

February 12, 2026

VIA RESS

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
27th Floor - 2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Mr. Murray:

Re: EB-2025-0297 Application by Ontario Power Generation Inc. and DNNP LP by its general partner, DNNP GP Inc., (together, the “Applicants”) for an order or orders relating to payment amounts for prescribed generating facilities (the “Application”) – Submissions on Pre-Hearing Conference Per Procedural Order No. 1

On February 5, 2026, the Ontario Energy Board (the “OEB”) issued Procedural Order No. 1 with respect to the Application. Pursuant to the order, OPG is providing written submissions on issues requested by the OEB in advance of the Pre-Hearing Conference beginning on February 18, 2026.

Issues List

The Applicants reviewed the issues list attached as Schedule C in Procedural Order No. 1. Below are the Applicants’ proposed changes to the OEB’s proposed issues list (in red) and rationale for making the change. The issue numbers have shifted because of some proposed additions to the issues list:

Issue	Rationale for Changes
Customer and Overall Bill Impact	
1. (Revised) Are the 2027 hydroelectric payment amount and rate riders reasonable given the overall bill impact to customers? What rate mitigation if any is appropriate?	Rate mitigation considerations should not be divided by technology as bill impacts are calculated on a combined basis. See Issue 3 below.
2. (Revised) Are the 2027-2031 nuclear payment amounts and rate riders reasonable given the overall bill impact to customers? What rate mitigation if any is appropriate (including intra-period payment amount shaping)?	Rate mitigation considerations should not be divided by technology as bill impacts are calculated on a combined basis. See Issue 3 below.
3. Is the Applicants’ proposal for intra-period payment amount shaping an appropriate form of rate mitigation?	Reinserted appropriateness of intra-period payment amount shaping as a separate issue on rate mitigation (based on Applicants’ initial

	issue 12.4, with some revised language based on the OEB’s proposed language in issue 2).
Custom IR Frameworks	
4. (Revised) Is the proposed Custom IR framework for setting the 2027-2031 hydroelectric payment amounts appropriate?	Minor edit.
5. (Revised) Is the proposed Custom IR framework for setting the 2027-2031 nuclear payment amounts appropriate?	Minor edit.
Rate Base	
6. (Same) Are the amounts proposed for the prescribed hydroelectric facilities rate base appropriate?	
7. (Same) Are the amounts proposed for the OPG nuclear facilities rate base appropriate?	Minor edit.
8. (Same) Are the amounts proposed for the Darlington New Nuclear Program (DNNP) facilities rate base appropriate?	
Capital Structure and Cost of Capital	
9. (Combined) Are OPG’s proposed capital structure, rate of return on equity, and proposed costs for the long-term and short-term debt components of its capital structure for the 2027-2031 term appropriate?	The Applicants believe it is reasonable to combine multiple cost of capital issues but expect that the parties may settle the issue in whole or in part.
10. (Combined) Are DNNP LP’s proposed capital structure, rate of return on equity, and proposed costs for the long-term and short-term debt components of its capital structure for the 2027-2031 term appropriate?	The Applicants believe it is reasonable to combine multiple cost of capital issues but expect that the parties may settle the issue in whole or in part.
Capital Projects	
11. (Same) Do the costs associated with the hydroelectric projects that are subject to section 6(2)4 of O. Reg. 53/05 and proposed for recovery meet the requirements of that section?	
12. (Combined) Are the proposed hydroelectric capital expenditures and/or financial commitments and proposed in-service additions reasonable?	
13. (Same) Do the costs associated with the nuclear projects that are subject to section 6(2)4 of O. Reg. 53/05 and proposed for recovery meet the requirements of that section?	
14. (Combined) Are OPG’s proposed nuclear capital expenditures and/or financial commitments and proposed in-service additions (excluding those for the Pickering Refurbishment Program (“PRP”) and the DNNP) reasonable?	
15. (Combined) Are OPG’s proposed nuclear capital expenditures and/or financial	.

commitments and proposed in-service additions for the PRP reasonable?	
16. (Combined) Are DNNP's proposed nuclear capital expenditures and/or financial commitments and proposed in-service additions reasonable?	
Production Forecast	
17. (Same) Is the proposed hydroelectric production forecast appropriate?	
18. (Same) Is the proposed OPG nuclear facilities production forecast appropriate?	Minor edit.
19. (Same) Is the proposed DNNP facilities production forecast appropriate?	
Market Renewal Impacts	
20. (Same) Is the proposed Hydroelectric Surplus Baseload Generation Variance Account spill calculation methodology appropriate?	
21. (Same) Is the proposed Hydroelectric Incentive Mechanism ("HIM") methodology and HIM adjustment for spill appropriate?	
22. (Same) Is the proposed treatment of make whole payments appropriate?	
Operating Costs	
23. (Revised) Is the 2027 base and project Operations, Maintenance and Administration ("OM&A") budget for the hydroelectric facilities appropriate?	More specificity to distinguish from corporate allocated costs, which are captured as a separate issue in 26 below.
24. (Revised) Is the 2027-2031 base, project, outage and Pickering cyclical maintenance OM&A budget for the OPG's nuclear facilities appropriate?	More specificity to distinguish from corporate allocated costs, which are captured as a separate issue in 26 below.
25. (Revised) Is the 2027-2031 base, outage and operational readiness OM&A budget for the DNNP facilities appropriate?	More specificity to distinguish from corporate allocated costs, which are captured as a separate issue in 26 below.
26. (Revised) Is the allocation of corporate costs, centrally held costs, and asset service fees to (1) OPG's nuclear business, (2) OPG's hydroelectric business, and (3) DNNP LP appropriate?	
27. (Same) Is the proposed 2027 hydroelectric depreciation expense appropriate?	
28. (Same) Is the proposed 2027-2031 OPG facilities nuclear depreciation expense appropriate?	Minor edit.
29. (Same) Is the proposed 2027-2031 DNNP facilities depreciation expense appropriate?	Minor edit.
30. (Same) Are the amounts proposed to be included in the 2027	

hydroelectric revenue requirement for income and property taxes appropriate?	
31. (Same) Are the amounts proposed to be included in the 2027-2031 OPG facilities nuclear revenue requirement for income and property taxes appropriate?	Minor edit.
32. (Same) Are the amounts proposed to be included in the 2027-2031 DNNP facilities revenue requirement for income and property taxes appropriate?	Minor edit.
Other Revenues	
33. (Same) Are the forecasts of hydroelectric non-energy revenues appropriate?	
34. (Same) Are the forecasts of nuclear non-energy revenues appropriate?	
35. (Same) Are the IR term costs related to the Bruce Nuclear Generating Stations, and costs and revenues related to the Bruce lease appropriate?	Minor edit.
Nuclear Waste Management and Decommissioning Liabilities	
36. Is the revenue requirement impact of the nuclear liabilities appropriately determined?	Reinserted the Applicants' issue number 9.1 – nuclear liabilities are not solely OM&A costs and are more appropriately considered as a standalone issue.
Deferral and Variance Accounts	
37. (Revised) Are the deferral and variance accounts that OPG and DNNP LP propose to continue, establish, and discontinue appropriate?	Minor edit.
38. (Revised) Are the methodologies used to determine additions to the deferral and variance accounts appropriate?	
39. Are the balances for recovery and the proposed disposition in each of the deferral and variance accounts appropriate?	Reinserted the Applicants' issue number 10.3 – this is a separate issue from the above combined issues 1 and 2 as it is possible to settle or resolve deferral and variance account balances and riders in a different manner (for example, the riders are not just a function of the balances but also of the amortization periods and forecast production).
Annual Process During the IR Term	
40. (Same) Are the proposed reporting and record keeping requirements, including performance scorecards proposed by OPG and DNNP LP, appropriate?	Minor edit.
41. (Distinct) What should be the scope and filing requirements of OPG and DNNP LP's annual applications during the IR Term?	Minor edit.
42. (Same) Do the Concurrent Cost Recovery amounts proposed meet the requirements set out in s. 6(2)12.1i and 14(2)5i of O. Reg. 53/05?	

Implementation	
43. (Same) Are the effective dates for new payment amounts and riders appropriate?	

Evidence

The Applicants do not have any submissions with respect to whether any party other than the Applicants should file expert or other evidence. The Applicants may have submissions on this matter after reviewing the submissions of other parties to the proceeding.

With respect to technical conferences, OPG's applications have historically included one technical conference, which the Applicants believe has been an effective and efficient tool to clarify interrogatory responses prior to settlement or oral hearing. The Applicants do not believe that additional technical conferences are necessary or efficient. The submission of questions in advance of the technical conference would assist in ensuring that relevant witnesses are available to respond to questions and potentially reduce the need for undertakings. However, if advance questions result in needing to add time to the proposed schedule, the Applicants submit that the overall incremental benefit would be limited.

Illustrative Process Timeline

The OEB requested submissions on whether there are any process steps that any parties propose to add, remove or revise in the illustrative process attached as Schedule D in Procedural Order No. 1.

The Applicants are concerned about the timelines as proposed, in which under all scenarios except for a full settlement, the OEB anticipates issuing a decision after December 31, 2026.

OPG respectfully submits that it filed its application in accordance with the OEB's performance standards, which the OEB confirmed in Procedural Order No. 1 continues to be 355 days for this proceeding. This includes completing its filing two weeks earlier than when compared to EB-2020-0290, in which the latest date for a decision to be issued was December 23, 2021 as per Procedural Order No. 1 of that proceeding.

The Applicants relied on the OEB's performance standards and, based on adherence to those standards in this proceeding, anticipate that the proposed effective date of January 1, 2027 would apply notwithstanding that the illustrative schedules show a decision date after January 1, 2027. If the OEB believes that this is an incorrect conclusion, the Applicants respectively request that the OEB advise accordingly as part of the pre-hearing conference process and make the necessary changes to the schedule as submitted below to maintain the Applicants' requested effective date.

When comparing the illustrative process timeline to the OEB's Application Planning Tool and the timelines traditionally observed in OPG's prior applications, the Applicants observe that the timelines as proposed in Procedural Order No. 1 are longer than expected. For example:

- There is typically ~1.5 weeks between applicants filing interrogatory responses and the beginning of the technical conference. Per the illustrative schedule, there are more than four weeks between the completion of interrogatories and technical conference. The Applicants believe that the technical conference can be advanced as early as the week of April 20th (**3 weeks schedule gain**).

- There is typically about a month between the technical conference and the beginning of the settlement conference. Per the illustrative schedule, there are five weeks between these two milestones. This can be advanced by at least a week (**1 week schedule gain**).
- With respect to Decision dates, in all scenarios outside of a full settlement, the schedule shows that OEB would render a Decision on January 21, 2027, which does not recognize the regulatory efficiencies that arise from partial or substantial settlements. The Applicants additionally submit that there are opportunities to advance the schedule with respect to the Decision date based on OPG's prior application timeline (**up to 2-3 months schedule gains**):
 - Partial/Substantial Settlement: In EB-2020-0290, there was a substantial settlement of the application, with three issues proceeding to hearing. In that application, the settlement proposal was filed on July 16th, approved by the OEB on August 6th, and then a full Decision including the resolution of the outstanding issue was issued on November 15th. The current Procedural Order No. 1 shows that a substantial settlement scenario would still result in a Decision being issued on January 21, 2027, an increase of two months.
 - Full settlement: While the OEB approved the substantial settlement proposal in EB-2020-0290 a month after it was filed, the full settlement scenario in Procedural Order No. 1 shows a three-month period to issuing a Decision.

Schedule D also identifies a holiday timeout proposed for December 19, 2026 to January 3, 2027. As per the OEB's holiday timeout policy, the timeout does not apply in instances where it can impact the implementation of January 1st rates or time-sensitive approvals. The Applicants expect that the timeout would not be applied in this Application where a January 1st rate is impacted, and if it is a factor, that there could be an additional 2 weeks schedule gain.

The Applicants acknowledge that there are other large applications that the OEB must take into consideration for scheduling this year, which may create the need for some of these timing differences. If this is a factor in establishing the Application timeline and as such the revisions proposed above cannot be accommodated, the Applicants respectfully submit that there should be a mechanism or acknowledgement that the issuance of a Decision later than December 31, 2026 would not impact the Applicants' payment amounts being effective as of January 1, 2027. Absent such, the Applicants would be starting the Application process with their effective date at risk, with an impact of ~\$170 million base payment amount revenue shortfall per month arising from an effective date delay.¹ The Applicants respectfully submit that this would be an unreasonable outcome given the Applicants' adherence to the OEB's performance standards.

Other

The Applicants understand that the intent for the Pre-Hearing Conference is to have an inclusive discussion amongst all parties in the interests of establishing an efficient and rigorous proceeding within the OEB's performance standards. The Applicants submit that it would be beneficial at the Pre-Hearing Conference if, prior to its conclusion, the parties are given an opportunity to provide any final comments after a short intermission. This would allow parties to gather perspectives and instructions from their broader organizations prior to the conclusion of the Pre-Hearing Conference.

¹ Sum of 2027 nuclear and regulated hydroelectric shortfall amounts, divided by 12 months. Nuclear shortfall calculated by multiplying: (A) the difference between the 2026 nuclear base payment amount of \$111.33/MWh and proposed 2027 nuclear payment amount of \$206.76/MWh, by (B) the proposed nuclear production forecast of 18.7TWh. Regulated hydroelectric shortfall calculated by multiplying: (C) the difference between the 2026 hydroelectric payment amount of \$43.88/MWh and the proposed 2027 hydroelectric payment amount of \$51.39/MWh, by (D) the proposed hydroelectric production forecast of 32.5TWh.

Should the OEB require any further information or clarification, please do not hesitate to let me know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Evelyn Wong', with a stylized, cursive script.

Evelyn Wong

cc:

Aimee Collier (OPG) via e-mail

Charles Keizer (Torys LLP) via e-mail