms that the OPG-wide costs for the years ended December 31, 2020, December 31, 2021 and December 31, 2022 as disclosed in this report were determined using the actuarial methodology and accounting standards described below. We furthermore confirm that the methodology under US GAAP is consistent with the methodology outlined in OPG's application to the OEB under case number EB-2016-0152 and used to determine the forecast of OPG-wide pension and OPEB costs for 2020 and 2021, which were presented by OPG in that proceeding through the filing of our report on these costs, "Report on the Estimated Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2017 to 2021" dated December 2016. Finally, we confirm that the methodology under US GAAP is consistent with the methodology outlined in OPG's application to the OEB under case number EB-2020-0290 and used to determine the forecast of OPG-wide pension and OPEB costs for 2022, which were presented by OPG in that proceeding through the filing of our report on these costs, "Report on the Estimated Accounting Cost for Post Employment Benefit Plans for Fiscal Years 2021 to 2026" dated December 2020.

- Benefit obligations for RPP, SPP and OPRB are determined using the projected benefit method prorated on service;
- Benefit obligations for LTD are determined using the projected benefit method on a terminal basis such that the total estimated future benefit is attributed to the year of service in which a disability occurs;
- The discount rates have been determined in accordance with US GAAP, with reference to those representative of AA corporate bond yields in Canada having duration similar to the liabilities of the plans. For the OPG RPP, SPP and OPRB costs for 2020 to 2022, the discount rates were set using the applicable bond yields used to determine the corresponding benefit obligations as of December 31, 2019, December 31, 2020 and December 31, 2021, respectively;

  The following effective discount rates for determining the 2020 pension and OPEB costs under the full yield curve approach[1] were as follows:

	OPG RPP and SPP	OPRB	LTD
Current Service Cost	3.19% per annum	3.21% per annum	2.83% per annum
Interest Cost[2]	2.91% per annum	3.00% per annum	2.55% per annum

  The discount rate used to determine the projected benefit obligation at December 31, 2020 was 1.89% per annum for LTD;

[1] A series of individual spot rates applied to projected cash flows under the full yield curve approach is expressed as a single effective discount rate for disclosure purposes.

[2] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2020, this rate was 3.11% for OPG RPP and SPP costs, 3.19% for OPRB costs and 2.55% for LTD costs.

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The effective discount rates for determining the 2021 pension and OPEB costs under the full yield curve approach were as follows:

	OPG RPP and SPP	OPRB	LTD
Current Service Cost	2.86% per annum	2.93% per annum	1.89% per annum
Interest Cost[1]	2.10% per annum	2.29% per annum	1.28% per annum

The discount rate used to determine the projected benefit obligation at December 31, 2021 was 2.69% per annum for LTD;

The effective discount rates for determining the 2022 pension and OPEB costs under the full yield curve approach were as follows:

	OPG RPP and SPP	OPRB	LTD
Current Service Cost	3.38% per annum	3.43% per annum	2.69% per annum
Interest Cost[2]	2.79% per annum	2.91% per annum	2.16% per annum

The discount rate used to determine the projected benefit obligation at December 31, 2022 was 5.21% per annum for LTD.

Under the full yield curve approach, individual spot discount rates along the yield curve are applied to the projected cash flows at the relevant maturity, resulting in a more precise measurement of interest cost. The service cost is also more precisely determined under the full yield curve approach, based on duration specific spot rates applied to discount the service cost projected cash flows.

- A building block approach is used in determining the expected long-term rate of return on plan assets. Historical markets are studied and long-term historical relationships between equities and fixed-income are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established using the fund's asset allocations, via a building block approach with proper consideration of diversification and rebalancing. Aon calculated the expected return based on this methodology. An expected rate of return on assets of 6.00% per annum determined using the above approach was used for determining the 2020 OPG

[1] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2021, this rate was 2.60% for OPG RPP and SPP costs, 2.84% for OPRB costs and 1.28% for LTD costs.

[2] The rates shown apply to interest cost on the projected benefit obligations at the beginning of the year. Under the full yield curve approach, a separate rate is used to calculate the interest cost on the current service cost recognized during the year. For 2022, this rate was 3.17% for OPG RPP and SPP costs, 3.37% for OPRB costs and 2.16% for LTD costs.

RPP costs. For 2021 and 2022 OPG RPP costs, an expected rate of return on assets of 5.75% per annum determined using the above approach was used.

- Other actuarial assumptions are management's best estimate of future events, as determined in consultation with us and as set out in the Reports. For 2020 and 2021 costs, the inflation rate was set at 1.75% per annum. For 2022 costs, the inflation rate was set at 2.00% per annum. The salary scale increase rate set for 2020 and 2021 costs was established at 2.00% per annum to the end of 2026 for all employee representations, with the exception of 1.80% per annum for 2021 followed by 1.00% per annum to end of 2023 for employees represented by the Power Workers Union ("PWU"), and 1.80% for 2022 followed by 1.00% per annum to end of 2024 for members represented by the Society of United Professionals ("Society"), and 1.00% per annum for 2022 to end of 2024 for non-represented members, and 2.25% per annum for all employee representations thereafter (plus Promotion, Progression, Merit for all years). For the 2022 costs, the same assumed salary scale increase rates were used for employees represented by PWU and Society, with the exception of 2.50% per annum used for all periods after December 31, 2026 (plus Promotion, Progression, Merit for all years). For 2022 costs, the salary increase rate for non-represented employees was set at 1.80% per annum to the end of 2023, followed by 2.00% per annum to the end of 2026 and 2.50% per annum for all periods after December 31, 2026 (plus Promotion, Progression, Merit for all years);
- Actuarial gains or losses for RPP, SPP and OPRB have been amortized using the 10% corridor method, except where immediate recognition is required under US GAAP for non-routine events during the year (none during 2020, 2021 and 2022);
- Past service costs for RPP, SPP and OPRB have been amortized on a straight-line basis over the expected average remaining service lifetime at the amendment date, except where immediate recognition is required under US GAAP for non-routine events during the year (none during 2020, 2021, and 2022);
- For LTD, all actuarial gains and losses and past service costs are required to be recognized immediately in the cost. Therefore, under US GAAP, the cost is equal to the change in the benefit obligation plus benefit payments; and
- Expected return on assets and amortization of actuarial gains/losses are based on a market-related value of assets for the OPG RPP where investment gains and losses on equity assets in excess of an expected return of 6.00% per annum plus the increase in Consumer Price Index are smoothed over five years.

For the period January 1, 2020 to March 31, 2021, OPG's contributions to the OPG RPP fund were made pursuant to the filed actuarial valuation report for funding purposes as of January 1, 2020 of the plan. For the period April 1, 2021 to December 31, 2021, OPG's contributions to the OPG RPP fund were made pursuant to the filed actuarial valuation report for funding purposes as of April 1, 2021 of the plan. For the period January 1, 2022 to December 31, 2022, OPG's contributions to the OPG RPP fund were made pursuant to the filed actuarial valuation report for funding purposes as of January 1, 2022 of the plan.

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Schedule 1–Summary of 2020 US GAAP Results

The following table provides a summary of US GAAP results for 2020 for the post employment benefit plans sponsored by OPG. The net periodic pension/benefit cost for this period was determined based on the balance sheet items at January 1, 2020.

(in Canadian $ 000s)	RPP	SPP	OPRB	LTD
Net Asset (Liability) Recognized as at January 1, 2020				
Projected Benefit Obligation	$ (18,005,986)	$ (379,251)	$ (2,978,758)	$ (196,612)
Fair Value of Plan Assets	14,800,027	-	-	-
Net Asset (Liability) Recognized	**$ (3,205,959)**	**$ (379,251)**	**$ (2,978,758)**	**$ (196,612)**
Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2020				
Unrecognized Past Service Costs (Credits)	$ -	$ -	$ (19,909)	$ -
Unrecognized Net Actuarial Loss (Gain)	3,602,258	125,975	221,330	-
Total Accumulated Other Comprehensive Loss (Income)	**$ 3,602,258**	**$ 125,975**	**$ 201,421**	**$ -**
Components of Net Periodic Pension/Benefit Cost, January 1, 2020 to December 31, 2020				
Employer Current Service Cost	$ 334,182	$ 8,203	$ 67,887	$ 18,678
Interest Cost	525,977	11,046	90,371	5,149
Expected Return on Plan Assets	(863,255)	-	-	-
Recognition of LTD Past Service Cost (Credit)	-	-	-	-
Recognition of LTD Actuarial (Gain) Loss	-	-	-	18,688
Amortization of Past Service Cost (Credit)	-	-	(1,719)	-
Amortization of Net Actuarial Loss (Gain)	161,953	7,159	-	-
Total Cost	**$ 158,857**	**$ 26,408**	**$ 156,539**	**$ 42,515**
2020 Estimated Employer Pension Contributions / Benefit Payments				
Amounts used for developing net periodic pension/benefit costs	$ 180,776	$ 16,878	$ 77,164	$ 26,731
2020 Actual Employer Pension Contributions / Benefit Payments	**$ 186,097**	**$ 16,780**	**$ 62,586**	**$ 24,816**

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Schedule 2–Summary of 2021 US GAAP Results

The following table provides a summary of US GAAP results for 2021 for the post employment benefit plans sponsored by OPG. The net periodic pension/benefit cost for this period was determined based on the balance sheet items at January 1, 2021.

(in Canadian $ 000s)	RPP	SPP	OPRB	LTD
Net Asset (Liability) Recognized as at January 1, 2021				
Projected Benefit Obligation	$ (19,847,478)	$ (418,216)	$ (3,256,931)	$ (214,311)
Fair Value of Plan Assets	15,249,239	-	-	-
Net Asset (Liability) Recognized	**$ (4,598,239)**	**$ (418,216)**	**$ (3,256,931)**	**$ (214,311)**
Amounts Recognized in Accumulated Other Comprehensive Income as at January 1, 2021				
Unrecognized Past Service Costs (Credits)	$ -	$ -	$ (18,190)	$ -
Unrecognized Net Actuarial Loss (Gain)	5,021,778	155,312	403,831	-
Total Accumulated Other Comprehensive Loss (Income)	**$ 5,021,778**	**$ 155,312**	**$ 385,641**	**$ -**
Components of Net Periodic Pension/Benefit Cost, January 1, 2021 to December 31, 2021				
Employer Current Service Cost	$ 360,697	$ 8,467	$ 70,112	$ 21,645
Interest Cost	418,431	8,817	75,662	2,850
Expected Return on Plan Assets	(852,701)	-	-	-
Recognition of LTD Past Service Cost (Credit)	-	-	-	292
Recognition of LTD Actuarial (Gain) Loss	-	-	-	10,978
Amortization of Past Service Cost (Credit)	-	-	(1,719)	-
Amortization of Net Actuarial Loss (Gain)	272,662	9,618	5,965	-
Total Cost	**$ 199,089**	**$ 26,902**	**$ 150,020**	**$ 35,765**
2021 Estimated Employer Pension Contributions / Benefit Payments				
Amounts used for developing net periodic pension/benefit cost	$ 189,820	$ 17,697	$ 79,722	$ 26,677
2021 Actual Employer Pension Contributions / Benefit Payments	**$ 177,600**	**$ 18,572**	**$ 70,037**	**$ 26,371**

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Schedule 3–Summary of 2022 US GAAP Results

The following table provides a summary of US GAAP results for 2022 for the post employment benefit plans sponsored by OPG. The net periodic pension/benefit cost for this period was determined based on the balance sheet items at January 1, 2022.

(in Canadian $ 000s)	RPP	SPP	OPRB	LTD
Projected Benefit Obligation	$ (18,834,637)	$ (396,263)	$ (3,070,231)	$ (223,705)
Fair Value of Plan Assets	16,348,498	-	-	-
Net Asset (Liability) Recognized	**$ (2,486,139)**	**$ (396,263)**	**$ (3,070,231)**	**$ (223,705)**
Unrecognized Past Service Costs (Credits)	$ -	$ -	$ 9,148	$ -
Unrecognized Net Actuarial Loss (Gain)	2,888,189	125,029	109,810	-
Total Accumulated Other Comprehensive Loss (Income)	**$ 2,888,189**	**$ 125,029**	**$ 118,958**	**$ -**
Employer Current Service Cost	$ 339,419	$ 6,478	$ 63,436	$ 23,936
Interest Cost	530,542	11,019	91,148	5,035
Expected Return on Plan Assets	(906,163)	-	-	-
Recognition of LTD Past Service Cost (Credit)	-	-	-	-
Recognition of LTD Actuarial (Gain) Loss	-	-	-	(11,568)
Amortization of Past Service Cost (Credit)	(120)	-	298	-
Amortization of Net Actuarial Loss (Gain)	121,934	7,362	-	-
Total Cost	**$ 85,612**	**$ 24,859**	**$ 154,882**	**$ 17,403**
2022 Estimated Employer Pension Contributions / Benefit Payments				
Amounts used for developing net periodic pension/benefit cost	$ 177,911	$ 18,020	$ 84,003	$ 29,101
2022 Estimated Employer Pension Contributions / Benefit Payments	**$ 191,728**	**$ 15,968**	**$ 73,374**	**$ 24,982**

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Aon plc (NYSE: AON) exists to shape decisions for the better—to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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Actuarial Valuation as at January 1, 2025 for Ontario Power Generation Inc. Pension Plan

Registration Number: 1059120

December 23, 2025

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Executive Summary

An actuarial valuation has been prepared for the Ontario Power Generation Inc. Pension Plan (the "Plan") as at January 1, 2025 for the primary purpose of establishing a funding range in accordance with legislative requirements for the Plan until the next actuarial valuation is performed. This section provides an overview of the important results and the key valuation assumptions which have had a bearing on these results. The next actuarial valuation for the purposes of developing funding requirements should be performed no later than as at January 1, 2028.

Summary of Principal Results

Financial Position

$ (000s)	January 1, 2025	January 1, 2024
Going Concern		
Assets	$ 17,532,992	$ 16,934,569
Liabilities	14,429,568	13,964,329
Financial Position	**$ 3,103,424**	**$ 2,970,240**
Adjustments[1]	(837,898)	(809,586)
Surplus/(Unfunded Liability)	**$ 2,265,526**	**$ 2,160,654**
Solvency		
Assets[2]	$ 17,563,700	$ 16,490,526
Liabilities	13,755,965	13,402,115
Financial Position	**$ 3,807,735**	**$ 3,088,411**
Adjustments[1]	-	-
Surplus/(Unfunded Liability)	**$ 3,807,735**	**$ 3,088,411**
Hypothetical Wind Up		
Assets[3]	$ 17,563,700	$ 16,490,526
Liabilities	20,230,879	19,605,836
Surplus/(Unfunded Liability)	**$ (2,667,179)**	**$ (3,115,310)**

[1] Adjustments include Provision for Adverse Deviation, prior year credit balance, and all solvency liability and solvency asset adjustments, where applicable
[2] Net of estimated wind up expenses
[3] Net of estimated wind up expenses

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Normal Cost

$ (000s)	January 1, 2025	January 1, 2024
Company normal cost	$ 206,460	$ 205,706
As a % of pensionable earnings	14.38%	15.82%

Legislative Ratios

	January 1, 2025	January 1, 2024
Funded ratio	1.22	1.21
Solvency ratio	1.28	1.24
Transfer ratio	0.87	0.84

Minimum Contribution Requirements

Considering the funding and solvency status of the Plan, the minimum Company contributions for the period from January 1, 2025 to December 31, 2027 in accordance with legislative requirements, are as follows:

$ (000s)	Jan 1, 2025 to Dec 31, 2025	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2027
Company normal cost	$ 206,460	$ 208,539	$ 214,274
Special payments toward amortizing unfunded liability	-	-	-
Adjustments	-	-	-
Minimum Required Company Contribution	**$ 206,460**	**$ 208,539**	**$ 214,274**

Membership Data

	January 1, 2025	January 1, 2024
Active Members	9,867	8,748
Disabled Members	355	351
Deferred Members	801	746
Retired Members	10,890	10,890
Survivors (excluding children)	2,335	2,303
Children	10	9

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Key Assumptions

The principal assumptions to which the valuation results are most sensitive are outlined in the following table.

	January 1, 2025	January 1, 2024
Going Concern		
Discount rate	6.25% per year	Same
Provision for adverse deviation ("PfAD")	7.05% of non-indexed liabilities and normal cost	Same
Inflation rate	2.00% per year	Same
Increase in pensionable earnings		
Active members	2.75 per year[1] plus promotion progression and merit ("PPM") scale (Table A in Appendix C)	2.75% per year[2] plus PPM scale (Table A in Appendix C)
Disabled members	2.00% per year	Same
Increase in year's maximum pensionable earnings ("YMPE")	2.75% per year	Same
Increase in *Income Tax Act* ("ITA") maximum pension	2.75%per year	Same
Conversion rate for determining commuted values	4.50% per year	Same
Mortality table	OPG-specific mortality table (updated 2019) (Table B in Appendix C) with mortality improvements at scale MI-2017	Same

[1] Collectively bargained increases of 3.75% in 2025 and 2.50% in 2026 for PWU and 3.25% in 2025 for Society are reflected.

[2] Collectively bargained increases of 4.75% in 2024 and 3.25% in 2025 for Society are reflected.

	January 1, 2025	January 1, 2024
Solvency/ Hypothetical Wind Up		
Discount rate		
Solvency (excludes indexation)	Annuity purchases: 4.72% per year Transfers: 3.90% per year for 10 years, 4.60% per year thereafter	Annuity purchases: 4.55% per year Transfers: 4.10% per year for 10 years, 4.20% per year thereafter
Hypothetical Wind Up (includes indexation)	Annuity purchases: 1.51% per year Transfers: 2.00% per year for 10 years, 2.70% per year thereafter	Annuity purchases: 1.40% per year Transfers: 2.40% per year for 10 years, 2.50% per year thereafter
Mortality Table	2014 Canadian Pensioner Mortality Table with generational improvements using CPM Scale B	Same

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Section 1: Introduction

Purpose and Terms of Engagement

We have been engaged by Ontario Power Generation Inc., and hereafter referred to as the Company, to conduct an actuarial valuation of the Plan, registered in Ontario, as at January 1, 2025 for the general purpose of determining the minimum and maximum funding contributions required by pension standards, based on the actuarial assumptions and methods summarized herein. Specifically, the purposes of the valuation are to:

- Determine the financial position of the Plan as at January 1, 2025 on a going concern basis;
- Determine the financial position of the Plan as at January 1, 2025 on solvency and hypothetical wind up bases;
- Determine the funding requirements of the Plan as at January 1, 2025; and
- Provide the necessary actuarial certification required under the *Pension Benefits Act* (Ontario) (the "*Act*") and the *Income Tax Act.*

The results of this report may not be appropriate for accounting purposes or any other purposes not listed above.

The next required valuation will be as at January 1, 2028.

Summary of Changes Since the Last Valuation

The last such actuarial valuation in respect of the Plan was performed as at January 1, 2024. Since the time of the last valuation, we note that the following events have occurred:

- Certain economic and demographic assumptions have been changed.
- Plan amendments affecting the benefits for Management Group employees hired before July 1, 2014[1] came into effect January 1, 2025. Plan amendments affecting members represented by the Power Workers' Union ("PWU") came into effect November 22, 2024[2] and March 31, 2025[3]. Plan amendments affecting the benefits for members represented by the Society of United Professionals ("Society") came into effect March 31, 2025[3]. The impacts of these Plan amendments are included in this report. Further details can be found in the Plan Provisions section of this report.

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[1] Eligibility for an unreduced early retirement benefit changed from attainment of 84 age-plus-continuous service points to attainment of 90 age-plus-continuous service points, for benefits earned for service on or after January 1, 2025; Special provisions apply to members with 84 age-plus-continuous points on the effective date

[2] 2024 pensionable earnings include a one-time lump sum payment in 2024

[3] For benefits earned for service on and after March 31, 2025, the earnings-averaging period changed from Highest Three-Year to Highest Five-Year and eligibility for an unreduced early retirement benefit changed from attainment of 82 age-plus-continuous service points to attainment of 85 age-plus-continuous service points. Special provisions apply to members with 20 or more years of service on the effective date.

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Company Information and Inputs

In order to prepare our valuation, we have relied upon the following information:

- A copy of the previous valuation report as at January 1, 2024;
- A copy of the actuarial Cost Certificate as at January 1, 2025 dated March 26, 2025 ("March 26 Cost Certificate");
- A copy of the Statement of Investment Policies and Procedures ("SIPP") for the Plan;
- Membership data compiled as at January 1, 2025 by the Company;
- Asset data provided by CIBC Mellon;
- A copy of the Plan's financial statements as at December 31, 2024 audited by Ernst & Young LLP; and,
- A copy of the latest Plan text and amendments up to and including January 1, 2025.

Furthermore, our actuarial assumptions and methods have been chosen to reflect our understanding of the Company's desired funding objectives with due respect to accepted actuarial practice and regulatory constraints.

Subsequent Events

As of the date of this report, we have not been made aware of any subsequent events which would have an effect on the results of this valuation. However, the following points should be noted in this regard:

- Actual experience deviating from expected after January 1, 2025 will result in gains or losses which will be reflected in the next actuarial valuation report.
- To the best of our knowledge, the results contained in this report are based on the regulatory and legal environment in effect at the date of this report and do not take into consideration any potential changes that may be currently under review. To the extent that actual changes in the regulatory and legal environment transpire, any financial impact on the Plan as a result of such changes will be reflected in future valuations.

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Section 2: Going Concern Valuation Results

Going Concern Financial Position of the Plan

The going concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise that the Plan continues on into the future indefinitely.

The selection of the applicable actuarial assumptions and methods reflect the Plan's funding objectives, as communicated by the Company, actuarial standards of practice, and pension standards.

On the basis of the Plan provisions, membership data, going concern assumptions and methods, and asset information described in the Appendices, the going concern financial position of the Plan as at January 1, 2025 is shown in the following table. The results as at January 1, 2024 are also shown for comparison purposes.

Going Concern Financial Position

$(000s)	January 1, 2025	January 1, 2024
Market Value of Assets	$ 17,637,000	$ 16,563,826
Smoothing Adjustment	(104,008)	370,743
Actuarial Value of Assets	**$ 17,532,992**	**$ 16,934,569**
Going Concern Liabilities		
Active and Disabled members	$ 4,642,915	$ 4,325,171
Deferred Vested members	103,725	115,530
Retirees and Spouses	9,682,928	9,523,628
Total Liabilities	**$ 14,429,568**	**$ 13,964,329**
Going Concern Position	**$ 3,103,424**	**$ 2,970,240**
Additional liabilities due to PfAD	837,898	809,586
Surplus/(Unfunded Liability)	**$ 2,265,526**	**$ 2,160,654**
Funded Ratio (before PfAD)	**1.22**	**1.21**
Funded Ratio (after PfAD)	**1.15**	**1.15**

The PfAD is not required to be applied to the liabilities in respect of future indexation of $2,544,484,000 as at January 1, 2025 and $2,480,842,000 as at January 1, 2024.

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Going Concern Normal Cost

On the basis of the Plan provisions, membership data, going concern assumptions and methods, asset information and legislative requirement described in the Appendices, the going concern normal cost of the Plan as at January 1, 2025 is shown in the following table. The normal cost as at January 1, 2024 is also shown for comparison purposes.

$(000s)	January 1, 2025	January 1, 2024
Normal Cost		
Current Service cost	$ 315,500	$ 303,292
Provision for non-investment expenses	-	-
Additional normal cost due to PfAD	17,394	16,764
Total Normal Cost	**$ 332,894**	**$ 320,056**
Required member contributions	(126,434)	(114,350)
Company Normal Cost	**$ 206,460**	**$ 205,706**
Total pensionable earnings (in year following valuation date)	$ 1,436,000	$ 1,300,000
Company Normal Cost		
As a % of total pensionable earnings	14.38%	15.82%

The PfAD is not required to be applied to the normal cost in respect of future indexation of $68,780,000 as at January 1, 2025 and $65,507,000 as at January 1, 2024.

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Change in Financial Position

The major components of the change in the Surplus/(Unfunded Liability) for the period from January 1, 2024 to January 1, 2025 are summarized in the following table.

$(000s)		
Surplus/(Unfunded Liability) as at January 1, 2024	**$**	**2,160,654**
Expected interest on Surplus/(Unfunded Liability)		135,041
Company special payments in inter-valuation period with interest		-
Expected Surplus/(Unfunded Liability) as at January 1, 2025	**$**	**2,295,695**
Change in Financial Position due to Experience Gains/(Losses)		
Gain from investment earnings greater than expected	$	50,247
Loss due to salary increases greater than expected		(107,820)
Loss due to indexation experience		(98,520)
Gain due to retirement experience		35,141
Gain due to mortality experience		18,347
Loss due to termination experience		(4,455)
Gain on Provision for Adverse Deviation experience		39,567
Net gain due to other experience and miscellaneous items		5,523
Surplus/(Unfunded Liability) After Experience Gains/(Losses) as at January 1, 2025	**$**	**2,233,725**
Impact of change in Salary Rates		(10,756)
Impact of change in Retirement Rates		42,557
Surplus/(Unfunded Liability) as at January 1, 2025	**$**	**2,265,526**

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Discussion of Changes in Assumptions

Effective January 1, 2025, the following assumptions were changed:

- The assumed increase in pensionable earnings for active members has been updated to reflect the bargained increases of 3.75% in 2025 and 2.50% in 2026 for PWU.
- The retirement rates were adjusted effective January 1, 2025 to reflect plan amendments coming into effect in 2025.

In combination, these changes in economic assumptions decreased the going concern liabilities by $31,801,000 and total normal cost by $1,464,000.

Going Concern Valuation Sensitivity Results

In accordance with the CIA Standards of Practice specific to pension plans, the table below presents the sensitivity of the going concern liabilities and the total normal cost (prior to the application of the Provision for Adverse Deviation) of using a discount rate 1% lower and 1% higher than that used for the going concern valuation.

			Effect	
January 1, 2025 $(000s)			**$**	**%**
Going Concern Liabilities	**$**	**14,429,568**		
Going concern liabilities (discount rate – 1%)	$	16,496,383	$ 2,066,815	14.3%
Going concern liabilities (discount rate + 1%)	$	12,778,408	$ (1,651,160)	(11.4%)
Normal Cost	**$**	**315,500**		
Normal cost (discount rate – 1%)	$	410,970	$ 95,470	30.3%
Normal cost (discount rate + 1%)	$	247,779	$ (67,721)	(21.5%)

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Plausible Adverse Scenarios

In accordance with the Canadian Institute of Actuaries Standards of Practice specific to pension plans, below is summarized scenarios of adverse but plausible assumptions, relative to the best estimate assumptions otherwise selected for the valuation. In consultation with Ontario Power Generation Inc., we have chosen to present these scenarios under the Going Concern basis.

Interest Rate Sensitivity

The table below presents the sensitivity of the going concern position of using interest rates 1% lower than the current level. Equity risk premiums are assumed to remain unchanged, so the future return on all asset classes and the going concern discount rate both decrease by 1%. In order to calculate the impact on the Actuarial Value of Assets, the decrease in interest rates only impacts fixed income assets. All other assumptions were not changed. We have applied the asset smoothing methodology in this scenario.

$(000s)	Base Scenario	Adverse Scenario	Impact ($)
Actuarial value of assets	$ 17,532,992	$ 17,656,792	$ 123,800
Going concern liabilities	14,429,568	16,496,383	2,066,815
Going Concern Position	**$ 3,103,424**	**$ 1,160,409**	**$ (1,943,015)**
Additional liabilities due to PfAD	837,898	942,513	104,615
Surplus/(Unfunded Liability)	**$ 2,265,526**	**$ 217,896**	**$ (2,047,630)**
Total Normal Cost			
January 1, 2025 to December 31, 2025	$ 332,894	$ 410,873	$ 77,979
January 1, 2026 to December 31, 2026	$ 338,311	$ 421,722	$ 83,411
January 1, 2027 to December 31, 2027	$ 347,615	$ 433,318	$ 85,703

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Deterioration in Asset Value

In assessing the risk related to the deterioration in asset value we have chosen an adverse scenario equal to a 20% reduction in the non-fixed income asset values and assume no change in future return expectations.

The table below presents the sensitivity of the going concern position of using the assets with a 20% reduction in non-fixed income asset values. The Actuarial Value of Assets was then calculated using the smoothing method reflected in the going concern valuation.

$(000s)	Base Scenario	Adverse Scenario	Impact ($)
Actuarial value of assets	$ 17,532,992	$ 17,085,718	$ (447,274)
Going concern liabilities	14,429,568	14,429,568	-
Going Concern Position	**$ 3,103,424**	**$ 2,656,150**	**$ (447,274)**
Additional liabilities due to PfAD	837,898	837,898	-
Surplus/(Unfunded Liability)	**$ 2,265,526**	**$ 1,818,252**	**$ (447,274)**
Total Normal Cost			
January 1, 2025 to December 31, 2025	$ 332,894	$ 332,894	$ -
January 1, 2026 to December 31, 2026	$ 338,311	$ 338,311	$ -
January 1, 2027 to December 31, 2027	$ 347,615	$ 347,615	$ -

Mortality Sensitivity

The table below presents the sensitivity of the going concern position of the Plan to using a mortality assumption with a 10% improvement to the base mortality rates.

$(000s)	Base Scenario	Adverse Scenario	Impact ($)
Actuarial value of assets	$ 17,532,992	$ 17,532,992	$ -
Going concern liabilities	14,429,568	14,601,040	171,472
Going Concern Position	**$ 3,103,424**	**$ 2,931,952**	**$ (171,472)**
Additional liabilities due to PfAD	837,898	846,228	8,330
Surplus/(Unfunded Liability)	**$ 2,265,526**	**$ 2,085,725**	**$ (179,802)**
Total Normal Cost			
January 1, 2025 to December 31, 2025	$ 332,894	$ 334,864	$ 1,970
January 1, 2026 to December 31, 2026	$ 338,311	$ 340,313	$ 2,002
January 1, 2027 to December 31, 2027	$ 347,615	$ 349,672	$ 2,057

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Section 3: Solvency Valuation Results

Solvency Financial Position of the Plan

The solvency valuation is a financial assessment of the Plan that is required by the *Act* and is performed in accordance with requirements prescribed by that legislation. It is intended to provide an assessment of the Plan's financial position at the valuation date on the premise that certain obligations as prescribed by the *Act* are settled on the valuation date for all members. The liabilities must be calculated based on a postulated scenario that maximizes liabilities on wind up of the Plan. Contingent benefits are included in the liabilities that would be payable under the postulated scenario, unless permitted to be omitted under the definition of solvency liabilities under the Regulations to the *Act.* All assumptions for the solvency valuation are listed in Appendix D.

On the basis of the Plan provisions, membership data, solvency assumptions and methods and asset information described in the Appendices, as well as the requirements of the *Act*, the solvency financial position of the Plan as at January 1, 2025 is shown in the following table. The solvency financial position of the Plan as at January 1, 2024 is shown for comparison purposes.

Solvency Financial Position

$(000s)	January 1, 2025	January 1, 2024
Assets		
Solvency assets	$ 17,637,000	$ 16,563,826
Estimated wind up expenses	(73,300)	(73,300)
Total Assets	**$ 17,563,700**	**$ 16,490,526**
Solvency Liabilities		
Active and Disabled members	$ 4,451,828	$ 4,111,663
Deferred Vested members	114,599	110,238
Retirees and Spouses	9,189,538	9,180,214
Total Liabilities	**$ 13,755,965**	**$ 13,402,115**
Solvency Position	**$ 3,807,735**	**$ 3,088,411**
Prior year credit balance	-	-
Present value of special payments	-	-
Solvency Surplus/(Deficiency)	**$ 3,807,735**	**$ 3,088,411**
Solvency Ratio[1]	**1.28**	**1.24**

The solvency liabilities exclude the value of future indexation. The value of these excluded benefits is $6,474,914,000 at January 1, 2025 and $6,203,721,000 at January 1, 2024.

[1] Solvency Assets divided by Solvency Liabilities

AON

Statutory Solvency Financial Position

The minimum funding requirements under the Regulation are based on the reduced solvency deficiency as at the valuation date which is calculated as follows:

$(000s)	January 1, 2025	January 1, 2024
The amount by which the sum of:		
85% of solvency liabilities	$ 11,692,570	$ 11,391,798
85% of solvency liability adjustment	0	0
Prior year credit balance	0	0
	$ 11,692,570	**$ 11,391,798**
Exceeds the sum of:		
Solvency assets net of wind-up expenses	$ 17,563,700	$ 16,490,526
Solvency asset adjustment	-	-
	$ 17,563,700	**$ 16,490,526**
Reduced Solvency Deficiency	**$ -**	**$ -**

Solvency Concerns

A report indicates solvency concerns under the *Act* if the ratio of the solvency assets to solvency liabilities is less than 0.85.

Where a report indicates solvency concerns, the effective date of the next valuation that needs to be filed under the *Act* is one year from the valuation date of the valuation that gave rise to the solvency concerns.

Since the ratio of solvency assets to solvency liabilities is equal to 1.28, this report does not indicate solvency concerns.

Solvency Valuation Sensitivity Results

In accordance with the CIA Standards of Practice specific to pension plans, the table below presents the sensitivity of the solvency liabilities to using a discount rate of 1% lower and 1% higher than that used for the solvency valuation.

January 1, 2025		Effect	
$(000s)		$	%
Solvency liabilities	**$ 13,755,965**		
Solvency liabilities (discount rate – 1%)	$ 15,470,893	$ 1,714,928	12.5%
Solvency liabilities (discount rate + 1%)	$ 12,358,378	$ (1,397,587)	(10.2%)

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Pension Benefits Guarantee Fund ("PBGF")

The development of the PBGF Assessment Base is as follows:

PBGF Assessment Base	January 1, 2025
(1) Solvency assets	$ 17,637,000
(2) PBGF liabilities	$ 13,755,965
(3) Solvency liabilities	$ 13,755,965
(4) Ontario asset ratio: [(2) divided by (3)]	1.0000
(5) Ontario portion of fund: [(1) multiplied by the ratio in (4)]	$ 17,637,000
PBGF Assessment Base: [(2) subtract (5); if negative, enter zero]	**$ -**

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PBGF Exposure

The table below summarizes the information required in relation to PBGF claim exposure.

	Pensions, including Bridging Benefits, in Pay	Accrued Pensions, including Bridging Benefits, Not in Pay	Total Amount
Modified PBGF liabilities (as described in s14(8.0.4.1))	$ 2,613,416,000	$ 1,587,253,000	$ 4,200,669,000
Number of Ontario beneficiaries	13,230	11,019	24,249
Number of Ontario beneficiaries at or below the $1,500 per month benefit maximum	1,469	4,371	5,840

	Pensions, including Bridging Benefits, in Pay		Accrued Pensions, including Bridging Benefits, Not in Pay	
Percentile	Maximum Monthly Benefit	PBGF Liability[1] $(000s)	Maximum Monthly Benefit	PBGF Liability[1] $(000s)
10th	$ 261	$ 4,541	$ 262	$ 19,923
20th	$ 1,041	$ 62,693	$ 1,043	$ 85,220
30th	$ 2,136	$ 285,829	$ 2,134	$ 238,560
40th	$ 3,231	$ 765,419	$ 3,231	$ 457,418
50th	$ 4,061	$ 1,445,858	$ 4,060	$ 869,328
60th	$ 4,750	$ 2,167,682	$ 4,750	$ 1,553,324
70th	$ 5,552	$ 3,148,270	$ 5,552	$ 2,290,678
80th	$ 6,488	$ 4,445,107	$ 6,486	$ 3,104,779
90th	$ 7,900	$ 6,350,789	$ 7,899	$ 3,792,237
100th	$ 37,759	$ 9,189,538	$ 13,601	$ 4,566,615
The amount of the largest monthly pension, including bridging benefits, in pay or accrued not in pay, under the plan to an Ontario beneficiary				**$ 37,759**

[1] In accordance with s 14(8.0.4)(h)(vii)

Methodology

The benefit amounts used in the percentiles are as follows:

- for pensions in payment, they are the actual amounts in payment as of the valuation date, including bridge benefits (if any);
- for amounts not currently in payment, the pension amounts are the accrued lifetime pension plus the accrued bridge benefit (if any), with no reduction for early commencement.

The modified PBGF liabilities represent an estimate of the PBGF liability with benefits capped at $1,500 per month (for lifetime pension and bridge combined, with the bridge benefit reduced first). For pensions not in payment, the modified PBGF liability reflects any early retirement reductions that apply, and reflects any change in optimal commencement age with the application of the $1,500 cap. To avoid extensive modifications to the valuation programs, certain simplifications may have been employed.

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Section 4: Hypothetical Wind Up Valuation Results

Hypothetical Wind Up Financial Position of the Plan

A hypothetical wind up valuation is performed to determine the financial position of the Plan as at the valuation date on a wind up basis, reflecting market settlement rates as of the valuation date. Unlike the solvency valuation, all benefits are included that would be payable under the postulated scenario that would maximize benefits. The hypothetical wind up valuation is determined using benefit entitlements on the assumption that the Plan has neither a surplus nor a deficit. Contingent benefits are included in the liabilities that would be payable under the postulated scenario. Assets are set equal to market value net of estimated wind up expenses. All assumptions for the hypothetical wind up valuation are listed in Appendix D.

On the basis of Plan provisions, membership data, hypothetical wind up assumptions and methods, and asset information described in the Appendices, as well as the requirements of the Act, the hypothetical wind up financial position of the Plan as at January 1, 2025 is shown in the following table. The hypothetical wind up financial position of the Plan as at January 1, 2024 is shown for comparison purposes.

Hypothetical Wind Up Financial Position

$(000s)	January 1, 2025	January 1, 2024
Assets		
Hypothetical wind up assets	$ 17,637,000	$ 16,563,826
Estimated wind up expenses	(73,300)	(73,300)
Total Assets	**$ 17,563,700**	**$ 16,490,526**
Hypothetical Wind Up Liabilities		
Active and Disabled members	$ 7,356,039	$ 6,720,262
Deferred Vested members	196,065	186,209
Retirees and Spouses	12,678,775	12,699,365
Total Liabilities	**$ 20,230,879**	**$ 19,605,836**
Hypothetical Wind Up Surplus/(Deficiency)	**$ (2,667,179)**	**$ (3,115,310)**

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Transfer Ratio

The transfer ratio is determined as follows:

$(000s)			January 1, 2025	January 1, 2024
(1)	Hypothetical wind up assets		$ 17,637,000	$ 16,563,826
	Prior year credit balance	(A)	$ -	$ -
	Total company normal cost and required special payments until next mandated valuation	(B)	$ 629,724	$ 635,078
(2)	Asset adjustment	Lesser of (A) and (B)	$ -	$ -
(3)	Hypothetical wind up liabilities		$ 20,230,879	$ 19,605,836
Transfer Ratio [(1)-(2)] / (3)			**0.87**	**0.84**

Hypothetical Wind Up Valuation Sensitivity Results

In accordance with the CIA Standards of Practice specific to pension plans, the table below presents the sensitivity of the hypothetical wind up liabilities to using a discount rate of 1% lower and 1% higher than that used for the hypothetical wind up valuation.

January 1, 2025		Effect	
$(000s)		$	%
Hypothetical Wind Up liabilities	**$ 20,230,879**		
Hypothetical Wind up liabilities (discount rate – 1%)	$ 23,677,763	$ 3,446,884	17.0%
Hypothetical Wind up liabilities (discount rate + 1%)	$ 17,552,204	$ (2,678,675)	(13.2%)

Incremental Cost on a Hypothetical Wind up Basis

The incremental cost on a hypothetical wind up basis represents the present value at January 1, 2025 of the expected aggregate change in the hypothetical wind up liabilities between January 1, 2025 and the next calculation date, that is January 1, 2028. Appendix D gives more details on the calculation methodology and on assumptions.

Based on this methodology and on these assumptions, the incremental cost on a hypothetical wind up basis can be found in the following table.

$(000s)	Jan 1, 2025 to Dec 31, 2025	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2027
Incremental cost on a hypothetical wind up basis	$ 467,983	$ 509,174	$ 496,253

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Section 5: Contribution Requirements

Contribution Requirements in Respect of the Normal Cost

The annual going concern cost of benefits in respect of service accruing after the valuation date is known as the normal cost. The following table sets out:

- The development of the rule to determine the normal cost;
- An estimate of the normal cost for the 3 years following the valuation date; and
- The portion of the going concern normal cost that is to be paid by the members.

$(000s)	Jan 1, 2025 to Dec 31, 2025	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2027
Normal Cost			
Current service cost	$ 315,500	$ 320,643	$ 329,461
Provision for non-investment expenses	-	-	-
Additional normal cost due to PfAD	17,394	17,668	18,154
Total Normal Cost	**$ 332,894**	**$ 338,311**	**$ 347,615**
Required member contributions	(126,434)	(129,772)	(133,341)
Company Normal Cost	**$ 206,460**	**$ 208,539**	**$ 214,274**
Total pensionable earnings	$ 1,436,000	$ 1,473,918	$ 1,514,451
Company Normal Cost			
As a % of pensionable earnings	14.38%	14.15%	14.15%

In the event an updated funding range in accordance with legislative requirements is not certified before January 1, 2028, the rule for determining the company normal cost contributions outlined in the above table will continue to be appropriate for the plan year commencing on the next valuation date of January 1, 2028. Adjustment to the company contributions may be required once the next actuarial funding range in accordance with legislative requirements is certified.

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Development of Special Payments

There are no special payments required after adjustments for gains and losses due to the going concern and solvency valuation results.

Prior Year Credit Balance ("PYCB")

The PYCB is nil as at January 1, 2025.

Available Actuarial Surplus $(000s)

As at January 1, 2025 the Available Actuarial Surplus is calculated as follows:

Going Concern Basis			
(A)	Total assets	$	17,532,992
(B)	Total liabilities		14,429,568
(C)	Additional liabilities due to PfAD		837,898
(D)	Prior year credit balance		-
(E)	**Available Surplus: Maximum (A – B – C – D); 0)**	**$**	**2,265,526**
Solvency Basis[1]			
(F)	Assets in excess of a solvency ratio of 105%	$	3,193,237
(G)	Prior year credit balance		-
(H)	Total required Company contributions until next valuation		629,273
(I)	**Available Surplus: Maximum (F – Minimum (G, H); 0)**	**$**	**3,193,237**
(J)	**Available Actuarial Surplus: Minimum (E; I)**	**$**	**2,265,526**

Excess Surplus

The *Income Tax Act* requires that any excess surplus first be applied to reduce or eliminate the company contribution requirements. Excess surplus is defined in Section 147.2(2)(d) of the *Income Tax Act*, as the portion of surplus (if any) that exceeds 25% of the going concern liabilities.

Since the surplus is less than 25% of the going concern liabilities plus the Provision for Adverse Deviation, there is no excess surplus and therefore it does not impact the development of the company contribution requirements.

[1] Because the Plan is a Broader Public Sector pension plan, the solvency ratio rather than Transfer ratio applies.

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Development of Minimum Required Company Contribution

The table below presents the development of the minimum required company contribution for each of the plan years covered by this report.

While we have shown a fixed company normal cost in the table below, the Company may actually fund the normal cost as a percentage of pensionable earnings.

$(000s)	Jan 1, 2025 to Dec 31, 2025	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2027
Company normal cost	$ 206,460	$ 208,539	$ 214,274
Special payments toward amortizing unfunded liability	-	-	-
Special payments toward amortizing solvency deficiency	-	-	-
Required application of excess surplus	-	-	-
Minimum Required Company Contribution	**$ 206,460**	**$ 208,539**	**$ 214,274**

Under Regulations 7.0.3(1), 7.0.3(3) and 7.0.3(4) of the Pension Benefits Act (Ontario), it may be permissible to use Available Actuarial Surplus to reduce the required Company normal cost contribution shown above. The permitted application of Available Actuarial Surplus is determined on an annual basis and is subject to the filing of an actuarial cost certificate within the first 90 days of the fiscal year showing a solvency ratio greater than 105% as of the beginning of the fiscal year. In addition, members must be advised in the manner prescribed in Regulation 8.(1), 8.(2), 8.(3), and 8.(4), of the Company's intention to use Available Actuarial Surplus. The total reduction in Company normal cost taken by the Company over the period covered by this report may not exceed the Available Actuarial Surplus.

Development of Maximum Deductible Company Contribution

The table below presents the development of the maximum deductible company contribution for each of the plan years covered by this report.

The maximum deductible company contribution presented in the table below for a given plan year is calculated assuming that the Company makes the maximum deductible company contribution in the first plan year covered by this report.

While we have shown a fixed company normal cost in the table below, the Company may actually fund the normal cost as a percentage of pensionable earnings.

$(000s)	Jan 1, 2025 to Dec 31, 2025	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2027
Company normal cost	$ 206,460	$ 208,539	$ 214,274
Greater of the Unfunded liability and the Hypothetical Wind Up Deficiency	2,667,179	-	-
Required application of excess surplus	-	-	-
Maximum Deductible Company Contribution	**$ 2,873,639**	**$ 208,539**	**$ 214,274**

If the Company wishes to make the maximum deductible company contribution, it is advisable to contact the Plan's actuary before making such contribution to ensure that the contribution will be permissible and deductible and that any regulatory requirements are considered.

Section 6: Actuarial Certificate

Actuarial Opinion, Advice and Certification for the Ontario Power Generation Inc. Pension Plan

Registration Number: 1059120

Opinion

This actuarial certification forms an integral part of the actuarial valuation report for the Plan as at January 1, 2025. We confirm that we have prepared an actuarial valuation of the Plan as at January 1, 2025 for the purposes outlined in the Introduction section to this report and consequently:

Our advice on funding is the following:

- The Company should contribute the amounts within the range of minimum and maximum contribution amounts as outlined in Section 5 of this report, in accordance with legislative requirements.
- The next actuarial valuation for the purpose of developing funding requirements should be performed no later than as at January 1, 2028.

We hereby certify that, in our opinion:

- The contribution range as outlined in this report is expected to be sufficient to satisfy the Plan's funding requirements.
- The company contribution range outlined in this report qualifies as eligible contributions under Section 147.2(2) of the *Income Tax Act*.
- The pre-1990 maximum pension restrictions in Subsection 8504(6) of the Regulations to the *Income Tax Act* do not apply to any members of the Plan.
- For the purposes of the valuation:
  - The data on which this valuation is based are sufficient and reliable;
  - The assumptions used are appropriate; and,
  - The actuarial cost methods and the asset valuation methods used are appropriate.

- This report and its associated work have been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada and in compliance with the requirements outlined in subparagraphs 147.2(2)(a)(iii) and (iv) of the *Income Tax Act.*
- Notwithstanding the above certifications, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.

Sincerely,

Aon

[Original signed by]

Aon

[Original signed by]

Linda Byron, FCIA, FSA
Senior Partner

Nathan LaPierre, FCIA, FSA
Partner

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September 2025

Appendix A: Assets

Asset Data

The Plan's assets are held by CIBC Mellon Trust Company. The asset information presented in this report is based on the financial statements of the pension fund as at December 31, 2024 audited by Ernst & Young LLP.

Tests of the sufficiency and reliability of the asset data were performed and the results were satisfactory. The tests included:

- A reconciliation of actual cash flow with expected cash flow from the previous actuarial report; and
- A reconciliation of any anticipated benefit payments (for retirees, terminated, or deceased members) against the financial statements of the pension fund for confirmation of payments.

Market Value of Assets

The following is a summary of the composition of the Plan's assets by asset type as reported by CIBC Mellon as at January 1, 2025. For comparison purposes, the composition at the previous valuation date of January 1, 2024 is also shown.

	January 1, 2025	January 1, 2024
	%	%
Cash and short term	(4.9%)	(5.5%)
Nominal bonds	13.0%	13.4%
Public credit	7.4%	7.4%
Real return bonds	11.7%	12.6%
Canadian equities	8.7%	7.9%
Global equities	16.5%	15.4%
Real assets	32.9%	34.4%
Private equity	7.6%	7.3%
Other Alternatives	2.6%	2.5%
Private credit	4.5%	4.6%
Total Invested Assets	**100.0%**	**100.0%**

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Target Asset Mix

The target asset mix of the Plan is contained in the Plan's Statement of Investment Policies and Procedures dated March 5, 2024, and is as follows:

	Target
Cash and short term	0.5%
Nominal bonds	12.0%
Public credit	12.0%
Inflation-linked bonds	12.0%
Canadian equities	9.0%
Global equities	17.0%
Infrastructure	18.5%
Real estate	14.0%
Other alternatives	2.0%
Private Equity	7.0%
Private Credit	5.5%
Leverage	(9.5%)
	100.0%

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Reconciliation of Changes in Market Value of Assets

The table below reconciles changes in the market value of assets between January 1, 2024 and December 31, 2024.

$(000s)		January 1, 2024 to December 31, 2024
Market Value of Assets, Beginning of Plan Year	**$**	**16,564,000**
Contributions During Plan Year		
Member	$	121,000
Company normal cost		206,000
Company special payments		-
Company transfer deficiency payments		-
Company ongoing expenses		-
Interest on contributions		-
Total	**$**	**327,000**
Benefit Payments During Plan Year		
Non-retired members[1]	$	51,000
Retired members		771,000
Total	**$**	**822,000**
Transfers During Plan Year		
Into plan	$	-
Out of plan		-
Total	**$**	**-**
Fees/Expenses		
Investment fees/expenses	$	81,000
Non-investment fees/expenses		15,000
Total	**$**	**96,000**
Investment Income	**$**	**1,664,000**
Market Value of Assets, End of Plan Year	**$**	**17,637,000**

[1] Includes members who have terminated employment or died

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Development of Actuarial Value of Assets

The actuarial value of assets is determined by modifying the market value of assets to recognize asset gains (losses) (i.e., the difference between actual investment return and expected investment return based on the valuation discount rate assumption) over a 5-year period.

The development of the actuarial value of assets as of January 1, 2025 is shown below:

$(000s) Year Ending		Original Amount of (Gain) Loss	(Gain) Loss Admitted in Prior Years	(Gain) Loss Admitted in Dec 31, 2024	(Gain) Loss to be Admitted in Future Years
December 31, 2020	$	(208,308)	(166,646)	(41,662)	-
March 31, 2021	$	76,340	57,255	15,268	3,817
December 31, 2021	$	(1,016,670)	(610,002)	(203,334)	(203,334)
December 31, 2022	$	1,315,180	526,072	263,036	526,072
December 31, 2023	$	13,600	2,720	2,720	8,160
December 31, 2024	$	(548,404)	-	(109,681)	(438,723)
			$ (190,601)	**$ (73,653)**	**$ (104,008)**

Market Value of Assets, January 1, 2025	**$ 17,637,000**
Actuarial Value of Assets, January 1, 2025	**$ 17,532,992**

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Appendix B: Membership Data

Source of Data

This valuation was based on member data provided by the Company as of January 1, 2025. Tests of the sufficiency and reliability of the member data were performed and the results were satisfactory. The tests included:

- A reconciliation of membership status against the membership status at the last valuation. This test was performed to ensure that all members were accounted for. A summary of this reconciliation follows on the next page;
- A reconciliation of birth, hire, and participation dates against the corresponding dates provided for the last valuation to ensure consistency of data;
- A reconciliation of credited service against the corresponding amount provided for the last valuation to ensure that no member accrued more than 1 year of credited service from January 1, 2024. This test also revealed any members who accrued less than 1 year of credited service;
- A reconciliation of pensionable earnings against the corresponding amounts provided for the last valuation to identify any unusual increases or decreases;
- A reconciliation of accrued benefits against the corresponding amounts provided for the last valuation to identify any unusual benefit accruals;
- A reconciliation of any stated benefit payments since January 1, 2024 (for retired, terminated, or deceased members) against the financial statements of the pension fund for confirmation of the payments; and
- A reconciliation of inactive member benefit amounts against the corresponding amounts provided for the last valuation to ensure consistency of data.

There was no information missing from the data, so no assumptions were required with respect to such data.

A copy of the administrator certification certifying the accuracy and completeness of the member data (and the Plan provisions summarized in this report) is included in Appendix G of this report.

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Membership Summary

The table below reconciles the number of members as of January 1, 2025 with the number of members as of January 1, 2024 and the changes due to experience in the period.

	Active	LTD	Deferred Vested	Pensioner	Survivor and Children	Total
Members, January 1, 2024	**8,748**	**351**	**746**	**10,890**	**2,312**	**23,047**
Changes due to:						
New entrants	1,618	-	-	-	-	1,618
Re-enrollment	3	-	(3)	-	-	-
Return to Active from Disability	19	(19)	-	-	-	-
To Disability	(52)	52	-	-	-	-
Termination						
Lump sum payments	(73)	(1)	(38)	-	-	(112)
Deferred vested	(126)	(4)	130	-	-	-
Retirements						
Monthly pension payments	(222)	(24)	(22)	268	-	-
Lump sum Payments	(18)		(8)	(2)		(28)
Death						
Lump sum payments	(4)	-	(5)	-	-	(9)
With survivor	(25)			(136)		(161)
No further benefits	-	-	-	(128)	(130)	(258)
New survivors	-	-	-	-	161	161
Data correction	(1)	-	1	(2)	2	-
Net change	1,119	4	55	0	33	1,211
Members, January 1, 2025	**9,867**	**355**	**801**	**10,890**	**2,345**	**24,258**

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Active Members

	January 1, 2025	January 1, 2024
Number	9,867	8,748
Average age	45.0	45.9
Average credited service (years)	12.1	13.1
Average pensionable earnings for the following year	$ 138,336	$ 131,853
Accumulated contributions with interest	$ 1,061,884,328	$ 953,036,964
Proportion female	24.1%	24.0%

Disabled Members

	January 1, 2025	January 1, 2024
Number	355	351
Average age	54.4	54.9
Average credited service (years)	21.9	22.0
Average pensionable earnings for the following year	$ 124,840	$ 116,084
Accumulated contributions with interest	$ 32,076,606	$ 29,389,257
Proportion female	37.2%	37.6%

Deferred Members

	January 1, 2025	January 1, 2024
Number	801	746
Average age	52.6	53.0
Total Annual Lifetime Pension	$ 13,545	$ 13,394
Proportion female	30.3%	30.0%

Retired Members

	January 1, 2025	January 1, 2024
Number	10,890	10,890
Number with Bridge	2,082	1,898
Average age	72.7	72.1
Average Annual Pension	$ 63,337	$ 61,485
Total Annual Bridge Pension	$ 42,430,822	$ 45,480,068
Proportion female	20.4%	20.1%

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Survivors (excluding children)

	January 1, 2025	January 1, 2024
Number	2,335	2,303
Average age	79.8	79.7
Total Annual Temporary Pension	$ 35,783	$ 34,027
Proportion female	93.9%	93.9%

Children

	January 1, 2025	January 1, 2024
Number	10	9
Average age	30.1	30.5
Total Annual Temporary Pension	$ 303,867	$ 288,086
Proportion female	40.0%	44.4%

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Active/Disabled Membership Distribution

The following table provides a detailed summary of the active/disabled membership at the valuation date by years of credited service and by age group. For privacy reasons, average pensionable earnings is not shown for groups with two or less members.

Age	< 5	5–10	10–15	15–20	20–25	25–30	>=30	Total
< 30	905	63						968
	$ 102,740	$127,820						$ 104,372
30–35	846	344	69	1				1,260
	$116,335	$ 135,883	$ 147,239	$ *				$ 123,383
35–40	604	296	208	235				1,343
	$ 122,588	$ 140,485	$ 155,710	$ 157,518				$ 137,774
40–45	369	223	163	662	148	1		1,566
	$ 128,297	$145,291	$ 147,081	$ 154,449	$ 154,088	$ *		$ 146,170
45–50	247	145	102	437	479	44		1,454
	$ 126,036	$ 146,375	$ 150,933	$ 150,208	$ 154,886	$ 162,286		$147,677
50–55	178	110	86	352	380	95	29	1,230
	$ 125,150	$ 146,958	$ 144,473	$ 147,211	$ 151,694	$ 162,931	$ 158,785	$ 146,677
55–60	130	97	55	286	335	75	226	1,204
	$ 124,385	$ 139,667	$ 147,865	$ 146,478	$ 149,078	$ 151,389	$ 153,607	$ 145,975
60–65	101	53	42	227	204	69	193	889
	$ 123,316	$ 153,660	$ 140,516	$ 140,441	$ 139,839	$ 150,403	$ 140,170	$ 139,863
>=65	36	21	13	67	74	24	73	308
	$ 115,530	$ 140,143	$ 133,464	$ 146,827	$ 145,185	$ 159,530	$ 142,226	$ 141,654
Total Count	**3,416**	**1,352**	**738**	**2,267**	**1,620**	**308**	**521**	**10,222**
Average Earnings	**$ 116,796**	**$ 141,127**	**$ 149,201**	**$ 150,185**	**$ 150,526**	**$ 156,870**	**$ 147,323**	**$ 137,868**

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Deferred Vested/Retired Membership Distribution

The following table provides a detailed summary of the deferred vested/retired membership at the valuation date by age group. For privacy reasons, average pensions are not shown for groups with two or less members.

Age	Deferred Vested Members	Retired Members and Beneficiaries
< 50	315	11
Average Annual Pension	$ 11,441	$ 23,150
Average Annual Bridge Pension	$ 2,155	$ 1,500
50–55	105	56
Average Annual Pension	$ 16,662	$ 61,675
Average Annual Bridge Pension	$ 2,942	$ 10,428
55–60	129	590
Average Annual Pension	$ 17,432	$ 73,419
Average Annual Bridge Pension	$ 3,101	$ 12,452
60–65	158	1,602
Average Annual Pension	$ 11,081	$ 66,429
Average Annual Bridge Pension	$ 2,152	$ 11,216
65[1]–70	94	2,420
Average Annual Pension	$ 15,919	$ 64,133
70–75	N/A	2,669
Average Annual Pension	$ N/A	$ 61,613
	$	
75–80	N/A	2,633
Average Annual Pension	$ N/A	$ 56,148
>=80	N/A	3,244
Average Annual Pension	$ N/A	$ 46,968
Count	**801**	**13,225**
Average Lifetime Pension	**$ 13,545**	**$ 58,472**
Average Bridge Pension	**$ 2,658**	**$ 21,352**

[1] Includes all deferred vested members over age 65

Appendix C: Going Concern Assumptions and Methods

Assumptions and Methods

A member's entitlements under a pension plan are generally funded during the period over which service is accrued by the member. The cost of each member's benefits is allocated in some fashion over the member's service. An actuarial valuation provides an assessment of the extent to which allocations relating to periods prior to a valuation date (often referred to as the actuarial liabilities) are covered by the plan's assets.

The going concern valuation provides an assessment of a pension plan on the premise that the plan continues on into the future indefinitely based on assumptions in respect of future events upon which a plan's benefits are contingent and methods that effectively determine the way in which a plan's costs will be allocated over the members' service. The true cost of a plan, however, will emerge only as experience develops, investment earnings are received, and benefit payments are made.

This appendix summarizes the going concern assumptions and methods that have been used for the going concern valuation of the Plan at the valuation date. The going concern assumptions and methods have been chosen to reflect our understanding of the Plan's funding objectives with due respect to accepted actuarial practice and regulatory constraints. For purposes of this valuation, the going concern methods and assumptions were reviewed and changes as indicated were made.

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The actuarial assumptions and methods used in the current and previous valuations are summarized below and described on the following pages.

	January 1, 2025	January 1, 2024
Economic Assumptions		
Discount rate	6.25% per year	Same
Inflation rate	2.00% per year	Same
Real discount rate	4.25% per year	4.25% per year
Increases in pensionable earnings		
Active members	2.75% per year[1] plus PPM scale (Table A following)	2.75% per year[2] plus PPM scale (Table A following)
Disabled members	2.00% per year	Same
Increases in YMPE	2.75% per year	Same
Increases in *Income Tax Act* maximum pension	2.75% per year	Same
Interest on member contributions	3.40% per year	Same
Conversion rate for determining commuted values	4.50% per year	Same
Real conversion rate for determining commuted values	2.50% per year	Same
Investment and Non-investment expenses	Implicit in discount rate	Same
Provision for adverse deviation	7.05% of non-indexed liabilities and normal cost	Same

[1] Collectively bargained increases of 3.75% in 2025 and 2.50% in 2026 for PWU and 3.25% in 2025 for Society are reflected.

[2] Collectively bargained increases of 4.75% in 2024 and 3.25% in 2025 for Society are reflected.

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	January 1, 2025	January 1, 2024
Demographic Assumptions		
Mortality table	OPG-specific mortality table (updated 2019) (Table B following) with mortality improvements at Scale MI-2017	Same
Retirement rates		Same
Active members	Variable by age (Table C following)	Same
Disabled members	Age 65	Same
Deferred Vested members	Earliest Unreduced Age	Same
Termination rates	Variable by age (Table D following)	Same
Disability rates	None	Same
Proportion married		
Non-retired proportion with spouse	90%	Same
Non-retired spousal age differential	Males spouse three years older than female spouse	Same
Retired members	Actual marital status and spousal ages are used where known; otherwise male spouse is assumed to be three years older than female spouse	Same
Proportion of members assumed to elect commuted value		
Retirement eligible	10%	Same
Not retirement eligible	50%	Same
Methods		
Actuarial cost method	Projected unit credit	Same
Asset valuation method	Smoothed value of assets with gains/losses deferred and amortized over 5 years	Same

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Table A—Promotion, Progression and Merit ("PPM") Scale

Sample service based rates used in this valuation are shown in the following table:

Service (years)	PPM increase
Under 4	7.00%
4-9	2.75%
10-19	1.00%
20+	0.50%

Table B—OPG-Specific Mortality Table (2019)

The OPG-Specific Mortality Table (2019) has been set at 103% of the CPM 2014 (Public) table with the 103% adjustment at each age, based on an experience study conducted during 2019 using data from 2012 to 2018. Mortality rates per 1,000 lives at selected ages under this table are summarized below. The mortality improvement scale has been applied to the OPG-Specific Mortality Table (2019) starting from year 2014.

OPG-Specific Mortality Table (2019) before Mortality Improvement (Base Year 2014)		
Age	Male	Female
20	0.783	0.185
25	1.030	0.247
30	1.143	0.309
35	1.143	0.433
40	1.298	0.618
45	1.813	0.886
50	2.534	1.318
55	3.739	2.122
60	5.469	3.584
65	7.849	5.747
70	12.041	9.064
75	20.590	15.028
80	38.471	27.923
85	74.335	54.755
90	139.462	105.400

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Table C — Retirement Rates

Age based retirement rates are in accordance with the following table:

	Eligible for Reduced Pension		Eligible for Unreduced Pension[1]
Age	Male	Female	Male and Female
20	0.00%	0.00%	n/a
25	0.00%	0.00%	n/a
30	0.00%	0.00%	n/a
35	0.00%	0.00%	n/a
40	0.00%	0.00%	n/a
45	0.00%	0.00%	n/a
50	0.00%	0.00%	20.00%
55	2.00%	5.00%	20.00%
56	2.00%	5.00%	20.00%
57	2.00%	5.00%	20.00%
58	2.00%	5.00%	20.00%
59	2.00%	5.00%	20.00%
60	2.00%	5.00%	20.00%
61	7.00%	10.00%	25.00%
62	7.00%	10.00%	25.00%
63	7.00%	10.00%	25.00%
64	7.00%	10.00%	25.00%
65	100.00%	100.00%	100.00%

[1] Note that for members with 20 years of continuous service at January 1, 2025 (for non-represented employees) and April 1, 2025 (for represented employees), eligibility for an unreduced pension for the purpose of assumed retirement rates means entitlement to an unreduced pension for service earned up to January 1, 2025 for non-represented employees and April 1, 2025 for represented employees. For all other members, eligibility for an unreduced pension for the purpose of assumed retirement rates means entitlement to an unreduced pension considering all service

Table D — Termination Rates

Sample rates used in this valuation are shown in the following table:

Age	Male	Female
20	2.90%	3.30%
25	2.20%	2.50%
30	1.60%	2.40%
35	1.30%	2.00%
40	1.00%	1.60%
45	0.90%	1.40%
50	0.90%	1.40%
55 +	0.00%	0.00%

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Justification of Actuarial Assumptions and Methods

Economic Assumptions

Discount Rate

The overall expected return was developed using best-estimate returns for each major asset class in which the pension fund is invested. A Monte Carlo simulation is performed over 30 years where the portfolio returns are projected assuming annual rebalancing. The results are used to develop an overall best-estimate rate of return for the entire pension fund. Gains from rebalancing and diversification are implicit to this return.

The following table lays out the adjustments that have been made to the overall expected rate of return in order to arrive at our going concern discount rate assumption:

Development of Discount Rate				
Overall expected return				6.43%
Non-investment expenses				(0.10)%
Investment expenses				
Passive	(1)	(0.08)%		
Actively managed	(2)	(0.00)%		
			(1)+(2)	(0.08)%
Discount Rate				**6.25%**

Inflation Rate

The assumption reflects the 1.00% to 3.00% band that Bank of Canada has set for inflation, with monetary policy aimed at a 2.00% target midpoint. The assumed inflation rate is used to determine the other economic assumptions that are inflation-based. Since benefits under the Plan are directly related to inflation (before retirement, through salary increases and after termination/retirement, through the indexation formula), it is the difference between the inflation rate and the other economic assumptions that is the most important variable.

Increases in Pensionable Earnings

We have assumed future salary increases will be 2.75% per year, which is the long-term assumed increase in earnings. Note that for 2025 and 2026, we have reflected known increases included in collective bargaining agreements for the Society and PWU.

In addition to the base rate, we assume rates of increase as a result of individual employee promotion, progression and merit based on a scale which varies by service as shown in Table A.

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Increases in YMPE

As the benefits paid to a member from the Plan are dependent on the future YMPE, it is necessary to make an assumption regarding the future increases in the YMPE.

The YMPE is assumed to increase up until the time the member retires, dies or terminates from active employment at the rate of 2.75% per year. This is comprised of an annual increase of 2.00% on account of inflation, plus 0.75% in the long-term on account of productivity growth, which is consistent with historical real economic growth.

Increases in the Maximum Pension Limit

Pensions are limited to the maximum limits under the *Income Tax Act*. The maximum lifetime annual pension per year of pensionable service payable under the *Income Tax Act* is $3,756.67 in 2025. It is assumed that the maximum limit will increase at the rate of 2.75% per year. This is comprised of an annual increase of 2.00% on account of inflation, plus 0.75% in the long-term on account of productivity growth, which is consistent with historical real economic growth.

Interest on Member Contributions

Interest is credited on member contributions at 3.40% per year. The assumption reflects the best-estimate expectations of future yield of five-year personal fixed term chartered bank deposits.

Expenses

Since the discount rate has been established net of all expenses, no explicit assumption is required for all/investment expenses.

Conversion Rate

The conversion rate for commuted values is assumed to be 4.50% nominal (2.50% real) per year. This rate was derived based on the weighted-average time to expected payout of commuted value payments, using best-estimate expectations of future conversion rates determined in a manner consistent with the expected returns of the fixed income asset classes used for the derivation of the discount rate in accordance with the CIA guidance. This is a blended rate of the discount rate for the select period of 10 years and ultimate rate.

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Provision for Adverse Deviation

For the purpose of this valuation, the PfAD is established based on the target asset allocation for each category of investments set out in the Plan's Statement of Investment Policies and Procedures (SIPP) in effect at the date of this report.

Asset Mix Component	Investment Categorization under Regulation 76 (12)	Categorization under Regulation 11.2 (8)[1]	Target Asset Allocation (%)
Cash and short term	4	Fixed Income ("L")	(9.0)%
Investment-grade Fixed-income	15	Fixed Income ("L")	34.0%
Canadian stocks	13	Non-Fixed Income	9.0%
Non-Canadian stocks	14	Non-Fixed Income	17.0%
Other investments[2]	17	Alternative Investment ("M")	35.0%
Real estate	7	Alternative Investment ("M")	14.0%
			100.0%

Fixed income ("L")	25.0%
Alternative Investment ("M")	49.0%
(a) Percentage of fixed income for PfAD ["L" + 50%* "M"]	49.50%
(b) Percentage of non-fixed income for PfAD [100%-(a)]	50.50%
(c) Asset mix component (see table below)[3]	3.05%

Percent of Non-Fixed Income Assets	PfAD for Closed Plans	PfAD for Open Plans
0%	0%	0%
20%	2%	1%
40%	4%	2%
50%	5%	3%
60%	7%	4%
70%	11%	6%
80%	15%	8%
100%	23%	12%

[1] The fixed income investments satisfy the minimum credit rating requirements prescribed by the Regulation.
[2] Included non-investment-grade fixed income
[3] Based on linear interpolation

Benchmark Discount Rate (BDR)	
(d) V39056 rate at the valuation date	3.33%
(e) BDR [(d)+1.5%*(a)+5.0%*(b)+0.5%]	7.10%
(f) Best estimate discount rate[1]	6.43%
(g) Plan duration	12.49
PfAD is Determined as Follows:	
Fixed component (open 4% or closed 5%)	4.00%
Asset mix component	3.05%
BDR component [Max [0, (g)*((f)-(e))]]	0.00%
Total	**7.05%**

[1] Gross of non-investment expenses and passive investment management fees.

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Demographic Assumptions

Mortality

During 2019, Aon undertook a study of the mortality experience of OPG's pensioners. (The previous study was undertaken in 2013). Aon updated the OPG-specific base mortality table to reflect the experience of OPG's pensioners over the period from 2012 to 2018. This updated mortality table was used in this valuation and the prior valuation.

Future mortality improvements on a generational basis are assumed in accordance with improvement scale MI-2017 and are applied to the base mortality rates from 2014 onward (the base year for the table). This improvement scale was developed by the CIA in 2017 and reflects updated expectations of improvement in mortality and was also used in the prior valuation.

In April 2024, the Canadian Institute of Actuaries (CIA) released a new research paper on mortality improvements in Canada. In May 2024, the CIA issued guidance indicating that both the new mortality improvement scale and the mortality improvement scale currently used are appropriate to value pension plans. With this guidance, we continue to use the existing mortality improvement scale at this time.

Retirement

The rates of retirement have been developed as our expectation of the best-estimate rates of retirement based on the plan provisions and the historical retirement experience of the Plan. We have made assumptions as to how the plan changes in 2025 affecting early retirement eligibility will impact members' retirement patterns. We believe the assumed retirement rates reflect the long term anticipated retirement pattern in the Plan.

Disabled members are assumed to retire at age 65, since their Company-provided disability benefits are assumed to continue to that age, and earlier retirement election could jeopardize those disability benefits.

Termination of Employment

A member's benefit entitlement under the Plan is affected by whether the member terminates employment prior to retirement for reasons other than death. In order to account for this in the calculation of the actuarial liability, an assumption regarding the probability that a member will terminate employment for reasons other than death has been made.

The termination rates were developed based on a 2016 review of Plan experience since 2010. Consequently, the termination rates are considered to be best estimate.

Disability

If an active Plan member becomes disabled, service continues to accrue until pension commencement age, but employee contributions are waived. Disabled members are assumed to stay disabled until the age of 65.

Based on our 2016 review of OPG's disability experience since 2010, and materiality, an assumption of no incidence of disability has been made.

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Proportion of Members with Spouses and Spousal Age Differential

These assumptions are relevant to the valuation of benefits since there is a subsidized joint and survivor benefit available for members with a spouse. The spousal age differential is based on an analysis of pensioner data. The proportion of members who are assumed to have a spouse at retirement is consistent with observed Plan experience.

Proportion of Members Electing a Commuted Value at Termination or Retirement

10% of retirement eligible members and 50% of members not eligible to retire are assumed to elect a commuted value in lieu of immediate or deferred monthly pension payments upon retirement/termination. This assumption is consistent with observed Plan experience.

Margins for Adverse Deviations

The actuary has discussed the Plan's experience with the Company and compared it to the expected experience. Based on this review a decision was made not to include any margins for adverse deviation in addition to the PfAD. The PfAD that is required by Ontario Regulation is discussed in the preceding section.

Other

Actuarial Cost Method

An actuarial cost method is a technique used to allocate in a systematic and consistent manner the expected cost of a pension plan over the years of service during which Plan members earn benefits under the Plan. By funding the cost of a pension plan in an orderly and rational manner, the security of benefits provided under the terms of the Plan in respect of service that has already been rendered is significantly enhanced.

The projected unit credit actuarial cost method has been used for this valuation. Under this method, the actuarial present value of benefits in respect of service prior to the valuation date, but based on pensionable earnings projected to retirement, is compared with the actuarial asset value, revealing either a surplus or an unfunded actuarial liability.

With respect to service after the valuation date, the expected value of benefits for service in the year following the valuation date (i.e., the normal cost) net of any required employee contributions is expressed as a percentage of the expected value of participating payroll for that year. The employer normal cost contributions are determined each year by applying this percentage to the actual participating payroll for the year.

When calculating the actuarial present value of benefits at the valuation date, the present value of all retirement, withdrawal and preretirement death benefits are included. For each member, the retirement, withdrawal and preretirement death benefits for a particular period of service are first projected each year into the future taking into account future vesting, early retirement entitlements and minimum pension/value entitlements. These projected benefits for each future year are then capitalized, multiplied by the probability of the member leaving the Plan in that year and discounted with interest and survivorship to the valuation date. The actuarial present value of benefits for the particular period of service is then determined by summing the present values of these projected benefits.

The pattern of future contributions necessary to pre fund future benefit accruals for any one particular individual will increase gradually as a percentage of their pensionable earnings as the individual approaches retirement. For a stable population (i.e., one where the demographics of the group remain constant from year to year), the normal cost will remain relatively level as a percentage of payroll. The projected unit credit actuarial cost method therefore allocates contributions among different periods in an orderly and rational manner for a stable population group.

In the event of future adverse experience, contributions in addition to the normal cost calculated under the projected unit credit actuarial cost method may be required to ensure that the Plan's assets are adequate to provide the benefits. Conversely, favourable experience may generate surplus which may serve to reduce future contribution requirements.

Asset Valuation Method

The Company uses asset-smoothing which can reduce the volatility in the Company's contribution requirements.

Appendix D: Solvency and Hypothetical Wind Up Assumptions and Methods

Valuation Assumptions

	January 1, 2025	January 1, 2024
Economic Assumptions		
Discount rate		
Solvency (excludes indexation)		
—Benefits assumed to be settled by commuted value	3.90% per year for 10 years 4.60% per year thereafter	4.10% per year for 10 years 4.20% per year thereafter
—Benefits assumed to be settled by annuity purchase	4.72% per year	4.55% per year
Hypothetical Wind Up (includes indexation)		
—Benefits assumed to be settled by commuted value	2.00% per year for 10 years 2.70% per year thereafter	2.40% per year for 10 years 2.50% per year thereafter
—Benefits assumed to be settled by annuity purchase	1.51% per year	1.40% per year
Duration used for Annuity Purchase	10.28	10.42

	January 1, 2025	January 1, 2024
Demographic Assumptions		
Mortality table	2014 Canadian Pension Mortality Table with generational improvements using CPM Scale B[1] (sex-distinct rates)	Same
Termination rates	Not applicable	Same
Retirement age		
Active, disabled and deferred vested members	50% at the member's earliest unreduced retirement age and 50% at the age that produces the highest value	Same
Retired members and beneficiaries	Not applicable	Same
Termination of employment	Terminate with full vesting	Same
Marital status		
Non-retired spousal proportion	90% assumed to have a spouse at retirement	Same
Non-retired spousal age differential	Male spouses are assumed to be three years older than female spouses	Same
Retired members	Actual marital status and spousal ages are used where known; If not known, a male spouse is assumed to be three years older than a female spouse	Same
Other		
Wind up expenses	$73.3 million	Same
Actuarial cost method	Unit credit	Same
Asset valuation method	Market value of assets adjusted to reflect contributions, benefit payments, transfers and fees/expenses in transit as of the valuation date	Same

[1] No preretirement mortality was applied

Based on the CIA's Guidance and information such as pension legislation, Plan provisions and Plan experience, we have made the following assumptions regarding how the Plan's benefits would be settled on Plan wind up:

	Percent of Liability Assumed to be Settled By Purchase of Annuities	Percent of Liability Assumed to be Settled By Lump-Sum Transfer
Active Members		
Not retirement eligible	50%	50%
Retirement eligible	90%	10%
Deferred Vested Members		
Not retirement eligible	50%	50%
Retirement eligible	90%	10%
Retired Members and Beneficiaries	100%	0%

Postulated Scenario

The postulated scenario is the assumption of immediate termination of employment for the active group at the valuation date. Therefore, no allowance for future salary increases or demographic experience are reflected.

Benefits Valued

	Solvency Valuation	Hypothetical Wind Up Valuation
Vesting	We have treated all accrued benefits as vested on Plan wind up.	We have treated all accrued benefits as vested on Plan wind up.
Grow-in Benefits	Active members employed in Ontario with at least 55 age-plus-service points are eligible to receive grow-in benefits.	Active members employed in Ontario with at least 55 age-plus-service points are eligible to receive grow-in benefits.
Indexing	Not included in the valuation	Included in the valuation

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Justification for Valuation Assumptions

We have set the aforementioned assumptions based on guidance prepared by the CIA Pension Plan Financial Reporting Committee ("PPFRC") in Explanatory Report – Guidance for Assumptions for Hypothetical Wind-Up and Solvency Valuations Update – Effective December 31, 2024, and Applicable to Valuations with Effective Dates on or after December 31, 2024, and no later than June 29, 2025 ("CIA Guidance") issued February 27, 2025.

For benefit entitlements that are expected to be settled by lump-sum transfer, we based the assumptions on Section 3500 (Pension Commuted Values) of the CIA Standards of Practice, using rates corresponding to a valuation date of January 1, 2025.

For benefit entitlements that are expected to be settled by purchase of annuities, we based the assumptions on information compiled by the PPFRC from insurance companies active in the group annuity market as described in the educational note.

Solvency lump-sum discount rate for 10 years adjustment	= V122542[1] + Mid-term bond yield spread = 3.175% +0.691% **= 3.866% (rounded to 3.90%) per year**
Solvency lump-sum discount rate thereafter	= V122544[1]+ 0.5 x (V122544[1] – V122542[1]) + Long-term bond yield spread adjustment = 3.398% + 0.5 x (3.398% – 3.175%) + 1.103% **= 4.613% (rounded to 4.60%) per year**
Solvency annuity purchase discount rate	= V39062 + Duration Adjustment = 3.32% +1.40% **= 4.72% per year**

Indexed Rates

Theoretical yield on 7-year RRGCB (r7)	= V122553 x (V122542 / V122544) = 1.55% x (3.17% / 3.40%) = 1.33%
Indexation rate for 10 years (c1-10)	= (1 + V122542) / (1 + r7) - 1 = (1 + 3.17%) / (1 + 1.33%) - 1 = 1.82%
Indexation rate thereafter (c10+)	= [1+V122544+0.5x(V122544-V122542)] / [1+V122553+0.5x(V122553-r7)] - 1 = [1+3.40%+0.5x(3.40%-3.17%)] /[1+1.55%+0.5x(1.55%-1.33%)]-1 = 1.82%

[1] CANSIM Series (annualized)

Fully indexed lump-sum discount rate for 10 years (r1-10)

= [(1 + i1-10) / (1 + c1-10)] - 1
= [(1 + 3.87%) / (1 + 1.82%)] - 1
= 2.01% (rounded to 2.00%) per year

Fully indexed lump-sum discount rate thereafter (r10+)

= [(1 + i10+)/ (1 + c10+)] - 1
= [(1 + 4.61%) / (1 + 1.82%)] - 1
= 2.74% (rounded to 2.70%) per year

Full indexed annuity purchase discount rate = V39057 – 0 bps
= 1.51% - 0.00%
= 1.51% per year

Mortality Table

In accordance with the CIA Guidance, the derivation of the discount rate above is in conjunction with the 2014 Canadian Pensioners' Mortality Table combined with mortality improvement scale CPM-B.

Preretirement Mortality

We have made no allowance for preretirement mortality. The impact of including such an assumption would not have a material impact on the valuation, since the value of the death benefit is approximately equal to the value of the accrued pension.

Pensionable Earnings

To estimate active and disabled members' best average earnings, we have used actual historical member earnings.

Assumptions Not Needed

The following are not relevant to the solvency or hypothetical wind up valuation:

- Increases in pensionable earnings;
- Termination of employment rates;
- Increases in CPP (2025 amount was used) and OAS benefits (Q1 2025 amount was used);
- Increases in YMPE (2025 amount was used) ; and
- Disability rates.

Estimated Wind Up Expenses

Plan wind up expenses would normally include such items as fees related to preparation of the actuarial wind up report, fees imposed by a pension supervisory authority, legal fees, administration, custodial and investment management expenses. We have assumed these fees would total $73.3 million.

Calculation of Special Solvency Payments

Since there is a Solvency Surplus, there are no solvency special payments.

Unisex Assumption

The liabilities are valued on a sex-distinct basis.

Actuarial Cost Methods

Unit credit (accrued benefit) cost method as prescribed.

Asset Valuation Method Considerations

Assets for solvency purposes have been determined using market value.

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Incremental Cost

The incremental cost represents the present value, at the calculation date (time 0), of the expected aggregate change in the liabilities between time 0 and the next calculation date (time t), adjusted upwards for expected benefit payments between time 0 and time t.

An educational note was published in December 2010 by the CIA Committee on PPFRC to provide guidance for actuaries on the calculation of this information.

The calculation methodology can be summarized as follows:

- The present value at time 0 of expected benefit payments between time 0 and time t, discounted to time 0,

plus

- Projected liabilities at time t, discounted to time 0, allowing for, if applicable to the pension plan being valued:
    - expected decrements and related changes in membership status between time 0 and time t,
    - accrual of service to time t,
    - expected changes in benefits to time t,
    - a projection of pensionable earnings to time t,

minus

- The liabilities at time 0.

The projection calculations take into account the following assumptions and additional considerations:

- The assumptions for the expected benefit payments and decrement probabilities, service accruals, and projected changes in benefits and/or pensionable earnings would be consistent with the assumptions used in the pension plan's going concern valuation.
- The assumptions used to calculate the projected liability at time t are consistent with the assumptions for the liabilities at time 0, assuming that interest rates remain at the levels applicable at time 0, that the select period is reset at time t for interest rate assumptions that are select and ultimate and that the Standards of Practice for the calculation of commuted values and the guidance for estimated annuity purchase costs in effect at time 0 remain in effect at time t.
    - Active and inactive Plan members as of time 0 are considered in calculating the incremental cost.

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Appendix E: Summary of Plan Provisions

This funding valuation was based on Plan design information provided by the Company as of January 1, 2025. The following is a summary of the main provisions of the Plan.

Effective Date	
	January 1, 2000
Jurisdiction of Registration	
	Ontario
Eligibility for Membership	
Regular Employees	(a) All regular and probationary employees join the Plan on the date of hire; (b) Employees for whom the Office and Professional employees International Union was the bargaining agent prior to July 30, 1982 joined the Plan in accordance with the Plan rules at the time of hire; and, (c) Employees who became continuing construction clerical employees after July 29, 1982 and before August 8, 1984 joined the Plan in accordance with the Plan rules at the time of hire.
Other Employees	Other employees (with the exception of, and not limited to, PWU Term employees, and temporary Management Group employees who were not eligible to join effective July 1, 2014) may join the Plan after completion of 24 months of continuous service, and either (a) earning 35% of the YMPE; or (b) having 700 hours of employment in each of the two preceding calendar years.

Normal Retirement	
Eligibility	The attainment of age 65 (age 60 for female employees hired before January 1, 1976 or any subsequent day when she in fact retires which is not later than her 65th birthday).
Benefit	Annual benefit equal to (a) minus (b) below: (a) For members represented by the PWU or Society – 2.0% of Highest Three-Year Average Earnings times Credited Service prior to March 31, 2025 plus 2.0% of Highest Five-Year Average Earnings times Credited Service on and after March 31, 2025; or For Management Group employees – 2.0% of Highest Three-Year Average Earnings times Credited Service. For all members, Credited Service is limited to 35 years unless member elects to contribute beyond 35 years and earn Credited Service. (b) 0.5% of Highest Five-Year Average Earnings up to the Average YMPE times Credited Service after December 31, 1965.
Early Retirement	
Eligibility	(a) For members represented by the PWU or Society – Attainment of 82 age-plus-continuous service points prior to March 31, 2025, or attainment of 85 age-plus-continuous service points on or after March 31, 2025; or For Management Group employees – Attainment of 84 age-plus-continuous service points prior to January 1, 2025 for employees hired before July 1, 2014, or attainment of 90 age-plus-continuous service points for Management Group employees hired on or after July 1, 2014, or attainment of 90 age-plus-continuous service points on or after January 1, 2025 for Management Group employees hired before July 1, 2014. (b) For members represented by the PWU or Society – Attainment of 82 age-plus-continuous service points but less than 85 age-plus-continuous service points, and with 25 or more years of continuous service on or after March 31, 2025.

(c) For members represented by the PWU or Society – Attainment of 82 age-plus-continuous service points but less than 85 age-plus-continuous service points, and with less than 25 years of continuous service on or after March 31, 2025.

(d) For Management Group employees hired before July 1, 2014 – Attainment of 84 age-plus-continuous service points but less than 90 age-plus-continuous service points and with more than 25 years of continuous service on or after January 1, 2025.

(e) For Management Group employees hired before July 1, 2014 – Attainment of 84 age-plus-continuous service points but less than 90 age-plus-continuous service points and with less than 25 years of continuous service on or after January 1, 2025.

(f) Age 55 with 25 years of continuous service.

(g) A female employee whose continuous employment commenced prior to 1976 with age 50 and at least 15 years of continuous service or any other employee with age 55 and at least 15 years of continuous service, but less than 25 years of continuous service.

(h) Age 55.

Benefit

(a) Normal retirement benefit earned to early retirement date, unreduced for early commencement.

(b) Normal retirement benefit earned for service prior to March 31, 2025 unreduced for early commencement plus normal retirement benefit earned for service on or after March 31, 2025 reduced by 3% for each year that early retirement date precedes age 60. Notwithstanding the aforementioned, for members represented by the PWU or Society who have 20 or more years of service on March 31, 2025, the normal retirement benefit earned for service on or after March 31, 2025 will be reduced by 3% per year prior to the date the member's age-plus-continuous service would equal 85 (growing service and age).

(c) Normal retirement benefit earned for service prior to March 31, 2025 unreduced for early commencement plus normal retirement benefit earned for service on or after March 31, 2025 reduced by 2% for each year up to 5 years and by 3% for each additional year that early retirement date precedes age 65 (age 60 for females hired prior to 1976). Notwithstanding the aforementioned, for members represented by the PWU or Society who have 20 or more years of service on March 31, 2025, the normal retirement benefit earned for service on or after March 31, 2025 will be reduced by 3% per year prior to the date the member's age-plus-continuous service would equal 85 (growing service and age).

(d) Normal retirement benefit earned for service prior to January 1, 2025 unreduced for early commencement plus normal retirement benefit earned for service on or after January 1, 2025 reduced by 3% for each year that early retirement date precedes age 60.

(e) Normal retirement benefit earned for service prior to January 1, 2025 unreduced for early commencement plus normal retirement benefit earned for service on or after January 1, 2025 reduced by 2% for each year up to 5 years and by 3% for each additional year that early retirement date precedes age 65 (age 60 for females hired prior to 1976).

(f) Normal retirement benefit earned to early retirement date, reduced by 3% for each year that early retirement date precedes age 60.

(g) Normal retirement benefit earned to early retirement date, reduced by 2% for each year up to five years and by 3% for each additional year that early retirement date precedes age 65 (age 60 for females hired prior to 1976).

(h) Normal retirement benefit earned to early retirement date, actuarially reduced for early commencement.

Supplement (Bridge Pension)	
Eligibility	(a), (b), (c), (d), (e), (f), (g), and (h) as described under Early Retirement.
Benefit	0.625% of Highest Five-Year Average Earnings up to the Average YMPE times Credited Service (maximum 30 years), multiplied by the ratio 35/30, plus the number of years that the member contributed beyond 35 years, payable from early retirement date to age 6. The supplement is subject to the same early retirement reductions as the lifetime pension. Under (h), the lifetime pension plus the supplement are the actuarial equivalent of the defined benefit lifetime pension payable at age 65.
Disability Benefit	
Eligibility	Qualification for benefits from an income replacement plan.
Benefit	Credited Service continues to accrue. Member required contributions cease. Base Annual Earnings prior to disability is indexed on an annual basis by 100% of the increase in CPI (Ontario) for the 12 month period ending on the preceding June 30th, subject to a maximum increase of 8% with carry forward provisions. Actual YMPE at retirement date is used (subject to maximum indexation provisions).

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Termination of Employment	
Eligibility	(a) Less than 25 years of continuous service and not a Management Group employee hired on or after July 1, 2014. (b) Management Group employee hired on or after July 1, 2014 with less than 25 years of continuous service. (c) Twenty-five or more years of continuous service.
Benefit	(a) Accrued Normal Retirement Benefit payable and reduced in accordance with the provisions described under Early Retirement (a), (b), (c), (d), and (e) for members meeting those requirements using service at termination and age at retirement, or as early as age 55 on an actuarially reduced basis. (b) Accrued Normal Retirement Benefit payable at age 65, or as early as age 55 on an actuarially reduced basis. (c) Accrued Normal Retirement Benefit payable at age 65, or as early as age 55. The pension is reduced by 0.25% for each month that Early Retirement Date precedes age 60. In lieu of the deferred pension described in (a), (b) and (c) above, the member may be eligible to transfer the commuted value of the deferred pension to a locked-in RRSP or other retirement vehicle or be entitled to a refund of contributions. Portions of the pre-1987 benefit may be taken as a cash payment by members.

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Preretirement Survivor Benefit	
Eligibility	(a) Less than 10 years of continuous service. (b) Ten or more years of continuous service.
Benefit	(a) Commuted value of accrued Normal Retirement Pension. (b) (i) Member with a Spouse. Greater of an immediate pension of 66-2/3% of accrued Normal Retirement Benefit (with no early retirement reductions), or an immediate pension equivalent in value to the commuted value of the member's accrued Normal Retirement Pension. In lieu of (i) the surviving spouse may elect a deferred pension equivalent in value to the commuted value of the member's accrued pension at the date of death or may elect to receive the commuted value of the accrued Normal Retirement Pension. (ii) Member with Eligible Children but no Spouse. Immediate pension of 66-2/3% of accrued Normal Retirement Benefit paid to the children until age 18 (longer if in school or disabled). (iii) Member without a Spouse or Eligible Children. Commuted value of accrued Normal Retirement Benefit.

Required Member Contributions	
	(a) For members represented by the PWU – 7.50% of Base Annual Earnings up to the YMPE, plus 10.00% of Base Annual Earnings in excess of the YMPE. (b) For members represented by the Society – 9.00% of Base Annual Earnings. (c) For Management Group employees– 7.60% of Base Annual Earnings up to YMPE, plus 9.50% of Base Annual Earnings in excess of the YMPE.

Maximum Pension	
	The benefits in respect of continuous employment after 1991 are limited to the maximum allowable under the *Income Tax Act.*
Excess Contributions	
	On retirement, death, or termination, the required member contributions made on or after January 1, 1987 with interest cannot provide more than 50% of the commuted value of the benefit earned for Credited Service after January 1, 1987 In the event the required member contributions with interest provide more than 50% of the benefit, the excess will be refunded to the member (to the spouse, beneficiary or estate in the case of death). On retirement, death, or termination of a member who was not represented by the PWU, the required member contributions made prior to January 1, 1987 with interest cannot exceed the commuted value of the benefits earned for Credited Service prior to January 1, 1987. The excess is refunded to the member (to the spouse, beneficiary or estate in the case of death).
Normal Form of Payment	
Member without a Spouse or Dependent Children at Retirement	Life annuity with a guarantee of at least 60 monthly payments.
Member With a Spouse or Dependent Children at Retirement	Joint and 66-2/3% survivor annuity (no reduction for survivor benefit).

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Prior Plan Benefits

For active members represented by a union, the portion of their benefits under the OPG Plan in respect of service recognized for pension accrual purposes ("pensionable service") under the New Horizon System Solutions Pension Plan (the "NHSS Plan") will be determined based on the terms of the OPG Plan, as amended from time to time, and the member's combined pensionable earnings from NHSS and OPG. In no event will the value of any such member's benefits under the OPG Plan in respect of pensionable service under the NHSS Plan be less than the value of the member's benefit accrued under the NHSS Plan in respect of such service.

For active members not represented by a union, the portion of their benefits under the OPG Plan in respect of pensionable service under the NHSS Plan will be determined in same manner as for active members represented by a union (as described above), except that such portion of their benefit shall be subject to an unreduced early retirement benefit upon attaining age and continuous employment equal to 82; whereas the remainder of their benefit under the OPG Plan shall be subject to the early retirement benefit provisions of the OPG Plan, as amended from time to time.

For all other members, their benefit under the OPG Plan in respect of pensionable service under the NHSS Plan will be same as they had been entitled to under the NHSS Plan.

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Indexation	
	Pensions to retired and deferred vested members (and their survivors) are increased each January 1st (while in payment or during the deferral period) by 100% of the increase in CPI (Ontario) for the 12 month period ending on the preceding June 30th, subject to a maximum increase of 8% with carry forward provisions.
Definitions	
Base Annual Earnings	Member's Base Annual Earnings include Performance Incentive Plan Payments up to: • a maximum of 5% of a member's base annual earnings for Management Group employees in Bands A to M; • a maximum of 28% of a member's base annual earnings for Authorized Nuclear Operators; • a maximum of 25.2% of a member's base annual earnings for Certified Unit 0 Control Room Operators; • a monthly maximum of 28% of a member's base annual earnings divided by 12 for Society-represented control Room Shift Supervisors and Control Room Shift Operating Supervisors; • a maximum of 21% of a member's base annual earnings for Society-represented Authorization Training Supervisors; and • a maximum of 18.9% of a member's base annual earnings for Unit 0 Training Specialists who were formerly certified Unit 0 control Room Operators. • a supervisory premium of 5% of member's base annual earnings to PWU board certified thermal operators employed at the Lennox Thermal Plant or at the Atikokan Thermal Plant, For members represented by the PWU, 2024 Base Annual Earnings also include a one-time lumpsum payment pursuant to the Memorandum of Settlement for a Renewal Collective Agreement dated October 30, 2024.
Highest Three-Year Average Earnings	The average of a member's Base Annual Earnings during the 36 consecutive months which gives the highest amount, up to the date of retirement, termination, or death.

Highest Five-Year Average Earnings	The average of a member's Base Annual Earnings during the 60 consecutive months which gives the highest amount, up to the date of retirement, termination, or death.
Credited Interest	Average yield of five-year personal fixed term chartered bank deposits as determined under CANSIM B 14045 for the 12-month period ending June 30th.
Credited/Established Service	Credited service under the Prior Plan plus credited service while a member of the Plan on and after January 1, 2000, to a maximum of 35 years of credited service. Members may elect to contribute beyond 35 years and receive additional credited service.
Average YMPE	The average YMPE (i.e., Year's Maximum Pensionable Earnings under the Canada/Quebec Pension Plan) during the 60 consecutive months when Base Annual Earnings were highest.
Prior Plan	The New Horizon System Solutions Pension Plan. Defined benefit assets and liabilities of the Prior Plan were transferred into the Plan effective January 1, 2023 with the transfer completed in 2024.

A copy of a letter from the Company certifying the accuracy and completeness of the Plan provisions summarized in this report is included in Appendix F of this report.

Appendix F: Administrator Certification

With respect to the Ontario Power Generation Inc. Pension Plan, forming part of the actuarial report as at January 1, 2025, I hereby certify that, to the best of my knowledge and belief:

- The asset data provided or made available to the actuary is complete and accurate;
- The membership data and subsequent query answers provided or made available to the actuary are complete and accurate for all persons who are entitled to benefits under the terms of the Plan in respect of service up to the date of the valuation;
- The Plan provisions provided or made available to the actuary are complete and accurate up to and including January 1, 2025;
- The actuary has been notified of all relevant events subsequent to the valuation measurement date; and
- The terms of engagement contained in Section 1 of this report are accurate and reflect the plan administrator's direction.

Name (print) of Authorized Signatory	Title
Signature	Date

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About

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Appendix 1: EB-2020-0290 versus EB-2025-0297 Pension and OPEB Accrual Costs - OPG Nuclear

Line No.		Reference	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Pension	EB-2025-0297 Ex. F4-3-2, Chart 1	124.0	154.9	65.7	(27.9)	47.2	(12.0)	10.0	22.6	13.8	11.2	7.8	9.3
2	OPEB	EB-2025-0297 Ex. F4-3-2, Chart 1	179.0	165.0	151.1	153.5	158.0	186.8	190.5	204.0	211.0	222.0	231.2	241.7
	Total		303.0	319.9	216.8	125.6	205.2	174.8	200.5	226.6	224.8	233.2	239.0	251.0
			2020 Budget	2021 Budget	2022 Plan	2023 Plan	2024 Actual	2025 Plan	2026 Plan					
3	Pension	EB-2020-0290 Ex. F4-3-2, Chart 1	124.4	171.1	154.0	134.2	111.7	71.3	36.7					
4	OPEB	EB-2020-0290 Ex. F4-3-2, Chart 1	170.5	154.8	157.7	159.9	161.1	156.9	146.8					
	Total		294.9	325.9	311.7	294.1	272.8	228.2	183.5					
5	Pension Difference	Line 1 - Line 3	(0.4)	(16.2)	(88.3)	(162.1)	(64.5)	(83.3)	(26.7)					
6	OPEB Difference	Line 2 - Line 4	8.5	10.2	(6.6)	(6.4)	(3.1)	29.9	43.7					
7	Total Difference	Line 5+ Line 6	8.1	(43.2)	(24.5)	41.9	18.5	(43.2)	17.0					

Appendix 2: EB-2025-0297 - Pension and OPEB Accrual-Cash Differential Amounts - OPG Nuclear

Line No.	EB-2025-0297	Reference	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Pension													
1	Accrual Costs	Ex. F4-3-2, Chart 1	124.0	154.9	65.7	(27.9)	47.2	(12.0)	10.0	22.6	13.8	11.2	7.8	9.3
2	Contributions	Ex. F4-3-2, Chart 4	148.3	137.7	147.0	128.2	161.7	99.1	100.4	100.6	103.4	109.0	111.6	115.3
3	Difference	Line 1 - Line 2	(24.3)	17.2	(81.3)	(156.1)	(114.5)	(111.1)	(90.4)	(78.0)	(89.6)	(97.8)	(103.8)	(106.0)
	OPEB													
4	Accrual Costs	Ex. F4-3-2, Chart 1	179.0	165.0	151.1	153.5	158.0	186.8	190.5	204.0	211.0	222.0	231.2	241.7
5	Cash Payments	Ex. F4-3-2, Chart 4	83.1	89.2	87.5	106.8	106.6	117.6	114.1	118.0	122.4	129.6	134.3	139.4
6	Difference	Line 4 - Line 5	95.9	75.8	63.6	46.7	51.4	69.2	76.4	86.0	88.6	92.4	96.9	102.3
7	Pension Difference	Line 3	(24.3)	17.2	(81.3)	(156.1)	(114.5)	(111.1)	(90.4)	(78.0)	(89.6)	(97.8)	(103.8)	(106.0)
8	OPEB Difference	Line 6	95.9	75.8	63.6	46.7	51.4	69.2	76.4	86.0	88.6	92.4	96.9	102.3
9	Total Difference	Line 3 + Line 6	71.6	93.0	(17.7)	(109.4)	(63.1)	(41.9)	(14.0)	8.0	(1.0)	(5.4)	(6.9)	(3.7)

Appendix 3: EB-2025-0297 Pension and OPEB Accrual-Cash Differential Amounts - Regulated Hydroeletric

Line No.	EB-2025-0297	Reference	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	Pension																	
1	Accrual Costs	Ex. F4-3-2, Chart 2 and 2A	46.6	28.8	34.6	33.2	23.0	28.4	12.4	(5.0)	8.1	(2.0)	1.7	4.6	2.7	2.2	1.5	1.6
2	Contributions	Ex. F4-3-2, Chart 5	32.5	26.3	25.3	24.1	24.6	25.7	27.9	23.1	27.6	16.9	19.5	19.5	20.2	21.4	22.1	22.9
3	Difference	Line 1 - Line 2	14.1	2.5	9.3	9.1	(1.6)	2.7	(15.5)	(28.1)	(19.5)	(18.9)	(17.8)	(14.9)	(17.5)	(19.2)	(20.6)	(21.3)
	OPEB																	
4	Accrual Costs	Ex. F4-3-2, Chart 2 and 2A	24.1	25.5	27.8	27.7	30.3	30.7	28.6	27.7	26.9	31.9	36.8	39.6	41.2	43.5	45.7	48.0
5	Cash Payments	Ex. F4-3-2, Chart 5	13.7	13.5	14.4	15.4	13.8	16.6	16.6	19.3	18.2	20.1	22.1	22.9	23.8	25.4	26.6	27.7
6	Difference	Line 4 - Line 5	10.4	12.0	13.4	12.3	16.5	14.1	12.0	8.4	8.7	11.8	14.7	16.7	17.4	18.1	19.1	20.3
7	Pension Difference	Line 3	14.1	2.5	9.3	9.1	(1.6)	2.7	(15.5)	(28.1)	(19.5)	(18.9)	(17.8)	(14.9)	(17.5)	(19.2)	(20.6)	(21.3)
8	OPEB Difference	Line 6	10.4	12.0	13.4	12.3	16.5	14.1	12.0	8.4	8.7	11.8	14.7	16.7	17.4	18.1	19.1	20.3
9	Total Difference	Line 3 + Line 6	24.5	14.5	22.7	21.4	14.9	16.8	(3.5)	(19.7)	(10.8)	(7.1)	(3.1)	1.8	(0.1)	(1.1)	(1.5)	(1.0)