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March 25, 2026

VIA E-MAIL

Ritchie Murray
Acting Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Mr. Murray:

**Re: EB-2025-097 Ontario Power Generation Inc. (OPG) and DNNP LP (DNNP)
Application for 2027-2031 Payment Amounts
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Garner', is written in a cursive style.

Mark Garner
Consultants for VECC/PIAC

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Charles Keizer, Torys LLP, Counsel to OPG
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REQUESTOR NAME	VECC
TO:	OPG/DNNP
DATE:	March 25, 2026
CASE NO:	EB-2025-0297
APPLICATION NAME	2027-2031 Custom Payments Application

EXHIBIT A1 – Administrative Documents

A1-VECC-1

Reference: Exhibit A1, Tab 3, Schedule 2, pages 18-20

“Iterative process for Steps 3 and 4 (Chart 6, line 8). Determination of the capital funding at line 8 and incremental capital funding requirement at line 9 is an iterative process. The 2028 capital funding at line 8 is determined by multiplying 2027 capital-related revenue requirement by (1-X). This provides for a value of \$906.2M. Given the capital related revenue requirement (after stretch) is \$978.5M, there is an incremental capital funding requirement of \$72.2M in 2028, as presented in line 9.”

- a) Please confirm or correct that the X Factor being applied in the example for line 8 of Table 6 is 3.34%.
- b) Is the purpose of the C-Factor to ensure the recovery in rates of the entire forecast capital in each year?

A1-VECC-2

Reference: Exhibit A1, Tab 3, Schedule 2, pages 20- /Exhibit H1, Tab 1, Schedule 1, page 8/ Exhibit F1, Tab 4, Schedule 1, Table 1

- a) Was the GRCF proposed in the application EB-2016-0152? If not why not and what factors have since changed (or are now known) which argue for its inclusion in the proposed new rate plan?
- b) It is unclear to us what value is added by the inclusion of the GRCF given the existence of the proposed Hydroelectric Water Conditions Variance Account (HWCVA) since “[T]his account records the financial impact of differences, including changes in GRC costs, between the actual production amount for the regulated hydroelectric facilities and the reference production amount, arising from changes in actual water conditions.” What variance is captured as between the amounts shown for GRC in 2027 at Exhibit F1, Tab 4, Schedule 1 and the actual amounts incurred between 2027 and 2031?

A1-VECC-3

Reference: Exhibit A1-3-2 Attachments 4

- a) How are the 2024 and 2025 targets established for the regulated hydroelectric performance scorecard?
- b) Please update Attachment 4 to show the targets for each year 2021 to 2023 and provide the actual 2025 results.
- c) Does OPG have targets for 2026? If so please provide these.
- d) Does OPG have targets for the duration of the rate plan? If so please provide the annual 2027-31 targets.

A1-VECC-4

Reference: Exhibit A1-3-2 Attachments 5

- a) How are the 2024 and 2025 targets established for the following”
 - i. Total Generating Cost per Net MWh (\$/MWh);
 - ii. Normalized Total Generating Cost per Net MWh (\$/MWh);
 - iii. Total Generating Cost per Unit (\$M/unit); and,
 - iv. Normalized Total Generating Cost per Unit (\$M/unit).
- b) Please clarify the meaning of the acronym “OPGN.
- c) Please update Attachment 5 to show the targets for each year 2021 to 2023 and provide the actual 2025 results.
- d) Does OPG have targets for these categories in 2026? If so please provide them.
- e) Does OPG have targets for these categories for the duration of the rate plan? If so please provide these annual 2027-31 targets.

A2-VECC-5

Reference: Exhibit A2-3-1 Attachment 13 et al

- a) If OPG has been provided a S&P Global Ratings in 2025 please provide that document.

EXHIBIT C1 – Capitalization and Cost of Capital

C1-VECC-6

Reference: Exhibit C1, Tab 1, Schedule 1, page 2 /O. Reg 53/05

Exhibit H1, Tab 1, Schedule 1 pages 54-

“In his testimony, Mr. Inskip explains that primarily due to the first-of-a-kind risks associated with the DNNP, “there is a low to very low probability of a successful offering of investment grade non-recourse bonds within 12-18 months following the in-service date of the first SMR unit for the DNNP” (C1)

“13. (1) The DNNP generator shall establish a variance account in connection with section 78.1 of the Act that, until the effective date of the first DNNP post-construction payment order, records differences between,

(a) the revenue requirement impacts arising from the DNNP generator’s capital structure and cost of debt reflecting the actual amount and cost of borrowing issued by it; and

(b) the amount of the revenue requirement impacts arising from the capital structure and the cost of debt that were included in payments made under section 78.1 of the Act to the DNNP generator. O. Reg. 315/25, s. 12.”

“The Application proposes that the above variance recorded in the account be calculated as between the revenue requirement impact of actual eligible non-capital and capital costs and firm financial commitments and such forecast amounts reflected in DNNP LP’s corresponding annual revenue requirement approved by the OEB” (H1)

- a) Is the DNNP Project Variance Account described at H1 intended to only record the results of 13(1) of Reg 53/05?
- b) We are unclear as to how non-capital amounts are authorized to be recorded in the account. Does section (b) of 13.(1) provide that authorization?
- c) It is unclear to us what the relevance of 12-18 months is with respect to the operation of the DNNP generator capital structure variance account. Does the timing of any future debt injection impact the calculations of the balances in this account? If so how?

C1-VECC-7

Reference: Exhibit C1-1-1, Attachment 3

Exhibit D4-4-8 Attachment 1, page 2 of 17

“The SMRs are expected to be constructed and operated through a special purpose vehicle (“SPV”) in partnership between OPG, as the majority investor, and Canada Growth Fund (“CGF”) and Building Ontario Fund (“BOF”), as minority investors.” (C1)

“The four-unit DNNP will be financed using a combination of the corporate debt platform, operating cash flow and other potential sources, with project costs recovered as part of regulated assets.” (D4)

- a) What is the equity investment of each of the three partners?
- b) If the cost of the DNNP investment is funded through debt and OPG operating cash flow what is the rationale for the DNNP to attract 100% equity financing in regulated rates?
- c) In case of DNNP default (i.e. if it fails to be completed or operate subsequent to investments being made) would any invested costs recorded in the DNNP variance account remain recoverable?
- d) What rate of equity does OPG propose the DNNP account attract. If it is the Board's issued rate please provide a rationale for using this rate.

C1-VECC-8

Reference: Exhibit C1-1-1, Attachment 1, Concentric

Exhibit A2-3-1 Attachment 5 Morningstar DBRS 2025

“Neither OPG’s nonregulated generation resources nor the DNNP facilities are covered in this report.” (C1-pg-5)... Concentric’s analysis specifically excludes consideration of OPG’s SMR program, the DNNP, which Concentric understands is intended to be transferred to a separate generator entity in the form of an equity partnership arrangement involving OPG, Canada Growth Fund and Building Ontario Fund.. (C1-pg 9)

“The PRP, however, is anticipated to cost more than double the cost of the DRP and involves a more aged plant, which leads to increased scope and increases risks related to the discovery of additional scope and challenges during the refurbishment process.” (C1)

“Darlington’s Small Modular Reactor (SMR) Unit 1 is expected to begin commercial operation by the end of 2030. OPG is also planning for three additional SMRs at the Darlington site. On April 4, 2025, the Canadian Nuclear Safety Commission (CNSC) granted OPG a licence to construct one SMR. Issuance of the licence to construct is a key milestone for the SMR project as it shows continued confidence from the Canadian nuclear regulator in OPG executing the SMR project..” (A2)

- a) Is it OPG or Concentric’s view that rating agencies consider the DNNP investments in determining ratings of OPG debt?
- b) What portion of the increase in equity returns of 7 basis points (i.e. 45% to 52%) is driven by the PRP? Or does the Concentric report simply rely upon the comparable data of the proxy group for its recommendations at page 78 if the Report?

EXHIBIT E – Production Forecast

E2-VECC-9

Reference: Exhibit E2, Tab 1, Schedule 1, Table 1

- a) Please update Table 1 (Production Trend) to show actual 2025 results.

E2-VECC-10

Reference: Exhibit E2, Tab 1, Schedule 2, page 15 / Table 1b

“Notwithstanding the recent FLR performance at Darlington, and the need to execute major replacement and rehabilitation projects in support of post-refurbishment operations during the IR term, Darlington continues to target an improved FLR performance, set at 2.0% FLR over the 2028-2031 period once Units 1 and 4 enter their third year of post-refurbishment operations.”

- a) Please confirm (or correct) that a FLR rate is included as an adjustment (downward) in nuclear power production.
- b) The above reference indicates that a 2.0% FLR rate is being applied over the 2028-2031 period to the Darlington NGS. At Table 1b it shows (line 6) a FLR rate for Darlington NGS of 2.9% in 2027, 2.2% for 2028 and 2.0% only beginning in 2029. Please explain why the 2027 and 2028 FLR rate is higher than 2.0%.
- c) What would be the impact in production if the FLR rate for 2027 and 2028 were set at 2.0%?

EXHIBIT F1 – Regulated Hydroelectric OM&A

F1-VECC-11

Reference: Exhibit F1, Tab 4, Schedule 2, Table 1

- a) Please provide the letter of June 11, 2024 referred to in note 2 of Table 1 – Gross Revenue Charge – Regulated Hydroelectric.
- b) Please update Table 1 to show 2025 actual costs.

EXHIBIT F3 – Corporate Support Services

F3-VECC-12

Reference: Exhibit F3, Tab 2, Schedule 1, Table 1

- a) Please update Table 1 -Corporate Asset Service Fees – Regulated Hydro Electric- to include 2025 actual results.
- b) In 2023 actual costs for the Kipling Ave offices et al (line 2) and OPG Corporate Headquarters (Line 3) totaled \$1.1 million. In 2027 the forecast is for no allocations from Kipling Ave et al. but \$4.0 million in costs of CHQ. Please explain the change occurring between 2023 and 2027.

F3-VECC-13

Reference: Exhibit F3-1-1 Attachment 2 / Table 7b

- a) Are the Hackett Group benchmark categories at page 2 of Attachment 2 (i.e. Finance/Procurement/Real Estate/Human Resources/ Information Technology/Executive) intended to match the similarly named six categories of corporate costs shown in the subsequent tables, e.g. Table 1-3b?
- b) Please revise Table 7b to show 2025 actual results.
- c) Please revise Table 7b to show the number of Staff in each of the six categories (as identified in response to a) above) for each year 2020 – 2027. For example, in 2020 allocating the 121.1 Regular Staff to each of the six categories.

F3-VECC-14

Reference: Exhibit F3-1-1 Table 8

- a) Please revise Table 8 to show 2025 actual results.
- b) Please revise Table 8 in the same fashion as the previous question, showing the Staff allocated to each of the six categories. For this revision the years 2023 through 2027 are the only years we are requesting the revision to show.

EXHIBIT H1 – Deferral and Variance Accounts

H1-VECC-15

Reference: Exhibits A1-3-2, pg. 35 / H1-1-1, pg.50

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

- a) Does OPG propose to dispose of any amounts related to earning sharing in this application?
- b) Please provide the annual 2022 to 2025 recordings in the earning sharing deferral account that will be considered with 2026 results to determine the post 2026 disposition.