



ONTARIO ENERGY BOARD

FILE NO.

EB-2025-0297

Ontario Power Generation Inc.

VOLUME:

Technical Conference – Day 4

DATE:

June 1, 2026

THE ONTARIO ENERGY BOARD

Ontario Power Generation Inc.

Application for payment amounts for the period from
January 1, 2027 to December 31, 2031

Technical Conference held person and virtually
at 2300 Yonge Street, 25th Floor, Toronto, Ontario
on Monday, June 1, 2026, commencing at 9:30 a.m.

Day 4

A P P E A R A N C E S

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IAN RICHLER	
THOMAS EMINOWICZ	
JEFFREY SAUER	
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LAWRIE GLUCK	Consumers Council of Canada (CCC)
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KEITH PINTO	Keith Pinto
DANIEL VOLLMER	Minogi Corp.
SCOTT WALKER	Ontario Association of Physical Plant Administrators
COLIN FRASER BOHDAN DUMKA	The Society of United Professionals
MIKE MCLEOD	Quinte Manufacturers Association
MARK RUBENSTEIN JANE SCOTT JAY SHEPHERD	School Energy Coalition (SEC)
DAN ROSENBLUTH BAYU KIDANE	PWU
MARK GARNER	Vulnerable Energy Consumers Coalition (VECC)
COLM BOYLE	WTFN Investment Holdings LP
RYAN HOWARD LINDSAY GREENLAND SCOTT NELMS ALEX KOGAN	Panel 3 - Darlington New Nuclear Program
CYNTHIA DOMJANCIC ALEX KOGAN ANTHONY MELARAGNO MATT KIRK SABA ZADEH ARTHUR KWOK SUNEETHI VISWANATHAN	Panel 4 - Overview of Business Planning, Compensation and Corporate Costs, Finance, D&V, Cost of Capital, Regulatory Constructs, and Customer Impacts

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1 Monday, June 1, 2026

2 --- On commencing at 9:31 a.m.

3 M. MILLAR: Good morning, everyone. Welcome to
4 day 4 of the OPG technical conference. Before we get
5 underway, Mr. Keizer, any preliminary matters?

6 **PRELIMINARY MATTERS**

7 C. KEIZER: Yes, Mr. Millar. There is only one
8 preliminary matter, and that is that Mr. Derek
9 Kindlon, who was on the Panel on Friday,
10 unfortunately, because of personal matters, is not
11 able to rejoin the Panel today.

12 M. MILLAR: Okay. Thank you very much.

13 Ms. Grice, I think you are up next.

14 S. GRICE: Yes, I am. Thank you.

15 **EXAMINATION BY S. GRICE:**

16 S. GRICE: Good morning, Panel. Shelley Grice
17 representing AMPCO.

18 My first question is regarding AMPCO-81.
19 In this interrogatory, we asked for OPG to complete a
20 cost comparison table. And in the response, OPG
21 completed the response except for DRP actuals, with
22 the explanation that closeout costs associated with
23 Unit 4 will continue to be incurred into the first
24 half of 2027. So I wondered if OPG could provide DRP
25 actuals to date, so just update this table and add
26 DRP actuals to date.

27 A. KOGAN: Good morning, Ms. Grice. We can do
28 that.

1 M. MILLAR: That is JT-4.1.

2 S. GRICE: Thank you very much.

3 **UNDERTAKING JT-4.1: UPDATE THE TABLE IN AMPCO-**
4 **81 AND ADD DRP ACTUALS TO DATE**

5 M. MILLAR: Ms. Grice, could I ask you to pause
6 just for one second. Ms. Grice, I think we are just
7 having an issue with the live feed, so we are just
8 going to pause for a moment, and I think probably in
9 a minute or two, we will get that up and running. So
10 my apologies. If everyone wants to relax for a
11 moment.

12 Okay. Sorry about that, everyone. I think we
13 are ready to get started again, and I see everyone is
14 here. So, Ms. Grice, back to you.

15 S. GRICE: Okay. Thank you. If we can please
16 turn to SEC-106, Attachment Number 1, page 9. Thank
17 you. So in this interrogatory, OPG provided an
18 updated project charter for the Darlington New
19 Nuclear Project. And under "references," Reference
20 Number 3, OPG references a Darlington New Nuclear
21 Project commitments report. Can you just please talk
22 to what is in that report.

23 R. HOWARD: First off, good morning, Ms. Grice.

24 S. GRICE: Good morning.

25 R. HOWARD: I don't have that report at my
26 fingertips right now, so I can't tell you the exact
27 details of it.

28 S. GRICE: Okay. My interest was just on if

1 there is anything incremental in there that is not in
2 the project charter, so would you be willing -- could
3 you please provide a copy of that report.

4 C. KEIZER: I think just because we don't know
5 the contents of the copy, I think what we would have
6 to caveat it, though, Ms. Grice, by saying if we can
7 -- we can and it is relevant, then we will produce
8 it; if we cannot, then we will indicate in the
9 undertaking as to why we can't.

10 S. GRICE: Okay. Thank you.

11 M. MILLAR: That is JT-4.2.

12 **UNDERTAKING JT-4.2: PROVIDE A COPY OF THE**
13 **DARLINGTON NEW NUCLEAR PROJECT COMMITMENTS**
14 **REPORT**

15 S. GRICE: Okay. So in the evidence, and it was
16 mentioned on Friday by the Panel that OPG has
17 standard project performance measures related to
18 safety, cost, schedule, and quality. And there have
19 been lots of questions asked on cost and schedule but
20 not on quality, so I wanted to talk about the quality
21 performance aspect of your project -- project
22 management.

23 So can we please go to AMPCO-88, Attachment
24 Number 2, page 43. If you just scroll down a little
25 bit there, it shows a quality metric. And I wondered
26 if -- I have never seen this before, so I wondered if
27 you could just explain the metric and how it works
28 and sort of, like, what the -- what the intent or

1 objective is of the metric.

2 R. HOWARD: Yes, I can. I will start high
3 level, why we track these metrics. I am sure you are
4 aware, but I will start there. So we have a standard
5 set of metrics across the project, as you mentioned;
6 safety, quality, cost schedule, other metrics. So we
7 monitor these metrics, and we simplify it into a
8 colour coding, which is standard in the project
9 industry, really as an indicator of your health in
10 that area of the project. So if you are green, you
11 would be continuing to work and monitor ongoing. If
12 you are yellow or red, you would expect actions to be
13 taken based on that status to ensure you get back to
14 a healthy parameter.

15 So in this case, this is our quality metric,
16 primarily around our corrective action program. So
17 ACER is that program we use for corrective actions
18 and event reporting on the project. So we track
19 ACERs very closely. ACERs are subdivided into
20 significance levels, so you will see "SL" there, so
21 significance level 1, significance level 2. There is
22 a -- a level 3 is the lowest level. And then we also
23 look at trends. So when you have a series of ACERs
24 that are on a common topic, we group those together
25 and monitor trends and take actions on those trends.

26 So that is the primary measure we use for the --
27 for monitoring quality and, as you can see, as
28 outlined in 9.7, how we have decided on the project

1 to delineate green, yellow, and red for that
2 oversight and monitoring purpose.

3 S. GRICE: Okay. Thank you.

4 Just a couple questions on that. Can you
5 confirm what "ACER" stands for.

6 R. HOWARD: Apparent cause and event reporting.

7 S. GRICE: Okay. Thank you.

8 And then you mentioned SL levels 1, 2, and 3,
9 and 3 being the lowest level. Can you just talk
10 about is 3 worse than 1? Is that sort of what you
11 are saying?

12 R. HOWARD: 1 is the highest level, so the most
13 significant event, so to use your parlance, that
14 would be the worst. You don't want a lot of SL1s.

15 S. GRICE: Okay. Okay. Thank you.

16 And then you mention -- you know, we will just
17 look at the first one under green, "SL open in a
18 period." What is the time frame of a period?

19 R. HOWARD: This speaks to a one-month rolling
20 metric.

21 S. GRICE: Okay. Thank you.

22 And so am I to take it from that, then, this is
23 presented monthly to the project management team? Is
24 that the frequency of looking at it?

25 R. HOWARD: We review in detail monthly;
26 however, we have a weekly execution meeting where we
27 also review the quality status.

28 S. GRICE: Okay. Thank you.

1 And does OPG have a quality dashboard similar to
2 its cost dashboard and schedule dashboard? Do you
3 have a separate quality dashboard that is reviewed
4 monthly?

5 R. HOWARD: Yes.

6 S. GRICE: Okay. And when was this quality
7 metric implemented? Is it new and unique to
8 Darlington New Nuclear, or has it existed in the
9 past?

10 R. HOWARD: So quality is measured on all OPG
11 projects; however, this specific dashboard is unique
12 to the Darlington New Nuclear Project. And what I
13 would highlight is we are using this ACER system,
14 which is a common data environment system across our
15 partners. So you may not see that on other OPG
16 projects where they use the SCR system.

17 S. GRICE: Sorry. What -- sorry. I am -- what
18 is "SCR"?

19 R. HOWARD: I am checking my acronyms. Station
20 condition record. That is OPG's event reporting
21 system.

22 S. GRICE: Okay. So then on DRP, was there a
23 quality metric for that project as well?

24 R. HOWARD: Yes.

25 S. GRICE: Would you -- would OPG be able to
26 provide what the quality metric was for DRP?

27 C. KEIZER: Do you mean just an example, like,
28 of it like you have here on the screen?

1 S. GRICE: Yes. Like, what was -- what was used
2 to inform the monthly reporting on quality for DRP.

3 C. KEIZER: I don't think this Panel can
4 necessarily address that because they are not here as
5 the DRP witness panel. But I guess what we could do
6 is undertake to go and ask if we can provide it, and
7 if we can, we will.

8 M. MILLAR: JT-4.3.

9 **UNDERTAKING JT-4.3: PROVIDE THE QUALITY METRIC**
10 **USED TO INFORM THE MONTHLY REPORTING ON QUALITY**
11 **FOR DRP**

12 S. GRICE: Thank you.

13 Can we please go to D2-4-4, page 8. So I am
14 just looking at Chart 1, "key lessons learned." And
15 the bottom one there, the lesson learned is called
16 "adverse condition and event reporting." Is that the
17 same -- is that the same type of reporting as what
18 you mentioned was apparent cause in event reporting?
19 Are they the same thing?

20 R. HOWARD: Yes. I was mistaken on my acronym
21 before. You got me. So, yes, adverse condition and
22 event reporting, correct.

23 S. GRICE: Okay. Okay, great. Thank you.

24 So this is one of the key lessons learned for
25 DRP, and then you provide what the response was. So
26 I just wanted to understand, if you could just speak
27 to what were the, like, very significant gaps with
28 respect to adverse condition and event reporting that

1 OPG is trying to solve for now in DNNP.

2 R. HOWARD: So I would direct you to OPG's
3 response to D2-SEC-110. You can bring that up. And
4 while we are bringing that up, so lessons learned is
5 a mix of the good and the not so good. So not all --
6 not all of these lessons learned were necessarily a
7 learning from a bad experience on DRP. Some were,
8 went well, and some were, went okay but could be
9 better.

10 So when I look at this list that you have up
11 right now, design maturity is certainly something
12 that we learn about on a broad sense and in a
13 specific sense based on individual scopes, and we
14 learned some of those lessons on DRP. The second
15 point there would be another example of early days on
16 the Darlington refurbishment project.

17 Coming together on our nuclear, safety, and
18 quality culture was a big learning on our first unit
19 that we took over to the DNNP project. I could go
20 on. I think all of these have an element of things
21 we have learned on DRP, whether they were from good -
22 - you know, a good news story or something we had to
23 learn from not so great performance.

24 S. GRICE: Okay. Thank you.

25 Now, on Friday, OPG agreed to an undertaking by
26 SEC to provide quality metric data related to the
27 monthly forecast accuracy factor going back to the
28 beginning of the project. And so I wanted to ask if

1 OPG could provide the same information but for the
2 quality metric that we have been talking about today?

3 R. HOWARD: Yes, we can provide that. I made
4 the comment on Friday, relevance likely just from
5 execution start, but no issue providing that.

6 S. GRICE: Okay. Thank you.

7 M. MILLAR: JT-4.4.

8 **UNDERTAKING JT-4.4: PROVIDE THE QUALITY METRIC**
9 **DATA DISCUSSED, FROM THE START OF DNNP**
10 **EXECUTION, CONSISTENT WITH THE INFORMATION**
11 **PROVIDED FOR THE MONTHLY FORECAST ACCURACY**
12 **FACTOR**

13 S. GRICE: And then just one last question on
14 this: If OPG could provide the same information for
15 the DRP project.

16 C. KEIZER: Sorry. You want monthly data for
17 the entire DRP project?

18 S. GRICE: I mean, I do, but --

19 C. KEIZER: So from back in whenever execution
20 started on the first unit, every month, for how many
21 ever months? Like, is that what you want? And I
22 don't know -- like, I am not quite sure how that is
23 relevant to these two projects, which are different
24 projects, different work, different -- I am not -- I
25 don't think I understand. And many of -- and those
26 units have already gone into service and have been
27 included in rates for DRP, so I am not quite sure I
28 understand the nature for all of that data and why it

1 is relevant here.

2 S. GRICE: Well, the nature of the data, from
3 the perspective I was looking at it from, was it is
4 one of your key lessons learned, and so there have
5 been -- a new metric has been created, and there have
6 been things implemented in response to adverse
7 condition and event reporting from other projects.
8 So just being able to look at the two sets of data
9 would be helpful.

10 C. KEIZER: Even though they are completely
11 unrelated to each other? Well, we -- this Panel
12 can't speak to what DRP has in terms of the data or -
13 - Ms. Grice, I think, as I was indicating, this Panel
14 can't indicate what DRP has or doesn't have with
15 respect to the data, so I think, you know, not
16 entirely clear how the comparison would take place.

17 So the most we can do is take it away, determine
18 the existence of the data, and if we can provide it,
19 we will. If we -- if we feel it is not relevant or
20 we are not able to provide it, then we would
21 obviously articulate that in the undertaking.

22 S. GRICE: Okay. That is fine. Thank you very
23 much.

24 M. MILLAR: We will mark that as JT-4.5.

25 **UNDERTAKING JT-4.5: PROVIDE THE QUALITY METRIC**
26 **DATA FOR THE DRP PROJECT, CONSISTENT WITH THE**
27 **INFORMATION REQUESTED FOR THE DNNP PROJECT, IF**
28 **IT CAN'T BE PROVIDED EXPLAIN WHY**

1 S. GRICE: Okay. Thank you. And those are all
2 of my questions. Thank you.

3 M. MILLAR: Okay. Thank you, Ms. Grice.

4 Next up, I have the PWU, which I believe is Mr.
5 Rosenbluth. Mr. Rosenbluth, are you there? I am not
6 seeing -- so we -- after that, we had VECC, but VECC
7 -- okay. I am told the PWU has advised us they have
8 no questions, so they are off the list.

9 Mr. Garner, you still have no questions, I
10 understand, if you are there?

11 M. GARNER: Yes, that is correct. I don't have
12 any questions. Thank you.

13 M. MILLAR: Mr. Walker, you are up early. Over
14 to you.

15 S. WALKER: Thank you, Mr. Millar. I did have a
16 compendium that I had submitted on Friday night.
17 Could we have that marked?

18 M. MILLAR: Yes. Unless there are any
19 objections, we will call that KT-4.1, which is the
20 OAPPA compendium.

21 C. KEIZER: Can I ask -- before we officially
22 mark that, can I ask maybe for clarification related
23 to the compendium. In the compendium it contains a
24 significant amount of detail, technical information,
25 diagrams, and et cetera. What I am just trying to
26 understand is, is that being put forward for the
27 purposes of inquiries related to technology
28 selection, or is it something separate and apart from

1 that?

2 S. WALKER: Oh, not -- has nothing to do with
3 technology selection, Mr. Keizer. It is mostly --
4 many of those diagrams are already from evidence you
5 provided, and the other information is from part of
6 the CNSC information you guys had pointed me to in
7 terms of the application. I am trying to lean
8 heavily on the fact that this is a technical
9 conference, and I have some technical questions about
10 some of those systems and how they interrelate. So,
11 no, it is not a technology-based decision question --
12 or decision question.

13 C. KEIZER: Thank you. Thank you.

14 M. MILLAR: Okay. We will -- I may have
15 misspoke. We will mark that as KT-4.1.

16 **EXHIBIT KT-4.1: OAPPA COMPENDIUM**

17 S. WALKER: Okay. Awesome. You have access to
18 the compendium, and we can bring that up a little bit
19 later?

20 C. KEIZER: I believe we do.

21 S. WALKER: Excellent, thank you.

22 **EXAMINATION BY S. GRICE:**

23 S. WALKER: Good morning, everyone. My name is
24 Scott Walker, and I am the university and college
25 consultant in this proceeding. I will skip the
26 preamble for everyone's benefit. But nevertheless, I
27 would like to thank you, Panel 3, for being here and
28 for the answers that you and your team have already

1 provided to our interrogatories and for your
2 indulgence today with our additional questions.

3 Similar to our journey with Panel 2, my first
4 series of questions pertain to the broader
5 governance, oversight, and gating processes of the
6 Darlington New Nuclear program.

7 For visual context, can we perhaps pull up
8 Exhibit D2, Tab 4, Schedule 9, page 16 of 22, and
9 ideally centre the screen on Figure 3, please.
10 Awesome. Thank you.

11 So as with Panel 2, can we fairly assume that
12 the Panel members reside in the first two tiers of
13 this hierarchical assurance model pyramid which,
14 between us, is where all the real work gets done;
15 correct?

16 Oh, sorry, technically, that is a two-part
17 question, and I am not compelling you to answer the
18 second part in interest -- self-interest.

19 R. HOWARD: Yes, that is correct.

20 S. WALKER: Thank you.

21 Is the Board of Directors identified at the top
22 of the pyramid OPG, OPG's Board of Directors?

23 A. KOGAN: Mr. Walker, that is both the OPG
24 Board of Directors and the DNNP LP Board of Directors
25 as indicated in the last bullet of the green box.

26 S. WALKER: So there are two boards of
27 directors; do I have that correct?

28 A. KOGAN: Yes.

1 S. WALKER: To which board does the major
2 projects committee report to?

3 R. HOWARD: The major projects committee reports
4 to the OPG Board of Directors.

5 S. WALKER: Awesome. Thank you. Okay.
6 How do these two separate board entities
7 differentiate accountabilities and responsibilities?

8 A. KOGAN: Pursuant to the relationship between
9 OPG and DNNP LP, one of the roles that OPG has in
10 that relationship is a provider of project
11 development and construction services under an
12 agreement between the parties. And OPG Board of
13 Directors serves as the Board of Directors of the
14 service provider in this case as, again, indicated in
15 that last bullet on the -- in the green box.

16 The DNNP LP Board of Directors is the governing
17 body of the entity that actually holds the project
18 and will hold the ultimate asset.

19 S. WALKER: I think I understand that.

20 So which of the two Board of Directors has
21 superordinate power over the other?

22 C. KEIZER: Are you speaking in terms of
23 hierarchical power? Is that what you are asking
24 about?

25 S. WALKER: I am.

26 C. KEIZER: Well, I don't know if it exists in a
27 hierarchical power, but, anyway, Mr. Kogan may -- can
28 enlighten us.

1 A. KOGAN: I don't think you can look at them
2 from a hierarchical perspective, but it would be the
3 approval of both boards of directors that I think as
4 a practical matter would be necessary with respect to
5 any material items that require approval.

6 S. WALKER: Okay. I guess, Mr. Kogan, what I
7 was trying to get at was with whom does the buck
8 finally stop?

9 A. KOGAN: I think as between OPG's Board of
10 Directors as the board of the service provider and
11 DNNP LP's Board of Directors as the Board of
12 Directors of the entity that ultimately holds the
13 asset and has contracted OPG, the DNNP LP board would
14 have the final buck, so to speak, to use your words.

15 S. WALKER: Okay. Yeah, that makes sense to me.
16 Thank you.

17 How many, if any, directors sit on both boards?

18 R. HOWARD: The DNNP LP board was defined in D2-
19 SEC-115, response C. There is five members of that
20 board.

21 A. KOGAN: There is no overlap between the
22 boards, for clarity.

23 S. WALKER: Okay. Perfect. Thank you.
24 Awesome. Okay, that is helpful. I appreciate that.
25 Thank you.

26 So have you identified the current term of each
27 one of those board members?

28 A. KOGAN: To clarify, by "those," you're

1 referring to the members of the DNNP LP board on the
2 screen?

3 S. WALKER: Yeah, correct.

4 A. KOGAN: I don't believe there is any
5 information on the record regarding the term, if any,
6 of these board members.

7 S. WALKER: Correct. I didn't find any either.
8 I was wondering if perhaps as an undertaking you
9 would embark on finding out that information, and if
10 at all possible, to provide a brief CV or a mapping
11 reference to any publicly available professional
12 profile.

13 C. KEIZER: Can I have a moment?

14 We will undertake to provide that.

15 S. WALKER: Awesome. Thank you, Mr. Keizer.

16 M. MILLAR: The undertaking is JT- -- I have 4.5
17 next. 4.6. I thought so. Okay. 4.6.

18 **UNDERTAKING JT-4.6: ADVISE OF THE CURRENT TERM**
19 **OF EACH ONE OF THE DNNP LP BOARD MEMBERS AND**
20 **PROVIDE A BRIEF CV OR A MAPPING REFERENCE TO ANY**
21 **PUBLICLY AVAILABLE PROFESSIONAL PROFILE**

22 S. WALKER: Forgive me if Mr. Rubenstein has
23 already asked this question, but can you confirm who
24 currently sits on the major projects committee of the
25 Board of Directors?

26 C. KEIZER: I think that was covered on Friday.

27 S. WALKER: Was it? Okay.

28 C. KEIZER: I think, one, they were identified

1 and, two, that there was -- I would have to go back
2 and look, but I believe there is an undertaking
3 related to it.

4 S. WALKER: Okay. Awesome. Thank you.

5 And, again, this may have been covered on
6 Friday. I apologize. Are all members of the small
7 modular reactor review committee independent and not
8 otherwise employees of OPG or former employees of
9 OPG?

10 R. HOWARD: Other than the OPG internal member,
11 none of the other SMRRB members are former employees
12 of OPG.

13 S. WALKER: Okay. Awesome.

14 And apologies if you did this already on Friday
15 or if it is already part of that undertaking, but
16 perhaps in addition to that undertaking, could you
17 please confirm who the members of the SMRRB are,
18 their roles or areas of accountability, and their
19 current terms, and if at all possible, a brief CV or
20 a mapping reference to any publicly available
21 professional profile they may have available.

22 R. HOWARD: That was the undertaking we
23 discussed on Friday.

24 S. WALKER: Brilliant. Okay. Thank you very
25 much.

26 And I was going to ask you about the SMRRB
27 review panel reports, but I believe you addressed
28 that in D2-SEC-116.

1 M. RUBENSTEIN: Sorry, Scott. It is Mark
2 Rubenstein. I just don't want -- since it was an
3 undertaking that was given to me --

4 S. WALKER: Yes.

5 M. RUBENSTEIN: -- I think yours was a little
6 broader than the undertaking that was given to me. I
7 think I had asked for just the CVs. I think yours
8 was a bit broader.

9 S. WALKER: Oh.

10 M. RUBENSTEIN: Just so there is no --

11 S. ZADEH: I heard -- sorry. I heard Mr. Walker
12 wants terms.

13 S. WALKER: Yeah, thank you. If it will help, I
14 will reiterate the request, and if you could expand
15 either the existing undertaking or add a new one,
16 that would be awesome. So, you know, the members of
17 that -- the roles, the current term, and a CV or a
18 reference to their professional public profile.

19 C. KEIZER: We can undertake to do that if it is
20 not otherwise included in the previous undertaking.

21 S. WALKER: Awesome. Thank you.

22 M. MILLAR: Okay. Let's mark that, then, as JT-
23 4.7.

24 S. WALKER: Thank you, Mr. Millar.

25 **UNDERTAKING JT-4.7: CONFIRM WHO THE MEMBERS OF**
26 **THE SMRRB ARE, WHAT THEIR ROLES OR AREAS OF**
27 **ACCOUNTABILITY AND THEIR CURRENT TERMS ARE, AND**
28 **PROVIDE A BRIEF CV OR A MAPPING REFERENCE TO ANY**

1 **PUBLICLY AVAILABLE PROFESSIONAL PROFILE THEY MAY**
2 **HAVE**

3 S. WALKER: Sorry. So the SMRRB has reports
4 that they provided. Mr. Rubenstein had asked in D2-
5 SEC-116 for copies of those reports. Unfortunately,
6 on the weekend, I couldn't find it or somehow,
7 whatever was going on with my computer, I couldn't
8 seem to locate it. Can you please confirm that you
9 provided a fulsome response to SEC-116.

10 C. KEIZER: Sorry, you are looking for which
11 part of SEC-116? Is it --

12 S. WALKER: Copies of the report.

13 C. KEIZER: -- A? A? Is that what you are
14 asking for?

15 S. WALKER: Yeah.

16 C. KEIZER: And you couldn't find that in the --

17 S. WALKER: I couldn't find it on the record,
18 no.

19 C. KEIZER: We will have to look, Mr. Walker, to
20 see whether or not it was provided. The attachments
21 appear there on the screen.

22 S. WALKER: Yeah. I couldn't find it in the --

23 C. KEIZER: Sorry. Maybe let me ask you this
24 question. We have series of attachments here related
25 to 116. So my question to you is, is there a
26 particular report you are looking for, or are you --
27 you looked at these, but you couldn't find what you
28 were looking for?

1 S. WALKER: I am sorry. I couldn't actually
2 find these.

3 C. KEIZER: Oh, I see.

4 S. WALKER: Yeah.

5 C. KEIZER: So now that we found them, do you
6 require us to do anything more?

7 S. WALKER: I don't think so.

8 C. KEIZER: Okay.

9 S. WALKER: Unless, you know, Ms. Zadeh want to
10 indulge me and send me an e-mail with those as
11 attachments.

12 C. KEIZER: All right. We will do what we can.

13 S. WALKER: Okay. Okay.

14 C. KEIZER: But not -- we do not need to have an
15 undertaking?

16 S. WALKER: We do not. We do not. Thank you.

17 C. KEIZER: Thank you.

18 S. WALKER: Sorry, can we just go back to the
19 hierarchy of assurance chart. So D2, Tab 4, Schedule
20 9. Yeah, that is the one. Thank you.

21 Okay. Can you confirm that OPG's CEO Ms.
22 Butcher functions in this second tier?

23 R. HOWARD: That is correct.

24 S. WALKER: There are others referenced there.
25 Can you tell me who else belongs in this tier?

26 R. HOWARD: So this tier -- I will go line by
27 line. IPD CEO, so that is our integrated project
28 delivery CEOs, so those are the partners on the

1 project. Each partner CEO is a member of this
2 tranche. And then the next line is the OPG executive
3 leadership team. These are Nicolle Butcher's direct
4 reports on her team.

5 S. WALKER: Are those people provided in
6 evidence somewhere?

7 C. KEIZER: I don't believe they are, but my
8 question is why do you need it?

9 S. WALKER: In terms of an accountability
10 structure, I think if there is some outside IPD CEOs,
11 I think it could be relevant to the execution of the
12 project.

13 C. KEIZER: Sorry. You want the name of each
14 partner's CEO that is sitting there?

15 S. WALKER: Yes. Yeah, please.

16 C. KEIZER: Can I have a moment?

17 I think we will have to take it away, Mr.
18 Walker. You know, I don't know if it is on the
19 public record. If it is, we can provide it. If
20 there is some reason it is an issue with respect to
21 providing it, subject to any agreements or otherwise
22 that OPG may have with the other IPD partners, we
23 will advise in the undertaking.

24 S. WALKER: I respect that. Thank you, Mr.
25 Keizer.

26 M. MILLAR: So that will be JT-4.8.

27 **UNDERTAKING JT-4.8: PROVIDE THE NAMES OF THE**
28 **CEO's of the IPD PARTNERS, IF WE CAN PROVIDE IT,**

1 **IF NOT EXPLAIN WHY**

2 S. WALKER: And finally, can you please confirm
3 if both OPG CEO Nicolle Butcher and the Board
4 chairperson Wendy Kei are required to attend the
5 meetings of the major projects committee?

6 R. HOWARD: Yes, they are at the major projects
7 committee meeting.

8 S. WALKER: Okay. Thank you.

9 How frequently does the major projects committee
10 meeting meet?

11 R. HOWARD: Mr. Walker, that is a quarterly
12 meeting.

13 S. WALKER: Or as needed?

14 R. HOWARD: Yes.

15 S. WALKER: Thank you. Okay, thank you.

16 I would like to now turn our attention to more
17 technical matters as it relates to the Darlington New
18 Nuclear program. Can I please ask for L, D2-OAPPA-6
19 to be brought up on the screen. And in your response
20 starting on line 26, please.

21 So assuming that the SMR is commissioned as
22 planned in 2030, are you confirming that you do not
23 need dry storage prior to 2036 earliest?

24 R. HOWARD: That is correct.

25 S. WALKER: How long will it take to construct
26 the independent spent fuel storage installation, or
27 the ISFSI?

28 R. HOWARD: So I will start by saying less than

1 six years. I don't mean to be tongue-in-cheek with
2 that, but it is not an overly complicated structure.
3 So we have analyzed it, and we have plenty of time to
4 build that structure.

5 S. WALKER: Okay.

6 That kind of leads me to my next question: Are
7 you undertaking to construct any part of this
8 structure during the IR term?

9 R. HOWARD: No, we are not.

10 S. WALKER: So we are not clear about when we
11 are going to begin construction exactly; is that a
12 fair statement?

13 C. KEIZER: I am sorry, Mr. Walker, but I think
14 the IR says that it is not planned to take place
15 until 6 years into the operations period, and the
16 operations period, as I understand it -- and the
17 Panel, correct me -- doesn't commence until close to
18 the end of this rate period.

19 S. WALKER: That would make sense to me, Mr.
20 Keizer. Is that the Panel's interpretation as well?

21 R. HOWARD: Yes.

22 S. WALKER: Thank you.

23 M. MILLAR: Mr. Walker, it is Michael Millar
24 here. We are going to be looking to take a break
25 shortly, so if you could just pick a moment where you
26 are between subject areas or something of that
27 nature.

28 S. WALKER: Okay. Yeah, thank you, Mr. Millar.

1 Maybe five minutes, and we can break and come back.

2 M. MILLAR: Great.

3 S. WALKER: Awesome.

4 So what happens if you do not receive Canadian
5 Nuclear Safety council approval to construct the
6 independent spent fuel storage installation?

7 C. KEIZER: Sorry. Can I -- I guess I raise the
8 question, if it is based on the evidence which has
9 been provided and confirmed by the Panel that it is
10 not going to happen until 6 years into the operations
11 period, which well extends beyond this rate period, I
12 guess I am questioning the relevance of your
13 question.

14 S. WALKER: Yeah, and fair enough, Mr. Keizer.
15 I guess my concern is we have wet storage that will
16 get us through six years of operations, and then the
17 facility is useless to us if we don't have the dry
18 storage facility. So my concern is we are committing
19 \$6.6 billion to a 300 megawatt facility for which we
20 might only have six useful years of life.

21 R. HOWARD: Mr. Walker, the CNSC is very aware
22 of our waste strategy, so I would say the risk is
23 low, given that fact.

24 S. WALKER: Yeah, okay. Good. Thank you. That
25 is what I wanted to hear.

26 So what sort of major issues would potentially
27 prevent the Canadian Nuclear Safety council from
28 approving your construction --- your license to

1 construct this particular facility?

2 R. HOWARD: I don't have any major concerns or
3 known risks with that approval.

4 S. WALKER: Okay. That is great.

5 Mr. Millar, I am good to break now, if that
6 works for everyone.

7 M. MILLAR: Okay. Thank you, Mr. Walker. We
8 will return in 15 minutes at 10:45.

9 --- Recess taken at 10:29 a.m.

10 --- Upon resuming at 10:46 a.m.

11 M. MILLAR: Welcome back, everyone. Just before
12 we get started, I just want to observe we are a
13 little bit ahead of schedule, and we may get Panel 4
14 up before the lunch break. If that occurs, Mr.
15 Walker, you are actually up first for Panel 4 as
16 well, so hopefully you are available before lunch if
17 needed. You would probably stretch over the break,
18 but we are hopeful to get started before that, so
19 just keep that in mind.

20 And with that, I will turn it back over to you.

21 S. WALKER: Awesome. Thank you, Mr. Millar. It
22 is not very often one gets the opportunity to sit
23 with a panel of technical nuclear experts and
24 particularly with a new technology as exciting as the
25 SMR. So I will beg your indulgence for a minute to
26 talk about the safety systems of the BWRX-300.

27 Could we please open OAPPA Panel 3 compendium,
28 page 2, please. So the first line here of Table

1 1.6.1 identifies two independent means of shutting
2 down and controlling the reactivity. Could we please
3 flip to page 4 of the compendium -- I have got that
4 wrong. That is page 5. I am sorry. Okay.

5 So could you please confirm that inserting the
6 control rods, as represented at the bottom of the
7 left-hand photograph there, is the primary means of
8 stopping the nuclear reaction.

9 R. HOWARD: That is correct.

10 S. WALKER: Awesome.

11 And that otherwise elegant picture there
12 depicted on the right-hand side, that represents the
13 advanced control rod drive that performs the
14 insertion of those rods?

15 R. HOWARD: That is part of the system, not the
16 entire system.

17 S. WALKER: Right, right. I think I gathered
18 that from the documentation that this came from.

19 So silly question: What is the secondary means
20 of controlling reactivity and shutting down the
21 reactor?

22 R. HOWARD: So there are additional shutdown
23 systems. There is a typical shutdown cooling loop
24 that you would actually see in other designs, in
25 which, with sufficient cooling, the reactivity will
26 abate and shut down. There is also an independent
27 boron injection system that will also shut down the
28 reactivity.

1 S. WALKER: Okay. I mean, I might argue that
2 the circulation system is part of the cooling as
3 opposed to the shutdown. So it is the boron
4 injection system.

5 Could we pull up page 3 of the compendium,
6 please. It might -- can you rotate that so that we
7 can see it. So where is the boron injection system?

8 R. HOWARD: It is on the left side of the
9 reactor pressure vessel there, midway up the
10 building.

11 S. WALKER: Okay. Awesome. Thank you very
12 much. That answers a question that I had. That is
13 perfect.

14 Okay. Can we please turn back to -- I hope I
15 got the reference right -- page 5 of the compendium -
16 - page 6. Okay. Thank you.

17 So there is much ado in the external
18 documentation you pointed us to in the original IRR,
19 which the reference is D2-OAPPA-007, about the device
20 depicted at the top here. Can you tell us what is so
21 unique and important about this device?

22 R. HOWARD: So, Mr. Walker, you are referring to
23 the reactor pressure vessel isolation valve assembly;
24 is that correct?

25 S. WALKER: Yes, I am.

26 R. HOWARD: Okay. So a significant feature of
27 these valves is that they are double isolation
28 valves. So, you know, in the industry, we call it a

1 block and bleed valve. So it is a redundant
2 isolation of our reactor pressure vessel.

3 S. WALKER: And this is particularly important
4 in a loss of cooling accident event; correct?

5 C. KEIZER: Mr. Walker, if I could, I am
6 struggling to see how this relates to the approval of
7 payment amounts. I think, as we indicated in the IR
8 you referenced, that this -- these issues are more
9 for the CNSC than they are necessarily for the OEB.
10 There is -- the use and operation of this valve I
11 don't think necessarily advances the Board's
12 understanding of whether or not they should approve
13 costs or establish rates. If you can enlighten me in
14 --

15 S. WALKER: Sorry.

16 C. KEIZER: If you can enlighten me as to how it
17 is relevant, that would be helpful.

18 S. WALKER: Admittedly, Mr. Keizer, I think it
19 is more from a technical geek perspective that I was
20 asking these questions than I was from a cost
21 implication perspective.

22 C. KEIZER: Well, we appreciate your interest,
23 but if there is a way that we can provide that
24 information to you outside the technical conference
25 somehow.

26 S. WALKER: Fair enough. Okay. Give me a quick
27 second.

28 Okay. Can we jump to page 2 of the compendium

1 again. And under the third row where we are talking
2 about containing radioactivity and we are identifying
3 passive cooling, does that mean the isolation
4 condenser you are referring to in the wet storage
5 aspect in page 4 depicts? You will see where I am
6 going in a minute, Mr. Keizer.

7 R. HOWARD: Sorry. Mr. Walker, can you -- can
8 we go to the reference you just said?

9 S. WALKER: Oh, yes. So page 4, please.

10 So the isolation condenser and the cooling pool
11 here, this is -- this is the wet storage that is part
12 of the containing the radioactivity element, as
13 identified in that prior table?

14 R. HOWARD: Could we go back up to the table? I
15 just want to make sure I understand what you are
16 referring to when you say "wet storage."

17 S. WALKER: Oh, sorry. Passive cooling, so --

18 R. HOWARD: Okay.

19 S. WALKER: -- containing the radioactivity.

20 R. HOWARD: Understood. Okay. Thank you, Mr.
21 Walker. I just wanted to make sure I was
22 understanding correctly.

23 So the isolation condenser system that you are
24 referencing is a design basis accident scenario
25 system that we don't plan on using. But if we were
26 to need to use it, there is a passive removal --
27 passive removal of heat design to this system where
28 the heat comes up into a heat exchanger inside these

1 pools shown on the diagram here. The heat is
2 dissipated into the pools, and then the water cycles
3 back into the reactor pressure vessel in a passive
4 loop. This is to remove excess heat from the reactor
5 pressure vessel in an accident scenario.

6 S. WALKER: Awesome. Thank you. You actually
7 did answer one of my technical questions that Mr.
8 Keizer had deflected me from, so I appreciate that
9 very much.

10 Could I ask that we go back to that page number
11 2 and where we refer to containing radioactivity. So
12 the first one is identified as "dry." Is that the
13 ISFSI that we were discussing earlier, or is it
14 something different?

15 R. HOWARD: The "dry" statement is referring to
16 our containment around the reactor pressure vessel,
17 which is a dry environment, not wet.

18 S. WALKER: Oh, okay. Thank you. I had thought
19 that it was in the pool. That is not the case, then.
20 Okay. Good. Thank you. Those are all my questions
21 on that topic.

22 Can we please pull up IRR L-D2-OAPPA-008,
23 please. Can we review the response starting on line
24 29, please. So the language here kind of suggests
25 that the location of the ISFSI -- what an awful
26 acronym -- is not yet known. Can we please pull up
27 page 9 of the compendium again.

28 So I just wanted to confirm with you that per

1 the CNSC license application that you provided in
2 this diagram, that the structure identified as Number
3 6 in the far right-hand side is the ISFSI location.

4 R. HOWARD: That is a -- what I would refer to
5 as a candidate location for that building. But, as
6 stated, we have not completed the design nor do we
7 have approval from the CNSC.

8 S. WALKER: Okay. Is it fair to assume that the
9 SMR construction and the eventual operating licenses
10 are not going to be contingent on keeping the
11 building in that location?

12 R. HOWARD: I don't think I can comment on what
13 the CNSC would determine relevant to those licenses,
14 Mr. Walker.

15 S. WALKER: That is concerning. Okay.

16 So I just need to confirm, then, that wherever
17 the ISFSI building is eventually located, that all
18 the subgrading work will still need to be completed.

19 R. HOWARD: So I just want to confirm that this
20 building you are referring to will be on site at the
21 DNNP site. In terms of grading, we have actually
22 graded the entire site. We have done that work. But
23 there will be -- where this building is specifically
24 located on site, there will be additional work
25 required for its foundations, et cetera.

26 S. WALKER: Okay. So other than the subgrading
27 that you just mentioned, has there been any concrete
28 or foundation work currently being done that would

1 enable the construction of that building on that
2 particular site?

3 R. HOWARD: No, there has not.

4 S. WALKER: Okay. Good to hear.

5 Will this specific ISFSI building serve all the
6 SMRs being considered for construction here, or will
7 subsequent SMRs need their own ISFSI buildings?

8 R. HOWARD: The current plan is to have a single
9 building to support the units.

10 S. WALKER: Is that why, if there is only one,
11 that you haven't determined the site of this yet?

12 R. HOWARD: I would not say that is the reason.
13 We know the layout of our four-unit site, so we are
14 quite -- quite aware of all the different areas and
15 space available. We just have not made the final
16 decision nor have we got approval for the location as
17 of today.

18 S. WALKER: Okay. I think the proverbial shoe
19 may be dropping a little bit for me here, but -- so
20 which does lead me into my next question.

21 Could I please have you pull up compendium page
22 7. I will draw your -- actually, maybe the -- I
23 think is this redone on page 8? It will be a little
24 easier to see. Yeah, it is. Okay. You see how
25 there is that 350-metre exclusion zone that is
26 represented by that dashed line? Just --

27 R. HOWARD: Yes.

28 S. WALKER: Okay. Thank you.

1 Just a casual observation, and I don't know if
2 it is a function of the scaling in this drawing, but
3 am I actually seeing that there is not enough room
4 along the lakeshore for three more SMRs?

5 C. KEIZER: I am not sure that is relevant to
6 this proceeding which is dealing with the one unit
7 SMR. What is happening with units 2 to 4 is not
8 relevant to this proceeding.

9 S. WALKER: There are a degree of common scope
10 facilities that are being constructed to accommodate
11 three more SMRs, Mr. Keizer, so I would suggest that
12 it is potentially relevant.

13 C. KEIZER: Although you have established
14 through your questioning that this isn't going to
15 happen until six to eight years after the operation
16 of the first unit, so it is not in this rate period,
17 and so therefore, you've made a comment, there is no
18 capital expenditures associated with it in the rate
19 period, so I am struggling to find why it is
20 relevant.

21 S. WALKER: I have an eye to the future.
22 Concerned about our next IR.

23 C. KEIZER: I appreciate that, and that is
24 something we can discuss outside the next technical
25 conference.

26 S. WALKER: Yeah, okay. Fair enough, Mr.
27 Keizer. I will take your point.

28 Can I please ask that D2, Tab 4, Schedule 8 be

1 pulled up on the screen, please. And maybe go to
2 page 8. Starting at line 15. Okay. Thank you.

3 I believe you are referring to these as "common
4 scope facilities"; correct?

5 C. KEIZER: Sorry. In reference to "these," you
6 mean some other --

7 S. WALKER: I am sorry. The administration,
8 fabrication, security buildings. The cost for these
9 are identified in other places as common scope
10 facilities.

11 R. HOWARD: Just let me repeat your question and
12 make sure I understand. You are asking if the
13 condenser cooling water intake and discharge
14 structures, the common buildings, the admin building,
15 fabrication building, security buildings, are
16 considered common scope to all four units?

17 S. WALKER: Yes, that is my question, thank you.

18 R. HOWARD: The answer is yes.

19 S. WALKER: Okay, perfect. Thank you.

20 So do I have it correct that approximately 1.1
21 billion of the requested 6.6 billion is for these
22 common scope activities?

23 L. GREENLAND: The common cost -- sorry. The
24 common scope facility cost is identified in response
25 CCC-058, which totals, prior to contingency and
26 capitalized interest, \$1.1 billion.

27 S. WALKER: Awesome. Thank you.

28 Is it fair to say that the sizing and

1 construction of the common scope activities is
2 necessary and necessarily built to accommodate the
3 needs of all four SMR facilities?

4 R. HOWARD: The common scope is necessary for
5 the operation of Unit 1 and would be necessary for
6 the operation of units 2, 3, 4, should they be
7 approved.

8 S. WALKER: Right. No additional intake
9 facilities, administration buildings, et cetera, are
10 going to be required for the remaining three,
11 assuming they are approved and proceed?

12 R. HOWARD: That is correct.

13 S. WALKER: Okay. Would you be able to provide
14 any perspective on how much less the \$1.1 billion
15 would be if it was only being sized for one SMR?

16 R. HOWARD: So, Mr. Walker, I don't have that
17 information, if it was just one unit, primarily
18 because our plan is to build four units, and these
19 common services support all four.

20 S. WALKER: Okay. I respect that answer.

21 So what happens if the first SMR is
22 unsuccessful?

23 C. KEIZER: I am not sure I understand from what
24 perspective, Mr. Walker.

25 S. WALKER: If we do not receive a license to
26 operate the SMR.

27 C. KEIZER: Just one moment, please.

28 I think there may be an IR on this; that is why

1 I am letting the panelists take their time to find
2 it.

3 S. WALKER: Of course.

4 A. KOGAN: I think I know what the IR says.
5 Effectively, pursuant to Ontario Regulation 53/05,
6 any prudently incurred cost in respect of the
7 facility, whether ultimately operational or not, are
8 to be recovered.

9 S. WALKER: And to be fair, Mr. Kogan, you are
10 saying that, basically, however much of that 6.6
11 billion we spend, you are anticipating that
12 ratepayers are going to have to assume the cost for
13 that; correct?

14 A. KOGAN: I was referencing the regulation, Mr.
15 Walker.

16 S. WALKER: Would your interpretation of that be
17 that ratepayers get hung for that?

18 A. KOGAN: Maybe I should have -- maybe I should
19 find that IR after all.

20 S. WALKER: I will give you a minute.

21 A. KOGAN: I think that would be C1-VECC-7.

22 S. WALKER: Can we pull that up, please.

23 A. KOGAN: That would be part C.

24 S. WALKER: Ouch. So OPG doesn't bear any cost
25 or risk or responsibility for the costs of this if it
26 fails?

27 C. KEIZER: Well, I think he has answered your
28 question, sir, which is he has referred you to the

1 regulation which the provincial government has passed
2 and put in place.

3 S. WALKER: Right. We all respect what dada
4 said. All right. Well, that is a fuzzy warmth to
5 end on.

6 Can maybe I get you to please pull up compendium
7 page 9. Page 10, sorry. Okay. So it has been a
8 while since I had to consider the ownership
9 delineation between Hydro One and OPG, and I think I
10 need to confirm what I believe I know about the
11 intersection between OPG and the transmission
12 company.

13 So this is part of -- this, obviously per the
14 description here, represents the switchyard as
15 necessary to convey the electricity as generated out
16 of the SMR. Can you please confirm that Hydro One
17 owns the switchyard.

18 R. HOWARD: That is correct.

19 S. WALKER: Okay. It still sits on OPG
20 property; correct?

21 R. HOWARD: So, Mr. Walker, we will be
22 connecting to the Bowmanville switchyard, which will
23 be upgraded. I would have to take away the ownership
24 of that land. I do not know the answer to that.

25 S. WALKER: Okay. Fair enough. Could we have
26 that as an undertaking, please.

27 C. KEIZER: That is fine.

28 M. MILLAR: JT-4.9.

1 **UNDERTAKING JT-4.9: CONFIRM WHO OWNS THE**
2 **BOWMANVILLE SWITCHYARD**

3 S. WALKER: I do want to confirm that OPG
4 controls access to the station ultimately, though;
5 correct? This is a nuclear facility?

6 R. HOWARD: Yes.

7 S. WALKER: Okay. I am not sure I can ask my
8 other questions on that.

9 R. HOWARD: Sorry. Let me -- I just want to
10 correct. So currently, we are constructing this
11 plant. So the constructor owns access to our site
12 currently.

13 S. WALKER: Okay.

14 R. HOWARD: When it is turned over to
15 operations, OPG security will manage access to the
16 site.

17 S. WALKER: Okay. Thank you.

18 And Hydro One is constructing that or OPG is
19 constructing this? Or your contractor, sorry?

20 R. HOWARD: Apologies, Mr. Walker. I need some
21 clarification. Are you referring to the switchyard
22 site or the construction site for the Unit 1?

23 S. WALKER: The switchyard site.

24 R. HOWARD: Okay. Apologies. So I will have to
25 correct what I just said. So Hydro One controls
26 access to that switchyard.

27 S. WALKER: And you control their access to the
28 property before they get into the structure; correct?

1 Thinking more about security.

2 C. KEIZER: Sorry. Maybe there is a confusion
3 here. Maybe the witness -- Mr. Howard can explain
4 where the switchyard is relative to the actual unit
5 site itself. Maybe that would be helpful for you.

6 R. HOWARD: Yes. So, Mr. Walker, this is an --
7 the existing switchyard that supports Darlington. We
8 will be connecting to that switchyard.

9 S. WALKER: Oh. Oh, I am sorry. I had thought
10 that the existing switchyard was further west and
11 north of the railroad tracks. So this switchyard
12 isn't being built specifically for the SMR? As
13 depicted here.

14 R. HOWARD: This may be an old diagram. I am
15 not sure what the source is. But we will be
16 connecting to the existing switchyard north of the
17 Darlington CANDU site through a grid connection.

18 S. WALKER: Okay. Sorry. This was the -- this
19 was from the material that had been submitted in
20 support of the license application. So I am happy to
21 leave this for the time being.

22 Could I please ask that Exhibit D2, Tab 4,
23 Schedule 8, page 14 of 18 be brought up, then,
24 please. Awesome. Okay.

25 And we have Chart 7 here, and referencing line
26 number 4 that speaks to the grid connection
27 transmission and station modifications.

28 I don't know, you may need to take this away,

1 based on our last conversation, I don't know that.
2 But are all these costs for the internal SMR
3 electrical system needs or -- and/or do they apply to
4 the interconnection of the SMR to the station, as we
5 were just discussing?

6 R. HOWARD: So the project OPG costs include
7 grid connection and transmission up to the boundary
8 of the Hydro One facility. Hydro One has some
9 upgrade work done under a project executed by Hydro
10 One.

11 S. WALKER: Okay. Thank you.

12 Will these costs be similar or common to all
13 future SMR?

14 R. HOWARD: There are common infrastructure that
15 is being built under the common scope for Unit 1.
16 Each unit will need a length of grid connection from
17 their unit under those unit's costs.

18 S. WALKER: Right. So it is reasonable to
19 assume that maybe -- in today's dollars, at least,
20 that that 29 million will be less for future ones?

21 R. HOWARD: Yes, that is correct.

22 S. WALKER: Okay. Okay. That is great. Okay,
23 Panel, thank you very much for your indulgence this
24 morning. Those are all my questions. Mr. Millar,
25 Mr. Keizer, over to you.

26 M. MILLAR: Thank you, Mr. Walker.

27 I think up next we have Mr. Pinto. Mr. Pinto,
28 are you there?

1 K. PINTO: I am.

2 M. MILLAR: Okay. I will turn it over to you.

3 I think we have you down for 15 minutes.

4 K. PINTO: Perfect. Thank you, Mr. Millar.

5 **EXAMINATION BY K. PINTO:**

6 K. PINTO: Good morning, and thank you to the
7 Board. Before I begin, I do want to acknowledge that
8 when I initially requested those 15 minutes for these
9 panels, I had no prior experience as an intervenor,
10 no meaningful frame of reference for how those --
11 these exchanges will unfold, but I will absolutely do
12 my best to use the Board's time efficiently.

13 Fortunately -- and I will say thank you to Mr. Walker
14 for clearing a bit of a pathway this morning. I will
15 adjust and should largely be able to avoid some
16 repetition, but we are -- have actually covered some
17 common issues there.

18 I appear as an independent intervenor. And just
19 for context in terms of my appearance, I am actually
20 -- it turns out I am the first independent intervenor
21 to request and be granted approval to participate in
22 an OPG rate application before the OEB. And just
23 distinctly from other participants in this
24 proceeding, I do not represent any organization,
25 industry association, commercial interest, or
26 advocacy group. I am participating solely my own
27 individual capacity, a concerned ratepayer, a
28 resident in an OPG host community, and parent and

1 grandparent.

2 My interest primarily arises from over 20 years
3 of experience ultimately as a director both within
4 OPG and its subsidiary Laurentis Energy Partners. My
5 longstanding connection with Durham Region and in the
6 nuclear sector, you know, and my belief in
7 transparency and governance and effective oversight
8 are not only essential to maintaining public
9 confidence in the electricity system, but these
10 vectors, I think, are arguably more important than
11 they have ever been.

12 My questions today are going to be directed
13 toward understanding how governance, risk management,
14 affiliate oversight are not only essential to
15 maintaining public -- sorry, affiliate oversight and
16 cost allocation frameworks operate in practice and
17 where evidence of those controls can be found on the
18 record before the Board.

19 Before I begin, just a bit of a minor
20 housekeeping item. Over my OPG career, I worked with
21 a number of folks in OPG regulatory affairs and from
22 today's panel, and I just note Alex Kogan. And,
23 Alex, over the -- sort of my first three years of
24 tenure with Laurentis, my responsibilities included
25 oversight of HR and finance and supply chain, a bunch
26 of other areas, we had interacted routinely or
27 periodically regarding financial reporting, planning,
28 operational matters.

1 Does that fairly describe the nature of our
2 professional relationship, Alex?

3 C. KEIZER: I am not sure that matters, Mr.
4 Pinto. If you have questions relevant to the
5 evidence, you should ask those questions.

6 K. PINTO: I will. I just want to make sure
7 that it is clear that there are interactions.

8 Similarly, Lindsay, by the time you joined
9 Laurentis as a secondee, my role had scaled back to
10 accommodate a serious family medical situation.
11 Nevertheless, we worked together under common
12 executive leadership. Would that correctly
13 characterize the nature of our professional
14 interaction during that period?

15 C. KEIZER: I don't think your professional
16 interaction is relevant to the Board's determination
17 of rate --

18 K. PINTO: Okay --

19 C. KEIZER: -- so if you could ask your
20 questions --

21 K. PINTO: -- I just want to make sure that it
22 is clear. Thank you. No, no worries. I will go
23 into my questions. I just want to make sure that it
24 was -- there was some transparency there.

25 First question I have got is you have referred
26 to a project governance framework in risk management
27 model. What materials set out that framework, and
28 where are they filed in these proceedings?

1 L. GREENLAND: The risk management framework is
2 primarily set out for in D2, Tab 4, Schedule 7.

3 K. PINTO: Thank you. That is helpful. Thank
4 you.

5 You referenced contingency and risk processes.
6 What document sets out how contingency is calculated,
7 and where would the Board find that?

8 L. GREENLAND: That would be Section 3.1 in the
9 document referenced.

10 K. PINTO: Sorry. 3.1 is the specific
11 attachment?

12 L. GREENLAND: Section 3.1 of Exhibit D2-4-7 is
13 qualitative and quantitative risk assessment, and
14 Figure 1 is the illustrative process for how OPG
15 evaluates our risk profiles.

16 K. PINTO: Okay. Very well. Thank you.

17 Has OPG filed any analysis comparing contingency
18 outcomes between internally delivered and externally
19 delivered projects?

20 L. GREENLAND: OPG's contingency process is a
21 bottoms-up approach. We use quantitative risk
22 assessment that is specific to the risk profiles of
23 that project and program. Our risk processes are
24 based on industry best practices, predominantly
25 through the Association for the Advancement of Cost
26 Engineering.

27 K. PINTO: Okay. How -- how would the Board
28 verify that those contingency assumptions reflect

1 actual experience?

2 L. GREENLAND: The contingency assumptions
3 reflect our existing risk profiles and are very
4 specific to the project. In terms of assurance, we
5 had BTTC as well as Pegasus review our governance
6 structure, which includes our risk management
7 processes. So there is on the record information
8 that demonstrates that OPG's governance processes
9 related to risk management are as per industry
10 standard or meet industry best practices. And we
11 have confirmation that OPG for the DNNP has continued
12 to follow our governance as stated.

13 K. PINTO: Okay. All right. Thank you -- thank
14 you, Lindsay.

15 What materials show how critical control or
16 safety issues are tracked over time?

17 L. GREENLAND: Sorry. Could you reframe the
18 question? Are you looking for critical controls or
19 safety?

20 K. PINTO: It could be either. So I am asking,
21 what materials demonstrate how critical control or
22 safety issues are tracked over time?

23 R. HOWARD: Hi, Mr. Pinto. So I am not sure
24 what you mean by "critical control," but I will
25 respond to the safety aspect.

26 So current status of the project, as you
27 know, we are under construction. This is an owner-
28 only site, so our constructor has the legal

1 obligations for safety on site, which they track and
2 report out; however, OPG -- this is a licensed
3 facility, so OPG does oversight on safety programs
4 and policies on a periodic basis through our
5 independent oversight team.

6 K. PINTO: Okay. Thank you for that.

7 Is that -- is there reporting for that
8 available, filed anywhere on these proceedings?

9 R. HOWARD: All program reporting documents that
10 were provided in evidence on the project would
11 contain an element of safety reporting, if you look
12 at the evidence.

13 K. PINTO: Okay. Thank you.

14 You described the governance process applying
15 across -- across projects. I am assuming it applies
16 consistently across all projects within the -- that
17 are being executed by the projects division; is that
18 accurate to state?

19 C. KEIZER: Sorry. When you talk about the
20 projects division, are you talking about nuclear ops
21 -- operations generally, or are you talking about
22 this project in particular?

23 K. PINTO: The projects under the umbrella of
24 DNNP.

25 R. HOWARD: Sorry, Mr. Pinto. Could you just
26 repeat that, then, in that context?

27 K. PINTO: You described -- you described
28 governance process applying across -- across

1 projects. I am assuming that it is consistent
2 project governance that applies to all of the
3 projects consistently under DNNP's scope?

4 R. HOWARD: Yes, that is correct.

5 K. PINTO: Okay. Thank you.

6 Has OPG filed any materials in this proceeding
7 that identify or quantify critical inventory
8 supporting nuclear operations?

9 C. KEIZER: Just can I have a moment, Mr. Pinto.

10 Yeah, you are talking about critical
11 inventory for nuclear projects?

12 K. PINTO: Could be for projects or for ongoing
13 operations of the project or ultimately for
14 operations.

15 C. KEIZER: And, sorry. Is it related to DNNP,
16 then, your question specifically or nuclear ops
17 generally?

18 K. PINTO: I am primarily focused on DNNP, but I
19 would be interested in what you have about nuclear
20 ops as well.

21 C. KEIZER: Maybe if you could just restate your
22 question, it would be helpful.

23 K. PINTO: Sure.

24 Has OPG filed any materials in this proceeding
25 that identify or quantify critical inventory
26 supporting nuclear operations?

27 C. KEIZER: I think this facility is not
28 operating until close to the end of the rate period.

1 I think you are -- by the sound of your question, it
2 sounds like you are talking about nuclear operations
3 generally.

4 K. PINTO: Yeah.

5 C. KEIZER: Which that panel, we had last week.
6 Can I just have a moment?

7 K. PINTO: Sure.

8 A. KOGAN: Mr. Pinto, we identify a forecasted
9 material and supplies inventory level in support of
10 DNNP facilities at Exhibit B3, Tab 5, Schedule 1,
11 Table 3, lines 19, 23, 27. Those are the values in
12 the proposed rate base in that regard.

13 K. PINTO: Thank you, Alex.

14 How is that critical inventory valued, or even
15 if there is analysis of operational importance, and
16 where is that reflected?

17 A. KOGAN: There is some responsive discussion
18 on the valuation at Exhibit B1, Tab 1, Schedule 1,
19 Section 3.2.4.

20 K. PINTO: Excellent. Thank you -- thank you,
21 Alex.

22 In the event of an unplanned loss of inventory,
23 is there any analysis on the record of operational or
24 cost impacts?

25 R. HOWARD: Mr. Pinto, in this evidence
26 provided, we do not have any information on loss of
27 inventory for our operational period.

28 K. PINTO: Okay. Thank you.

1 The -- and respecting -- respecting the
2 jurisdictional limits of responsibility as it relates
3 to DNNP and sort of without regard for actual
4 accountability ownership, if we took a sample of the
5 event that we referred to in IRRs around the Whitby
6 critical storage warehouse system, how are those
7 types of risks incorporated into planning assumptions
8 for regulated operations?

9 C. KEIZER: Sorry. Is there a particular IR you
10 are referring to?

11 K. PINTO: My interrogatory. So I am referring
12 back to the sample event related to the Whitby
13 warehouse.

14 A. KOGAN: Sure. Could you give us a number,
15 please.

16 K. PINTO: It is my interrogatory number -- bear
17 with me. Can I get Number 1, KP Number 1.

18 C. KEIZER: Just a moment. We will have that
19 brought up. Sorry, Mr. Pinto. Is there a particular
20 aspect of this IR that you are referencing?

21 K. PINTO: So what I am asking is that -- so we
22 covered the part about unplanned loss of inventory.
23 But what I am asking is how are those types of risks
24 incorporated into planning assumptions for regulated
25 operations?

26 C. KEIZER: I am not sure this relates directly
27 to DNNP, and it may be a question better suited for
28 the next panel, but --

1 K. PINTO: If your preference is I carry it over
2 -- I mean, I am interested in the implications as it
3 relates to DNNP. I mean, they would face potentially
4 similar types of risks.

5 R. HOWARD: So I would respond, Mr. Pinto, by
6 saying our risks would be common across our nuclear
7 fleet for our inventory management. There is nothing
8 unique to the operations and maintenance of this
9 facility that gives any high discrete risks for DNNP.

10 K. PINTO: Other than -- sorry. Just to
11 clarify, as a repeat-back, other than the fact that
12 we don't -- we don't have anything on the record as
13 far as analysis on the operational -- or cost
14 impacts, loss of that inventory; right?

15 R. HOWARD: Correct, not on the record.

16 K. PINTO: Okay. Thank you.

17 Okay. How does that -- actually, you know what,
18 that is not even necessary.

19 I will put the question in a way that is not --
20 would the Board typically expect to see that type of
21 information to assess operational risk and cost
22 exposure?

23 C. KEIZER: I don't think that is a question for
24 this panel, Mr. Pinto.

25 K. PINTO: Very well. Okay. I will keep that
26 over. Okay. Thank you. I appreciate the time of
27 the panel. That is all I have for today.

28 M. MILLAR: Thank you very much, Mr. Pinto.

1 Mr. Keizer, we are at about quarter to, and I
2 believe this is the end for this panel, unless there
3 is any -- there is no redirect in a technical
4 conference, so I think this panel is completed.
5 Thank you very much.

6 C. KEIZER: They are completed, yes.

7 M. MILLAR: Would you like to get your next
8 panel on, and we can produce them, and we could even
9 start with questioning, if that helps, or would you
10 prefer to take the lunch break?

11 C. KEIZER: I am in your hands. I mean --

12 M. MILLAR: I am happy to keep going, if that
13 works for everyone in the room.

14 Mr. Walker, are you there?

15 S. WALKER: I am, Mr. Millar.

16 M. MILLAR: You are prepared to go?

17 S. WALKER: Absolutely, yeah.

18 C. KEIZER: Well, if we take a couple minutes --

19 M. MILLAR: Okay. So let's take five minutes
20 just to --

21 C. KEIZER: -- to switch over.

22 M. MILLAR: -- switch over.

23 C. KEIZER: Perfect. Thank you very much.

24 M. MILLAR: And back in five.

25 --- Recess taken at 11:44 a.m.

26 --- Upon resuming at 11:50 a.m.

27 M. MILLAR: Welcome back, everyone. We have
28 Panel 4, who is joining us.

1 Mr. Keizer, would you like to introduce them?

2 C. KEIZER: Thank you, Mr. Millar. This is our
3 last panel, finance panel. Maybe if we can have each
4 member of the panel introduce themselves with their
5 name and their title, starting with the witness
6 closest to me.

7 **FINANCE PANEL APPEARANCES**

8 C. DOMJANCIC: Cynthia Domjancic, senior vice
9 president of human resources and chief ethics
10 officer.

11 A. KOGAN: Alex Kogan, senior vice president,
12 commercial integration and strategies with
13 accountabilities, including regulatory finance and
14 nuclear liabilities finance.

15 A. KWOK: Arthur Kwok, senior vice president and
16 treasurer.

17 M. KIRK: Matt Kirk, director of regulatory
18 affairs.

19 S. VISWANATHAN: Suneethi Viswanathan, director
20 of regulatory finance.

21 A. MELARANGO: Anthony Melaragno, vice
22 president, business planning and reporting.

23 C. KEIZER: We have no other preliminary
24 matters, so the Panel is now available for questions.
25 Mr. Walker.

26 M. MILLAR: Mr. Walker, just before you begin, I
27 have you down for about 45 minutes; is that about
28 correct?

1 S. WALKER: That is correct.

2 M. MILLAR: Okay. So we will look to break
3 around 12:30. If you are almost done then, then we
4 can probably go a few minutes over. But just be
5 mindful of -- be mindful of that, please.

6 S. WALKER: I will, absolutely. I don't want to
7 leave the panel without a full tummy.

8 **EXAMINATION BY S. WALKER:**

9 S. WALKER: So good morning, Panel. My name is
10 Scott Walker, and I am the university -- Ontario
11 university and college consultant in this proceeding.
12 I will skip the preamble for everyone's benefit, but
13 I will thank you, Panel 4, for being here and for the
14 answers that you have already -- you and your team
15 have already provided to our interrogatories and for
16 your indulgence today with our additional questions.

17 I expect that you are going to have a very
18 challenging day or two or three ahead of you, so
19 being first on the docket, I will try to start with a
20 softball question or two to get you eased into it.
21 So for the next 45 minutes or at least 40 minutes, I
22 will be your cruise director. I would ask that you
23 please buckle your seatbelts and ensure that your
24 table trays are in their upright and locked
25 positions.

26 And while you are doing that, can I please ask
27 that L, C2-OAPPA-01 be brought up on the screen and
28 that we go to the last sentence of the third page of

1 the response, starting on line 12. And, Panel, my
2 style has been to give a little bit of preamble, a
3 little preface to my questions, so you understand
4 what the relevance and the importance of these -- my
5 questions are and to help better inform your
6 responses, I hope.

7 So this particular response relates to the
8 anticipated cost for nuclear waste management of the
9 Darlington New Nuclear plant, for which no evidence
10 has been filed, as you explained in parts A and B of
11 this IRR, and as in response to other IRs. We did
12 hear this morning from Panel Number 3 that the SMR
13 dry waste facility's location had not yet been
14 decided upon.

15 So my first question is can you confirm that,
16 currently, there are no dry waste storage facilities
17 for any of Ontario's nuclear waste?

18 A. KOGAN: While not my direct area of
19 expertise, that is not correct.

20 S. WALKER: Ah. Where would the other dry
21 storage facilities be located?

22 A. KOGAN: There are interim dry storage
23 facilities located at the Pickering site, the
24 Darlington site, and the Bruce site.

25 S. WALKER: Thank you, Mr. Kogan. I actually
26 learned something. I appreciate that.

27 Can you confirm the ONFA, including costing and
28 consideration for the long-term dry storage

1 management of the existing waste?

2 A. KOGAN: The Ontario Nuclear Funds Agreement
3 or ONFA does have in its scope the cost and
4 liabilities in relation to the long-term
5 storage/management of used nuclear fuel arising from
6 the in-scope facilities.

7 S. WALKER: Thank you.

8 Can we reasonably assume that your line 12
9 statement here encompasses all components, including
10 the dry storage costs as referenced here relative to
11 Bruce?

12 A. KOGAN: Just to clarify, Mr. Walker. You
13 referenced Bruce in the statement there. Did you
14 mean that, or did you mean the DNNP?

15 S. WALKER: I did. In your response there on
16 the last line, you reference that the anticipated
17 nuclear storage liability cost will be lower than
18 those in respect of the Bruce facilities. Specific
19 to the Darlington New Nuclear Project program,
20 correct. Hope that helps.

21 A. KOGAN: To clarify, the last statement on
22 page 3 of C2-OAPPA-1, was included from a overall
23 order of magnitude perspective in terms of the
24 revenue requirement impacts arising from the nuclear
25 liability costs. It was not intended to be
26 compartmentalized into various aspects of those
27 costs. It was an overarching statement.

28 S. WALKER: Yeah. Thank you, Mr. Kogan. And I

1 don't mean to make you regret having provided that
2 reference; however, I am trying to get a little bit
3 of perspective on it.

4 So when you reference Bruce here within the
5 context -- is that within the context of Bruce entire
6 facilities' waste, or were you kind of referencing it
7 with regards to the nuclear waste from just one of
8 its reactors?

9 You will see where I am going here. Is the SMR
10 cost of nuclear waste going to cost as much as the
11 entire Bruce nuclear facility waste management, or is
12 it some apportionment thereof?

13 A. KOGAN: So a few things in response, Mr.
14 Walker.

15 First, for clarity, what that statement was
16 referencing is specifically figures at Exhibit C2,
17 Tab 1, Schedule 1, Table 1, line 17, which is the
18 revenue requirement impact of nuclear liabilities
19 cost for the Bruce facilities.

20 The second point in response would be that that
21 encompasses all Bruce operating reactors.

22 And, third, just to be clear, again, it was
23 included as a point of reference based on the state
24 of information and knowledge that exists today around
25 the ongoing process to comprehensively estimate the
26 cost associated with DNNP nuclear liabilities. It
27 was an information item based on what is available at
28 this time.

1 S. WALKER: Fair enough. I respect that answer.
2 Could we maybe blow that table up a little bit,
3 please. Okay. Under -- so which of -- oh. Can we
4 go back a little bit to the left? All right.

5 So I am seeing under the "Bruce facilities"
6 category, which of lines 9 to 14 would we kind of
7 need to consider in comparison to our rough order of
8 magnitude comparison to the Darlington Nuclear
9 program? New?

10 A. KOGAN: As I stated earlier, that contextual
11 statement was an overall statement and, therefore,
12 was in reference to line 17, which is the aggregate.

13 S. WALKER: Ah, okay. Thank you. Inclusive of
14 the income tax impact?

15 A. KOGAN: Yes, that follows.

16 S. WALKER: Okay. Thank you. All right. So,
17 sorry, I know it sounds like I am trying to pin you
18 down here but...

19 My final question on this IR is that -- can you
20 kind of confirm that these comparative Bruce totals
21 should represent, more or less, the maximum upset
22 limit in our back-of-the-napkin estimations.

23 C. KEIZER: I will just intervene there for a
24 moment. As I understand the IR response, it is
25 indicating that the nuclear waste is not included in
26 this rate period and that that bottom statement was a
27 contextual statement overall, but it doesn't
28 necessarily drive to the rate request that is

1 currently before the Board. So I think other than
2 that, it is -- there is no other weight or
3 materiality that you can necessarily put on that
4 statement relative to what we are actually asking for
5 in this application.

6 S. WALKER: Fair. I respect that, Mr. Keizer.
7 It is just that eye to the future kind of perspective
8 I was looking for.

9 Okay. Can I ask that L, F2-OAPPA-13 be brought
10 up on the screen, please. And, again, I would like
11 to thank you for your answers to this IRR which was
12 mostly themed on issues related to the supply and
13 price risks of a new non-sovereign, non -- you know,
14 foreign-supplied nuclear fuel type as is needed to
15 fuel the SMR. And I believe I got most of it, but
16 there is still a little bit left for me to unpack
17 here.

18 So in your response to A, if you can go to page
19 2 and start at line 10, you did reference a very
20 helpful piece of evidence, Exhibit C1-1-1, Attachment
21 3. Thank you. It provided a really good overview of
22 the fuel supply chain issues and potential risks.
23 And I have to confess to having skipped it my first
24 few times reading through the evidence. And there is
25 no need to bring it up necessarily except as the
26 witnesses may or may not want to reference it
27 specifically.

28 But can I ask you -- can I ask you to please

1 confirm that the expert author of that attachment,
2 Mr. Cliff Inskip, had written this from an investment
3 finance perspective and provided his risk assessment
4 from the viewpoint of a potential bond investor
5 rather than from the viewpoint of ratepayer?

6 C. KEIZER: I am not sure that we can put
7 ourselves in the mind of Mr. Inskip, but the extent
8 to which information was provided to the Board or
9 evidence was provided to the Board in respect of the
10 capital structure and the ability to raise debt.

11 S. WALKER: Right. And so the -- it was offered
12 in evidence as the basis for underpinning the
13 financial liability and bond -- ability to secure
14 bonds to finance this particular project. I guess
15 that is [indiscernible]. So he was -- he looked at
16 it from the potential risk associated with a bond
17 investor; fair statement?

18 C. KEIZER: I mean, you can read the report for
19 yourself and reach that conclusion. I am not sure
20 that you need the Panel to confirm it.

21 S. WALKER: So no comment from the Panel?

22 C. KEIZER: No comment from the Panel.

23 S. WALKER: Okay. Just referencing what we are
24 seeing on the screen here, your answer to B and C on
25 page C -- page 2, rather, starting on line 16
26 confirms a reliance on CUSMA, the Canada-U.S.-Mexico
27 trade agreement, to protect the current supply change
28 arrangements.

1 Subject to check, can you confirm that you
2 expect the trade agreement protection to continue
3 through until at least 2036, which is for no less
4 than the first six years of operation of the first
5 SMR?

6 C. KEIZER: I think with respect to this rate
7 period, we are concerned about the operation from the
8 point of in-service to the end of the rate period. I
9 don't think they should speculate on geopolitical
10 questions that extend to 2036 because it doesn't
11 apply to the rate period in question.

12 S. WALKER: Okay. I will concede that.

13 Your answer to part C, which starts here in line
14 30, was an address to the transportation requirements
15 for the enriched fuel supply. So other than OPG's
16 responsibility for obtaining the CSNC import license,
17 can you refer -- can you please confirm that all
18 responsibilities and liabilities for the fuel
19 delivery to the Darlington plant are those of the
20 fuel suppliers and not actually OPG's? Again, during
21 the IR term, Mr. Keizer.

22 A. KOGAN: So, Mr. Walker, while we are pleased
23 that you found the reference material helpful, we are
24 not in a position as this panel to respond to these
25 questions. It is my recollection that this
26 interrogatory may have been tagged to the previous
27 panel in accountabilities chart, but we are not able
28 to speak to the technical details, unfortunately.

1 S. WALKER: Ah, okay. Fair enough, Mr. Kogan.
2 I apologize for extending my expectations here. All
3 right.

4 So in your answer to E, you identify that all
5 price risk will be assumed by OPG during the IR term
6 to 2031. Can you confirm if you see the potential
7 dismantling of an international trade agreement such
8 as CUSMA sufficient to trigger to change the law
9 deferral account conditions as you described?

10 A. KOGAN: First, a point of clarity, Mr.
11 Walker. You said that OPG assumes the risk. "Party"
12 refers to the applicants, but more specifically, it
13 would be actually DNNP LP that would be assuming that
14 risk, not OPG in this regard.

15 With respect to your particular question whether
16 it would consider a change in a major international
17 trade agreement to be in scope with the change of law
18 of deferral account, that is something that we would
19 need to reflect on.

20 S. WALKER: Is it worthy of an undertaking?

21 C. KEIZER: That is fine.

22 M. MILLAR: It is JT-4.10.

23 **UNDERTAKING JT-4.10: CONFIRM WHETHER THE**
24 **POTENTIAL DISMANTLING OF AN INTERNATIONAL TRADE**
25 **AGREEMENT SUCH AS CUSMA WOULD BE SUFFICIENT TO**
26 **TRIGGER TO CHANGE THE LAW DEFERRAL ACCOUNT**
27 **CONDITIONS AS DESCRIBED**

28 S. WALKER: So as prefaced here in your answer

1 to E, could I ask to bring up L, F2-OAPPA-14.

2 Oh, sorry, sorry. Actually, before we go there,
3 could I please have L, D4-OAPPA-09 brought up. Okay.

4 If you refer to line 24 in your response, you
5 confirm that the fuel -- the expected fuel cost of
6 the SMR is \$11.57 per megawatt hour in 2024 dollars.
7 Subject to check, can you please confirm that this is
8 approximately two-and-a-half times the cost per
9 megawatt hour of fuel for the CANDU reactor also in
10 2024.

11 A. KOGAN: We can confirm that this figure of
12 11.57, which is a average estimate and, therefore,
13 subject to all the underpinning assumptions, would be
14 approximately in the order of magnitude of double the
15 fuel expense per megawatt hour for the CANDU
16 facilities, again, based on the information and
17 assumptions that is contained in Exhibit F2-5-1.

18 S. WALKER: Thank you.

19 Can we now bring up Exhibit F2, Tab 5, Schedule
20 2, Table 1C, please. Yeah, that is the one.

21 If we are looking at line 6, we see that the
22 expected fuel cost in 2030 is now 14.44 per megawatt.
23 Is it fair to suggest that the difference between the
24 2024 reference price that we just discussed and this
25 2030 price is strictly inflationary?

26 A. KOGAN: No, Mr. Walker, we are not in a
27 position to confirm that. There may be additional
28 factors driving a difference. The fuel costing is

1 very complex for the SMR, and, my understanding, may
2 not be uniform over its entire life given how the
3 reactor operates. And that is sort of beyond the
4 technical expertise of this Panel, so we are not
5 comfortable confirming that that is the sole reason,
6 taking into account that this is the -- you know, the
7 -- sort of the starting years of the operation as
8 compared to a lifetime average, which is what the
9 other figure was in reference to.

10 S. WALKER: Yeah, fair enough, Mr. Kogan. Thank
11 you.

12 So you are probably not able to speak to what
13 other cost items might be included in that, then?
14 Cost contributing factors?

15 A. KOGAN: You could try us, but there are
16 limitations.

17 S. WALKER: Okay. Fair enough.

18 In line 5 here, it references total SMR fuel
19 assembly cost. What is the relevance of including
20 assembly in the description?

21 A. KOGAN: My understanding, that is the manner
22 in which fuel comes for this reactor. It is called a
23 fuel assembly.

24 S. WALKER: So it would include sort of all
25 aspects of the enrichment uranium fuel processes and
26 the whole gasification and the pelletizing of these
27 units; that is fundamentally maybe what would
28 characterize that line?

1 A. KOGAN: I cannot speak to some of those
2 particular terms, but we have a fulsome description
3 in Exhibit F2-5-1 of the SMR fuel supply chain and
4 the contributing components that lead up to the
5 completed fuel assembly.

6 S. WALKER: Pretty complex.

7 Have you hedged any portion of the SMR fuel or
8 fuel assembly costs for 2030 or 2031?

9 A. KOGAN: Unfortunately, we don't have anyone
10 here who can speak to the details of the SMR fuel
11 procurement strategy besides what is in the prefiled
12 evidence, Mr. Walker.

13 S. WALKER: Okay. Would you be prepared to take
14 it as an undertaking to determine the hedged
15 portions, if any, of the enriched fuel?

16 A. KOGAN: Yes, we could undertake to provide a
17 response around the extent to which various
18 components may be hedged, so the SMR fuel, in respect
19 of the -- this IR term.

20 S. WALKER: Okay.

21 M. MILLAR: That is JT-4.11.

22 **UNDERTAKING JT-4.11: ADVISE WHETHER OPG HEDGED**
23 **ANY PORTION OF THE SMR FUEL OR FUEL ASSEMBLY**
24 **COSTS FOR 2030 OR 2031**

25 S. WALKER: I don't know whether you need to
26 pull the table back up again, but what happens if the
27 fuel assembly cost in line 5 is different than what
28 you are actually suggesting here? Is there some type

1 of a variance account?

2 M. KIRK: Mr. Walker, there is not a specific
3 fuel variance account to address those, any
4 difference in cost.

5 S. WALKER: Okay. Sorry. The reason I asked
6 the question is that if you return to L, F2-OAPPA-13
7 and reference your response to part E, you are
8 stating that OPG or -- assumes all of the risk
9 associated with price. I just wanted to confirm that
10 to be the case.

11 A. KOGAN: Yes. We can confirm that the
12 response in F2-OAPPA-14 is accurate, including the
13 fact that there is not a nuclear fuel cost variance
14 account currently in place for the applicants or
15 request that in this application, having considered
16 the OEB's decision in EB-2010-008 that discontinued
17 such an account that had been in existence.

18 S. WALKER: Is this -- sorry. This is F2-OAPPA-
19 14; correct? Okay. Thank you. I mean, this IR was
20 primarily concerned with the additional ratepayer
21 cost burden associated with a prescriptive rather
22 than a risk-responsive approach to hedging your fuel
23 requirements. Can I please -- sorry. Give me just a
24 quick second here -- draw your attention to the
25 response on line 31 where you reference Exhibit F2-5-
26 1, Section 4.2.

27 So one of the questions that I had around this
28 was is it fair to characterize the evidence you are

1 providing here as referencing principally --
2 principally applying to the CANDU-required fuel, or
3 is it a unilateral "this is how we are approaching
4 the nuclear fuel procurement process"?

5 A. KWOK: Mr. Walker, could you please repeat
6 your question.

7 S. WALKER: Okay. Fair enough.

8 First part, leave it at that. Is it fair to
9 characterize the evidence you are referencing here in
10 4.2 as principally applying to the approach for
11 CANDU-required fuel?

12 A. KWOK: So I will refer you to also Section
13 6.2 of the same document. We do state in line 16
14 that OPG will follow its existing uranium procurement
15 program discussed in Section 4.2 above to ensure an
16 adequate supply of uranium is available to meet the
17 operational requirements of the DNNP facilities.

18 S. WALKER: Thank you. I missed that. Perfect.
19 Okay.

20 So you are proposing the same procurement
21 methodology, which it means the hedge railing
22 methodology you described as being bounded by the 45
23 and 65 percent tolerances?

24 A. KWOK: So, Mr. Walker, when -- with respect
25 to your question, we manage fuel on -- in terms of
26 the risk there that you quoted on a consolidated
27 basis.

28 S. WALKER: Organizationally speaking?

1 A. KWOK: That is correct.

2 S. WALKER: Okay. Understood. Okay.

3 And just to be clear, when we are talking about
4 hedging or price fixing the fuel, we are talking
5 about price fixing the U-238 and not some other
6 uranium derivative; correct?

7 A. KOGAN: Could you try to reframe the
8 question, Mr. Walker, to help us?

9 S. WALKER: Like hog futures or gold or oil,
10 there is various derivatives around that. Are you
11 speaking about Uranium-238 specifically, or what is
12 the actual price against what you are fixing? I
13 understand there is derivatives, particularly with
14 the enriched fuel, that come out of that process.

15 A. KWOK: Mr. Walker, we do not transact
16 derivatives, as you speak of. We purchase, on a
17 forward basis, contracts from uranium producers.

18 S. WALKER: Okay. Thank you.

19 So -- so -- so that doesn't answer my next
20 question, which is -- so the uranium forward market,
21 it is not exchange-based; it is actually an over-the-
22 counter market?

23 A. KWOK: That is correct.

24 S. WALKER: So you are otherwise not enabled
25 with other third parties or financial institutions to
26 offload any of the price risk?

27 A. KWOK: Not at this time, Mr. Walker.

28 S. WALKER: Okay. Fair to say that those hedge

1 contracts are not ISDE-based but are very vendor-
2 specific?

3 A. KWOK: Mr. Walker, I am not a hundred percent
4 certain. We can confirm at the break for you.

5 S. WALKER: Okay. That would be awesome. Thank
6 you.

7 The parallel for me would be the over-the-
8 counter market of natural gas in Canada, and it is a
9 gas EDI base, so there is an industry standard for
10 that, versus if you are contracting for power of
11 electricity in the province of Alberta, you have
12 vendor-specific contracts. So that is kind of where
13 I am trying to get my understanding of the agreements
14 that are underpinning those price fixing
15 arrangements.

16 Sorry. Let me get to my next question. When
17 will you transact your first fixed price hedge for
18 the enriched SMR fuel? I will accept an undertaking.

19 A. KOGAN: Can we just check that at the break -
20 - at the break as well? I know it is somewhere here,
21 Mr. Walker. There is a number of undertakings. We
22 just have to find the right chart.

23 S. WALKER: Okay. Yeah, not a problem. Thank
24 you, Mr. Kogan.

25 A. KOGAN: Thank you.

26 S. WALKER: Can we please go back to L, F2-
27 OAPPA-14, please.

28 Mr. Millar, I should be done inside the

1 next ten minutes. Do I have license to continue?

2 M. MILLAR: Yeah, if you can finish in ten
3 minutes, we will allow it.

4 S. WALKER: Thank you.

5 Okay. If we consider your response starting in
6 line 35, and you -- we have just been chatting about
7 some of the governance and practices and protocols
8 that you engage for price fixing -- that sounds wrong
9 -- fixing your price for the fuel. Is a variance
10 account actually a necessary prerequisite for
11 changing your current hedging practices? So if you
12 remember the context from which this is -- this
13 question is being asked, hedging costs money, and so
14 the less hedging that is done over the longer term,
15 the lower the fuel cost, the lower the consequences
16 to ratepayers. So do you actually need a variance
17 account to amend how it is that you are currently
18 hedging your fuel?

19 A. KOGAN: Mr. Walker, I think that there is a
20 lot tied into that question. First, just to make the
21 point, we do believe that we have an appropriate and
22 prudent strategy for managing nuclear fuel costs,
23 including the uranium concentrate in particular, as
24 laid out in the evidence at Exhibit F2, Tab 5,
25 Schedule 1. We have not turned our minds
26 specifically to how that strategy could, would, if at
27 all, evolve in the presence of a variance account,
28 among other things. Speaking here today, it would

1 probably depend on the terms of that variance
2 account, is there a prudence review attached to that
3 account? So it is a pretty involved question, I
4 think.

5 S. WALKER: Yeah, yeah. No, I respect that.

6 Maybe relatedly, but from OPG's perspective, can
7 you characterize the reasons why the variance account
8 was disallowed in the EB-2010-008 case?

9 C. KEIZER: I think the reference is there, Mr.
10 Walker, in the IR. It is very plain, and it is
11 clear, so I don't think it needs to be clarified at a
12 technical conference.

13 S. WALKER: Fair enough.

14 I guess I was just hoping for a bit of an open-
15 mindedness in terms of how the company might better
16 take a risk-responsive approach to hedging as opposed
17 to a very prescriptive, which can prove to be long-
18 term expensive. I guess I was trying to lay the
19 groundwork for the coming settlement conference and
20 to potentially keep an open mind as to what OPG might
21 need to enable a change in its current policies.

22 C. KEIZER: It is always good to be open-minded,
23 and we will certainly have to see how that transpires
24 at the settlement conference.

25 S. WALKER: Fair enough, Mr. Keizer.

26 I believe, Mr. Millar, those are the end of my
27 questions. I thank you. I thank the Panel, thank
28 Mr. Keizer. And I apologize for getting in the way

1 of everybody's lunch.

2 M. MILLAR: Thank you very much, Mr. Walker.

3 We will break for lunch, so we will come back at
4 1:35. I do remind parties, at some point we need to
5 discuss the second technical conference, what -- if
6 that will even be needed or how we will schedule it,
7 so keep that in mind. I think we have a lot of the
8 players here today, so maybe we can find a few
9 moments over lunch to at least start the discussions
10 on the discussions. But with that, we will break and
11 return in an hour. And I think Staff is up next.

12 --- Recess taken at 12:34 p.m.

13 --- Upon resuming at 1:36 p.m.

14 M. MILLAR: Good afternoon, everyone. We are
15 going to get started with Staff's questions of Panel
16 4 in just a moment.

17 Just an admin-type note, the folks who were here
18 in the room did have a bit of a conversation about
19 the second technical conference, the one that will be
20 for experts that was discussed in the Board's PO
21 Number 6, I think it was. And at least with the
22 people in the room, what it looks like is people will
23 have questions of LEI and Concentric from the
24 Applicants, and just on a rough time schedule, it
25 looked like maybe half a day or something like that,
26 without tying anyone to estimates.

27 So for people who are not here in the room and
28 may have views about that, about what experts they

1 may wish to speak with and how much time they want, I
2 don't think I need to hear you say it right now
3 unless you really need to get it off your chest.
4 Maybe you could either e-mail some of us in the room
5 or let us know otherwise how you would like that to
6 play out.

7 The other question is about the Staff experts
8 who we will make available if people want to ask
9 questions of them. We do appreciate that you don't
10 have the interrogatory responses yet from them, so it
11 is a little bit difficult to tell. But if you know
12 for sure you won't want them, for example, or for
13 sure you will want them, though that would be hard to
14 say, I think, without seeing their interrogatory
15 responses, any information you can provide us about
16 that would be helpful as well.

17 And then I think tomorrow the intention is we
18 will say something on the record about the scheduling
19 and which experts will be required. You will recall
20 that in the procedural order, the OEB asked us to do
21 that on the transcript so they can review it that
22 way.

23 And just one other final thing, I think the view
24 of the people at least in the room was it would be
25 best to do this session entirely virtually, largely
26 because all of the experts are outside of the
27 country, and it does not seem efficient to bring them
28 to Toronto, especially if we are talking half a day

1 or something like that. So if anyone has a strong
2 opinion that it has to be hybrid, I don't think there
3 is any scenario where it is all in person. But if
4 you really, really, really want it hybrid for some
5 reason, maybe you can let us know that as well.

6 So with that, Mr. Keizer, are there any other
7 matters we should deal with before we get back to the
8 questions?

9 C. KEIZER: I just think we have two follow-ups
10 from the break --

11 M. MILLAR: Oh, yes, of course, Mr. Walker.

12 C. KEIZER: -- the break this morning, so for
13 Mr. Walker. So maybe Ms. Zadeh can...

14 S. ZADEH: Apologies. The first item was in
15 relation to applicability of -- ISDAs so I will turn
16 it over to Mr. Kwok for that --

17 A. KWOK: Yes. Mr. Walker, the contracts are
18 not ISDA contracts.

19 S. ZADEH: And then I believe the second
20 question was, when will we execute the first hedge
21 contract in relation to the DNNP? I believe that was
22 the question, and Mr. Kogan has the response to that.

23 A. KOGAN: Mr. Walker, as shown at Exhibit B1,
24 Tab 1, Schedule 1, Chart 2, the first transaction in
25 respect of DNNP fuel, which would be in respect of
26 uranium hexafluoride, is expected in 2026.

27 S. WALKER: So this year, Mr. Kogan?

28 A. KOGAN: That is correct.

1 S. WALKER: Okay. Awesome. All right. Well,
2 thank you very much.

3 M. MILLAR: Thank you, Mr. Walker.
4 Mr. Cincar, over to you.

5 **EXAMINATION BY C. CINCAR:**

6 C. CINCAR: I will begin with a few questions
7 about the nuclear business interruption insurance,
8 and I will be referring to two interrogatory
9 responses, primarily F4-CCC-094 and also F4-Staff-
10 237. OPG's response to F4-CCC-094 refers to a
11 waiting period of about four months. Staff is
12 requesting confirmation that if one of the eligible
13 events happens and OPG was able to resume operations
14 in about three months, then OPG would not benefit in
15 any way from this interruption insurance package in
16 terms of mitigating the impact?

17 A. KWOK: Mr. Cincar, there is no benefit.

18 C. CINCAR: Okay. Thank you.

19 And the same interrogatory response refers to an
20 indemnity period, but it did not discuss the length
21 of time for that indemnity period. OEB Staff's
22 understanding is it can range significantly from 12
23 months to 36 months. How long is the period for the
24 nuclear business interruption insurance under the
25 policy that OPG has based the costs in the
26 application on?

27 A. KWOK: Hi, Mr. Cincar. The terms of the
28 insurance haven't been fully executed, and as such,

1 we will need to take that to -- as an undertaking to
2 get back to you on it.

3 C. CINCAR: Okay. Thank you.

4 M. MILLAR: So we will mark that as JT-4.12.

5 **UNDERTAKING JT-4.12: ADVISE OF THE LENGTH OF**
6 **THE PERIOD FOR THE NUCLEAR BUSINESS INTERRUPTION**
7 **INSURANCE UNDER THE POLICY THAT OPG HAS BASED**
8 **THE COSTS IN THE APPLICATION ON**

9 C. CINCAR: And under a scenario where the
10 insurance company did mitigate the impact on OPG's
11 earnings, I just want to clarify that coverage ceases
12 to apply at the end of the indemnity period?

13 A. KWOK: Mr. Cincar, when you -- can you please
14 clarify your question? Are you asking about if the
15 outage lasts beyond the indemnity period?

16 C. CINCAR: Yeah, yeah. If it goes beyond, does
17 the coverage cease at the end of the indemnity
18 period?

19 A. KWOK: Yes. There would be no further
20 insurance payouts following the indemnity period.

21 C. CINCAR: Okay. Thank you.

22 And at the end of the response at the
23 interrogatory, it refers to Nuclear Island for
24 coverage purposes and discusses how it is defined.
25 And it seems to be saying control for -- control
26 rooms are included and the change room -- no. The
27 control rooms are not included, change rooms are
28 included in the coverage. Does that mean the

1 business interruption insurance would be triggered if
2 there was a fire in the change room at Darlington,
3 but it would not be triggered if the fire was in
4 Darlington control room?

5 A. KWOK: That is what the evidence says, yes.

6 C. CINCAR: Can you explain why that would be
7 the case given the importance of a control room? I
8 am just trying to figure out how this insurance
9 works.

10 A. KWOK: So the nuclear coverage or the nuclear
11 property insurance that has the business interruption
12 coverage refers to coverage for areas that have some
13 degree of radioactive contamination, and so the
14 coverage for the elements listed here in lines 21 to
15 29, those specific pieces of property do have
16 radioactive -- some measure of radioactivity
17 possible. The control room, to my understanding, is
18 not within that zone.

19 C. CINCAR: Okay. I understand.

20 A. KWOK: It would be covered within the
21 conventional property policy.

22 C. CINCAR: Okay. Thank you. I understand now.

23 In response to F4-Staff-237, OPG noted:

24 "Based on the advice from our broker, OPG
25 understands that other nuclear power generators
26 in Canada specifically purchase nuclear
27 business interruption coverage." [as read]

28 Can you please clarify who those other nuclear

1 power generators are.

2 C. KEIZER: Can we just let the IR come up on
3 the screen? Just...

4 C. CINCAR: It is in C.

5 A. KWOK: Hi, Mr. Cincar. With respect to these
6 other nuclear companies, our broker Marsh was not at
7 liberty to tell us because of confidentiality
8 agreements with their clients.

9 C. CINCAR: Okay. OEB Staff reviewed the
10 website of the Canadian Nuclear Safety Commission,
11 and there are only two other nuclear generators in
12 Canada, facilities in operation, Bruce Power and New
13 Brunswick, so I guess if they are referring to
14 multiple generators, that must be -- it must be them.

15 My next question. If the OEB approved the cost
16 related to the business interruption insurance, does
17 OPG believe a Z-Factor application would still be
18 appropriate where an eligible event triggered the
19 business interruption coverage and the insurance
20 company provided funds?

21 M. KIRK: Yes, Mr. Cincar. OPG's and DNNP's,
22 the Applicants together, our proposals within Exhibit
23 A1-3-2, Section 4.3 with respect to unforeseen events
24 would not change on this basis. Any impacts that you
25 are speaking to would be discussed on a case-by-case
26 basis.

27 C. CINCAR: I am not certain what -- so a Z-
28 Factor application would still be appropriate, are

1 you saying?

2 M. KIRK: I am saying it would be handled on a
3 case-by-case basis. Typically, OPG has used
4 accounting order applications in the past for
5 material events. And in Section 4.3 of A1-3-2, we
6 are proposing to continue with that mechanism.

7 C. CINCAR: Okay. Thank you.

8 How would you see that playing out from a
9 practical perspective where the insurance company's
10 paying OPG -- pays OPG and OPG also submits an
11 application to mitigate the impacts related to the
12 same event?

13 M. KIRK: Again, it would depend on the
14 scenario, but OPG would not be asking to be
15 compensated two times, as I think you are implying.

16 C. CINCAR: No, I wasn't implying that. I am
17 just trying to figure out how it would work.

18 Okay. I will move on to my next set of
19 questions which relate to the asset service fee, and
20 the primary focus is on SEC's response to an SEC
21 interrogatory, F3-SEC-181.

22 Okay. OPG noted in F3-SEC-181 that for asset
23 service fees, the dominant use approach has been
24 consistently applied in all OPG payment amount
25 proceedings beginning with EB-2013-0321. OPG
26 explained, under that approach, if 90 percent or more
27 of the beneficial use of a joint-use asset relates to
28 a particular business, related assets and costs are

1 fully attributed to that business. OEB Staff,
2 therefore, reviewed the EB-2013-0321 decision and
3 said -- it just said no submissions were filed on
4 that matter; therefore, we reviewed the initial EB-
5 2007-0905 decision, and the asset service fee has
6 been in place since it was approved in that
7 proceeding when the OEB first began to regulate OPG.
8 There is also no discussion of it in that decision.

9 If the dominant use approach began with EB-2013-
10 0321 as noted in F, the response to 3-SEC-181, can
11 you please explain what approach was used by OPG for
12 their asset service fee before 2013, EB-2013-0321?

13 A. MELARANGO: The asset service fee we are
14 talking about here with relation to joint use
15 hydroelectric assets was not applicable prior to EB-
16 2013. It was an EB-2013 when we regulated the
17 additional 48 hydroelectric facilities which had
18 common facilities and infrastructure, such as control
19 dams, service centres, that we then needed to
20 attribute across the fleet.

21 C. CINCAR: What was the asset service fee
22 applied to when it was first approved prior to that
23 proceeding?

24 A. MELARANGO: So just to clarify, we -- this is
25 specifically relating the hydroelectric joint-use
26 asset service fee. We did not have that in -- prior
27 to EB-2013. We did have asset service fees related
28 to CIO assets and real estate assets like we do

1 today. It was just -- this response is just in
2 relation to the hydroelectric --

3 C. CINCAR: Oh, thank you. Thank you for
4 clarifying. Thank you.

5 OEB Staff has been unable to find any discussion
6 of the 90 percent threshold in any of the OEB
7 decisions. Can OPG please explain how the threshold
8 was determined to be appropriate for cost allocation
9 purposes? For example, why 90 percent, and not 95
10 percent?

11 A. KOGAN: So, Mr. Cincar, we were just putting
12 our heads together to see if we have recollection
13 dating back what is now probably 13 years ago when
14 this was originally established. What we are able to
15 recall is that this approach was found to be
16 reasonable by the cost allocation independent expert
17 at the time that we had in EB-2013. And since then,
18 every cost allocation review that has taken place in
19 a review of OPG's cost allocation methodology has
20 agreed that this -- it is reasonable to continue this
21 approach inclusive of the 90 percent threshold.

22 C. CINCAR: Okay. Thank you.

23 Does OPG have any cases where an OPG-regulated
24 business and an unregulated business share a joint-
25 use asset and unregulated business is the dominant
26 user?

27 A. MELARANGO: To our understanding, there are
28 none.

1 C. CINCAR: Okay. Thank you.

2 Certain terminology OPG uses triggered a final
3 question. That terminology is "beneficial use."
4 When the OEB issued its renewed regulatory framework
5 for electricity, or RFE, report in 2012, the OEB
6 began its shift away from cost causality to place
7 greater emphasis on the beneficiary pays principle.

8 Within that context, has OPG ever considered
9 approach for the asset service fee based exclusivity
10 on proportional use of the asset to allocate the cost
11 to reflect beneficial use? In other words, no use of
12 a dominant use threshold? For example, if the OPG
13 business used an asset 11 percent, they would pay 11
14 percent, and if that same OPG business used it 5
15 percent the following year, they would pay 5 percent
16 rather than the 0 percent under the current approach?

17 A. KOGAN: No, we have not considered an
18 alternative to the methodology of the dominant use
19 test as laid out in F3-SEC-181 and our prefiled
20 evidence. And for the reasons set out here, we
21 believe it is reasonable and appropriate to continue
22 with this approach, including, I would note, overall
23 materiality of the amounts involved.

24 C. CINCAR: Okay. So the -- is the sole reason
25 that the beneficiary pays principle should cease to
26 apply at a certain threshold is related to
27 materiality?

28 A. KOGAN: No, I didn't say that was the sole

1 reason. I said including consideration of
2 materiality.

3 C. CINCAR: Okay. I think that is my final
4 question. Thank you for answering my questions.

5 M. MILLAR: Thank you, Mr. Cincar.

6 Ms. O'Connell, I think you are up next.

7 **EXAMINATION BY F. O'CONNELL:**

8 F. O'CONNELL: Hello. I am Fiona O'Connell,
9 senior advisor, OEB Staff. If you could please turn
10 to Staff H1-263. So scroll down, please. Yes, page
11 2 of 3.

12 So OPG noted that in December 2025, the Ontario
13 Securities Commission issued its final decision
14 allowing them an exemption and enabling them to
15 continue to file its financial statements using U.S.
16 GAAP. That would be as opposed to IFRS.

17 In lines 27 to 29 on that page, the OEB noted
18 that if the ISDE publishes the final mandatory
19 regulated standard in 2026 as expected, the above
20 terms noted in its response would result in the
21 termination -- the OSC exemption terminating
22 effective January 1, 2031.

23 OEB Staff notes that the mandatory rate-
24 regulated standard, IFRS 20, was published last week,
25 specifically on May 27th. And that allows for annual
26 reporting periods under IFRS beginning after January
27 1, 2029, with early adoption permitted.

28 My question is -- is that given that the final

1 mandatory rate-regulated standard was published last
2 week, can OPG confirm that the OSC exemption would
3 terminate effective January 1, 2031?

4 A. KOGAN: That is correct.

5 F. O'CONNELL: Thank you.

6 If you could go to H1-Staff-263, please. So in
7 part B, OPG noted that DNNP's financial reporting is
8 expected to be in accordance with the same accounting
9 standards as used by OPG.

10 As per part C of this response, OPG is not
11 currently planning for adoption of IFRS for
12 continuous disclosure purposes. This is because it
13 is planning to register with the SEC. So in part C,
14 essentially, OPG said that they do not -- that the
15 Applicants do not anticipate that either the OPG or
16 DNNP will transition from U.S. GAAP to IFRS for
17 financial statement purposes before the end of this
18 current payment term.

19 If you could turn to Exhibit Staff -- C1-Staff-
20 034. So if you go to page 2, on line 6 to 7, OPG
21 stated that it is planning to establish the ability
22 to issue SEC-registered bonds during the IR term.
23 OPG stated that registering with the SEC would not
24 prohibit it from moving to -- from -- moving to IFRS
25 from U.S. GAAP or from -- or from moving from IFRS in
26 the future.

27 On line 28 of that page, OPG stated that once it
28 becomes an SEC registrant, OPG plans to continue

1 using U.S. GAAP for financial statement purposes and
2 not move to IFRS.

3 So I have a couple questions regarding this.
4 When is the expected date of OPG becoming an SEC-
5 registered issuer as well as the associated effective
6 date of being able to report under U.S. GAAP?

7 A. KOGAN: Good afternoon. I will start, and
8 then Mr. Kwok will continue. I will start with the
9 second part.

10 We already are reporting under U.S. GAAP now, as
11 you know. And that ability under the exemption that
12 you referenced earlier is in place for continuous
13 disclosure purposes through to the -- January 1,
14 2031.

15 Elsewhere in our responses, we have also
16 indicated that we are subject to -- OPG is subject to
17 Ontario Regulation 395/11 under the *Financial*
18 *Administration Act* that supersedes other Ontario
19 legislation and also requires us to prepare financial
20 statements -- requires OPG to prepare financial
21 statement in accordance with U.S. GAAP
22 notwithstanding the expiration of the current
23 exemption.

24 F. O'CONNELL: So when is the expected date of
25 OPG becoming a registered issuer with the SEC?

26 A. KWOK: Hi there. So on the Exhibit C1-Staff-
27 034 that you referenced, in line 6 to 7, we did
28 mention that OPG is planning to establish the ability

1 to issue U.S. Securities and Exchange Commission,
2 SEC, registered bonds during the IR term.

3 F. O'CONNELL: Yes, I did note that in my
4 question to you. But my question is what is that
5 effective date? Is it -- is there -- I know it is
6 during the IR term, but is it, like, sooner or later
7 or -- like, do you have an idea?

8 A. KWOK: So the answer would be that prior to
9 the expiry of the exemption, OPG would intend to be
10 registered with the SEC; however, with respect to the
11 specific date, we do not have this at this time.

12 F. O'CONNELL: Okay. Great. Thank you.

13 Does this mean that becoming an SEC-registered
14 issuer would override your requirements of IFRS 20
15 and override the associated OSC exemption?

16 A. KOGAN: So IFRS 20, for clarity, is an
17 accounting standard under IFRS itself, and so it
18 would only apply if an entity overall adopts IFRS.
19 So there isn't really any other relationship or
20 ability of IFRS 20 as a component of IFRS as a whole
21 to affect laws in Ontario and Canada around the
22 manner of financial reporting pursuant to securities
23 legislation.

24 F. O'CONNELL: But the second part of my
25 question is, would it override the OSC exemption?

26 A. KOGAN: No. IFRS 20 would not override the
27 OSC exemption because the OSC exemption exempts us
28 from needing to go to IFRS for continuous disclosure

1 purposes altogether --

2 F. O'CONNELL: Yeah.

3 A. KOGAN: -- rendering moot any particular
4 aspect of IFRS, including IFRS 20.

5 F. O'CONNELL: Sorry. I may have
6 miscommunicated. What I meant was, with becoming an
7 SEC-registered issuer, would that override the OSC
8 exemption?

9 A. KOGAN: So I can confirm that becoming an SEC
10 registrant provides an opportunity to an entity such
11 as OPG to continue reporting under U.S. GAAP without
12 a expiry date that is contained in the exemption.

13 F. O'CONNELL: Okay. Thank you.

14 If we could turn to the prefiled evidence --
15 sorry, the IR response, H1-Staff-261. So at the end
16 of page 2, line 34, OPG commented on amounts that are
17 going to be recorded in the impact for IFRS deferral
18 account. OPG stated, essentially, that it is
19 appropriate to refer to the amounts to be recorded in
20 this account as financial impacts rather than revenue
21 requirement impacts. And then OPG goes on to say
22 that the account would capture not only transition
23 impacts but any ongoing variances resulting from
24 opening balance sheet adjustments.

25 Can you please explain what OPG meant by "any
26 ongoing variances"? Does this mean that OPG and DNNP
27 plan to record both financial impacts and revenue
28 requirement impacts in this impact for IFRS deferral

1 account?

2 A. KOGAN: No. The intent of the response is to
3 indicate that financial impacts would arise both as a
4 point in time impact on transition, and often
5 necessarily stemming from that, there would be
6 ongoing differences in the period line items of
7 income and expense and that the account would capture
8 both that initial impact that is typically seen on
9 the balance sheet and any corresponding effects that
10 that would have for subsequent reporting periods.

11 F. O'CONNELL: Okay. Thank you.

12 I am now going to move to inflation factors. My
13 colleague Tom Eminowicz may have some further
14 questions when it comes to his turn. So if you could
15 go to Staff IR A1-Staff-004. So you see there at
16 lines -- in the middle of the page there that the
17 inflation factors are -- consist of two components; a
18 non-labour component, which is the GDP IPI FDD; and
19 the labour component, which is the average weekly
20 earnings.

21 So in the response to part D of this -- part B,
22 as in "Bob," of this question, OPG provided three
23 charts using updated AWE data that became available
24 late March by Statistics Canada. So one of those
25 charts was Chart 3, OPG inflation calculation. So
26 OEB Staff notes that just recently last week, last
27 Friday, the -- Statistics Canada updated the GDP IPI
28 data. OEB Staff has done its calculations, and it

1 appears that there is an immaterial impact on this
2 Chart 3.

3 So, next, if you could call up the Excel file,
4 OPG-I-paymentamounts-2025, with the file name
5 "20260521" in the file name. So it is the Excel file
6 "OPG-I-paymentamounts-2025-20260521."

7 C. KEIZER: And to confirm, this is from OPG's
8 prefiled evidence; is that correct?

9 F. O'CONNELL: Yes, it is. Yes.

10 Okay. If you could go to -- it is a Table 1,
11 I1-2-1. There we go. Yeah. So you see, although
12 this Excel file was filed on May 21, you will note
13 that line numbers 1, 2, and 3 were not updated to
14 reflect the data that was in OPG's Chart 3 that was
15 filed in IR response A1-Staff-004. So those lines
16 weren't updated. So as well -- and if you move over
17 a tab to Table 2, the capital factor that reflects
18 inflation factors and input, that wasn't updated
19 either.

20 However, if you go to the response to A1-Staff-
21 331. It is a PDF, A1-Staff-331. It is the PDF IR
22 response that was filed May 15th. Yes. Thank you.
23 Scroll down.

24 So you see there in attachment -- right there on
25 line 1, the I-factor was updated, lines 1, 2, and 3,
26 and presumably, the capital factor as well. Can you
27 just explain why you didn't update the Excel but you
28 updated the PDF?

1 M. KIRK: Yeah, Ms. O'Connell, we updated the
2 PDF strictly to respond to the question. So I think
3 -- I guess if you go up, Lori, to the question here,
4 Staff-331, it asked us to update for this
5 information. And that is what we have done on tables
6 -- or the attachments, Attachment Table 1 and
7 Attachment Table 2, in that response.

8 F. O'CONNELL: Okay. Thank you.

9 Can you please provide an undertaking to update
10 the OPG's related evidence for these numbers, the
11 updated inflation factors and capital factors.

12 C. KEIZER: Sorry. Why would we -- I mean, we
13 have updated it through the IR response, so I am not
14 quite sure what -- you want us to go back and update
15 all the Excel sheets that relate to it; is that what
16 you are asking us to do?

17 F. O'CONNELL: Well, you have updated it in the
18 PDF response, but you haven't updated it in the
19 Excel. And the Excel, like, flows through to your
20 actual payment amounts; right? So that is why it
21 would be appropriate to update the Excel.

22 C. KEIZER: Perhaps a moment, please. I believe
23 Mr. Kirk is going to respond.

24 M. KIRK: Yeah, thank you. I just wanted to
25 indicate that OPG did intend and still does intend to
26 update as part of the PAO process for this
27 information. But I think that is also in the
28 response to part A, that that is our intention. So

1 it is not just this response, but we do intend to
2 update accordingly for setting payment amounts.

3 F. O'CONNELL: I think it would be helpful for
4 you to update this Excel file prior to settlement, so
5 I would still request an undertaking to flow through
6 that process, considering that there are significant
7 impacts.

8 M. KIRK: Yeah, we can do that.

9 F. O'CONNELL: Thank you.

10 M. MILLAR: JT-4.13.

11 **UNDERTAKING JT-4.13: PROVIDE UPDATED VERSIONS**
12 **OF THE TABLES UNDERPINNING EX. L-A1-STAFF-331**
13 **REFLECTING THE UPDATED INFLATION, GRC AND**
14 **CAPITAL FACTORS**

15 F. O'CONNELL: Okay. My next question is the
16 response to C1-CCC-20. So in part B of the question,
17 in the response, OPG noted that a 1 percent reduction
18 in the proposed equity thickness would result -- from
19 52 percent to 51 percent would result in an aggregate
20 reduction of 38 million for the proposed nuclear
21 revenue requirements over the payment amount term and
22 a reduction of 7 million for the proposed
23 hydroelectric revenue requirement.

24 So what I did was I looked at the Excel file.
25 That is OPG Exhibit I1-01-01, Attachment 1, updated
26 2026/03/10. So this was a file that was updated on
27 March 10th, Exhibit I1-01-01, Attachment 1. So it is
28 Excel OPG_Exhibit I1-01-01, Attachment 1, updated

1 2026-03-10. So in the file name, it has "20260310."
2 That might enable you to pull it up quicker.

3 Okay. Maybe I will go to a different question
4 while you are doing that. So if you go to Staff --

5 C. KEIZER: The only thing -- sorry. If it
6 happens to include a -- if you are going to have a
7 further reference, it will be a bit of an issue
8 because we trying to get this reference down first so
9 --

10 F. O'CONNELL: Yeah, so -- yeah, in the file
11 name, it specifically states "20260310" at the end.

12 C. KEIZER: We are endeavouring to look through
13 all the pages to find it.

14 F. O'CONNELL: Okay. Thank you.

15 C. KEIZER: So...

16 F. O'CONNELL: As I said, it is an Excel file.

17 M. KIRK: Ms. O'Connell, we might be able to
18 answer the question without pulling up the file, if
19 you want to try?

20 F. O'CONNELL: Sure. Okay. Thank you.

21 So this Excel file basically flows through the
22 calculations of the revenue requirements for
23 hydroelectric, nuclear, and the DNNP. So I was able
24 to trace through OPG's calculations from reducing the
25 equity thickness from 52 percent to 51 percent for
26 the nuclear component. But I couldn't -- the way
27 this spreadsheet was designed, I couldn't estimate
28 what the impacts would be reducing the DNNP revenue

1 requirements with less than 100 percent equity
 2 thickness. So -- and as well, I couldn't reconcile
 3 the Hydro One -- hydroelectric revenue requirement in
 4 that. Yes, there it is. Thank you.

5 So what I am hoping, in an undertaking, if you
 6 could update this Excel spreadsheet to allow the user
 7 to estimate a 1 percent -- or a 1 percent or 10
 8 percent or 20 percent reduction, whatever it may be,
 9 for the DNNP. Because the way this spreadsheet is
 10 structured is that it only flows through a hundred
 11 percent equity. And then while you are at it, if you
 12 could take another look at your noted 7 million
 13 reduction for the hydroelectric because I got a
 14 number of 4 million, even though it is small. If you
 15 are going through to do this anyway, that is my
 16 request.

17 M. KIRK: Yes, we could undertake to provide
 18 that.

19 F. O'CONNELL: Great. Thank you very much.

20 M. MILLAR: So JT-4.14.

21 **UNDERTAKING JT-4.14: UPDATE THE EXCEL**
 22 **SPREADSHEET IN OPG EXHIBIT I1-01-01, ATTACHMENT**
 23 **1, TO ENABLE SENSITIVITY ANALYSIS OF DNNP**
 24 **REVENUE REQUIREMENTS FOR EQUITY THICKNESS**
 25 **REDUCTIONS, INCLUDING 1, 10, OR 20 PERCENT, AND**
 26 **RECONCILE THE NOTED \$7 MILLION HYDROELECTRIC**
 27 **REDUCTION AGAINST THE \$4 MILLION CALCULATION**

28 F. O'CONNELL: Okay. If we go to Staff -- C1-

1 Staff-043, please. Okay. So this is a response from
2 Polar Star and basically talks about potential credit
3 enhancements. This Polar Star basically states that
4 an outcome could be more favourable if a government
5 or government agency provides a loan -- a loan
6 guarantee to any debt issuance.

7 If you could go to the prefiled evidence,
8 Exhibit A1, Tab 4, Schedule 4, page 1. So it is A1,
9 Tab 4, Schedule 4, page 1. So that is Exhibit A1,
10 Tab 4, Schedule 4, page 1. OPG notes that -- OPG
11 notes that the Canada Growth Fund and the Building
12 Ontario Fund are government agency.

13 Can you now turn to Attachment 1 of this part of
14 the exhibit, page 3. So basically, OPG says there
15 that in terms of the DNNP, that OPG will hold 77.5
16 percent, CGF will hold 15 percent, and the BOF will
17 hold 7.5 percent of DNNP.

18 So I would like to request a Polar Star
19 undertaking as follows: Given that all the DNNP
20 partners are owned by either the provincial or
21 federal governments, would Polar Star consider that
22 any debt issued by the DNNP would reflect an implicit
23 loan guarantee similar to the ones described in
24 Christensen's report at Exhibit M2 titled "Research
25 Report on Financing New Utility Investments"?

26 C. KEIZER: Sorry, Ms. O'Connell. I missed the
27 first part of your question.

28 F. O'CONNELL: Sure.

1 C. KEIZER: Would Polar Star consider what?

2 Sorry.

3 F. O'CONNELL: So my question is, is that
4 considering that the DNNP partners -- OPG, BOF, and
5 the CGF -- they are all owned by the provincial and
6 federal governments, would Polar Star consider that
7 any debt to be issued by the DNNP would reflect an
8 implicit loan guarantee, considering that they are
9 implicitly owned by the provincial and federal
10 governments?

11 And then I was trying to tie it into
12 Christensen's report at Exhibit M2 regarding its
13 findings on implicitly or implicitly guaranteed debt.
14 So I would like a Polar Star undertaking for this
15 question.

16 C. KEIZER: Understood. I believe the witnesses
17 are just having a discussion.

18 A. KOGAN: Just want to make sure we play that
19 back. I believe what you are asking is for Polar
20 Star to confirm their conclusions in the report
21 remain as they are, having considering that the
22 owners of DNNP LP are currently the three parties
23 that you mentioned?

24 F. O'CONNELL: Yes. And then tying it to the
25 loan guarantee and the finding -- the observations
26 made by Christensen in its report at M2 regarding
27 implicit and explicit loan guarantee.

28 C. KEIZER: I think the one caveat is you are

1 asking -- Polar Star may have to reach certain legal
2 conclusions, which they may not be qualified to do
3 that with respect to relationships and other things,
4 but...

5 A. KOGAN: Yeah, I am just -- I am just pausing.

6 Personally not having reviewed yet the entirety
7 of the Christensen report, I think the way that I was
8 phrasing it and your extension of it in reference to
9 Polar Star's response in terms of the guarantees, I
10 think that was what we are contemplating in
11 undertaking. I am not sure we can undertake
12 something with respect to Christensen report at this
13 time, just not having looked at it in detail.

14 C. KEIZER: Well, I also -- whether or not Polar
15 Star can actually reach an opinion on what
16 Christensen said or didn't say in his own report, I
17 mean, Polar Star can -- as I think the -- as the
18 undertaking would be articulated by Mr. Kogan, it is
19 within the context of what Polar Star did. They did
20 not do the analysis or reach the conclusions or the
21 assessment that Christensen did, so I am not sure
22 that they can really step outside -- step outside the
23 scope of the work that Polar Star has already
24 originally done.

25 F. O'CONNELL: Okay. Then I will just revise my
26 question, then, for the Polar Star undertaking:
27 Basically, whether they would consider any debt
28 issued by the DNNP would be considered an implicit

1 loan guarantee, considering that its three owners are
2 either federal or provincial government owners.

3 A. KOGAN: So I think I am going to repeat back
4 the way I understand the undertaking, which is for
5 Polar Star to confirm that their conclusion stands as
6 presented in the report, or if not, modify it, having
7 considered that this entity, DNNP LP, is owned by the
8 three parties that are of the nature that you
9 described?

10 F. O'CONNELL: Correct. Thank you.

11 A. KOGAN: Thank you.

12 M. MILLAR: It is JT-4.15.

13 **UNDERTAKING JT-4.15: POLAR STAR TO CONFIRM THAT**
14 **THEIR CONCLUSION STANDS AS PRESENTED IN THEIR**
15 **REPORT, AND IF NOT, MODIFY IT, HAVING CONSIDERED**
16 **THAT DNNP LP IS OWNED BY OPG, BOF, AND THE CGF**

17 F. O'CONNELL: Okay. My next question is
18 related to C1-Staff-039. So in -- if you scroll
19 down, OPG provided three charts showing the overall
20 difference in the revenue requirement impacts
21 combined for the DNNPVARD and the DGCSVA, so that is
22 the Darlington New Nuclear Project Variance Account
23 re Development and the DNNP Generated Capital
24 Structure Variance [indiscernible].

25 I also note that there is a third account that
26 is -- interacts with these two accounts, and that is
27 the Darlington New Nuclear Project Variance Account
28 re capital cost amounts. So that is noted in your

1 prefiled evidence in Exhibit H1.

2 So my question is, in an undertaking, can OPG
3 provide a similar analysis with these charts, 1 chart
4 and Chart 2 and chart -- to provide another chart
5 showing the interaction with the other account, which
6 is the Darlington New Nuclear Project Variance
7 Account re capital cost amounts?

8 S. VISWANATHAN: So if we could pull up Exhibit
9 L, H1-Staff-247, part C. So in lines 38 to 42 here,
10 Ms. O'Connell, we have actually responded to your
11 undertaking request by indicating that the Darlington
12 New Nuclear Project Variance Account re capital cost
13 amounts actually does not interact with the DGCSVA.

14 F. O'CONNELL: But my question is -- is how does
15 it interact also with the DNNPVARD, because that
16 includes both capital and non-capital costs? And
17 then the generated capital structure flows it through
18 and trues up to get the impact, the overall revenue
19 requirement impact?

20 S. VISWANATHAN: So I would -- I would clarify
21 that the Darlington New Nuclear Project Variance
22 Account re capital cost amounts, the variances are
23 recorded with respect to capital expenditures,
24 whereas the Darlington New Nuclear Project Variance
25 Account re development, the variances are recorded
26 with respect to in-service amounts which are already
27 net of the amounts that would have been captured in
28 the other account.

1 F. O'CONNELL: Okay.

2 S. VISWANATHAN: So there is no interaction.

3 F. O'CONNELL: Okay. Thank you. Okay.

4 I would like to go to SEC-033, IR C1-SEC-
5 033. So if you go to the next page, there is Chart 1
6 that shows the OEB-approved ROE and the actual ROE
7 for the years 2008 to 2026.

8 So if you look at this chart, it shows that OPG
9 has over-earned from the period 2028 to 2025,
10 excluding one year. That is the 2024 year. And that
11 is assuming it is under the current equity thickness
12 of 45 percent. As well, if you go to A2 -- IR A2-
13 Staff-010. So scroll down a page. Right there,
14 yeah, that page there. So in the first paragraph,
15 OPG notes strong financial results for 2025, stating
16 that the net income increased quite a bit, and OEB
17 Staff notes that this increase in net income is 53
18 percent.

19 So what I am hoping is that you can provide more
20 commentary as to why this historical strong financial
21 performance is not an integral part of OPG's current
22 application, including the requested equity thickness
23 to 52 percent?

24 A. KOGAN: So we will try and take this in
25 parts, Ms. O'Connell.

26 First, just from a contextual standpoint, in
27 terms of the current IR term, existing IR term, 2022
28 to 2026, overall, OPG is tracking within the 100

1 basis point ESM dead band on the overall performance.
2 I acknowledge you just referenced 2024 as being a
3 notably low performing year, but you can also see
4 2026 is forecast to be a notably low performing year
5 as well.

6 A. KWOK: I just turned off my microphone.

7 With respect to your question on the 52 percent
8 request, I would turn our attention to C1-Staff --
9 sorry, C1-Staff-022. And part B of the response:

10 "Concentric's report examines OPG's deemed
11 capital structure and whether it meets the fair
12 return standard. In doing so, the report
13 focuses on an internal assessment of OPG's
14 business and financial risks and a market and
15 industry assessment regarding trends in the
16 electricity industry and a peer group
17 analysis."[as read]

18 F. O'CONNELL: Yeah, I did look at the
19 Concentric report, and it is silent when commenting
20 on the differences between the OEB-approved ROE and
21 the actual ROEs.

22 A. KWOK: So for further clarity, Concentric's
23 report is forward-looking with respect to the risks
24 that we face and was also -- what you mentioned is
25 ultimately relevant to their analysis.

26 F. O'CONNELL: Okay. Thank you. Those are my
27 questions.

28 A. KOGAN: Apologies. There was a part 3 to the

1 response.

2 F. O'CONNELL: Okay.

3 A. KOGAN: There was a number of pieces.

4 With regards to OPG's corporate performance that
5 you reference, putting aside the fact that obviously
6 includes our unregulated operations and is on a
7 financial accounting basis, just contextually
8 observing that 2024 was actually a low-earning year
9 for OPG, so that decrease -- that increase you are
10 citing is following a significant decrease in 2024
11 relative to prior years.

12 F. O'CONNELL: Thank you.

13 M. MILLAR: Thank you, Ms. O'Connell.

14 Ms. Li, I think you are up next. We are going
15 to look to take our morning break in about 15 -- or,
16 pardon me, our afternoon break in about 15 minutes,
17 so assuming you are not done by then, if you could
18 find a natural spot to pause around there.

19 **EXAMINATION BY T. LI:**

20 T. LI: Good afternoon. My name is Tina Li. I
21 am the manager of regulatory accounting. So,
22 basically, today, I am going to ask you a few
23 questions.

24 So first of all, can we go to your prefiled
25 evidence, Exhibit F4, Tab 3, Schedule 2, page 2.

26 Okay. So this is regarding the pension OPEB
27 methodology. So, basically, I'm reading out the
28 third paragraph from the middle. You said:

1 "As the regulated hydroelectric payment amounts
2 have been underpinned by the revenue
3 requirements approved in your last payment
4 application, which is EB-2013-0321, they do not
5 yet reflect pension OPEB accrual costs and
6 instead reflect the then-forecasted pension
7 OPEB cash amounts. And upon being rebased in
8 this application as proposed, the regulated
9 hydroelectric payment amounts will reflect the
10 same treatment for pension OPEB costs as OPG's
11 regulated nuclear facilities."[as read]

12 So my first question is can you please
13 confirm that OPG is requesting transitioning from
14 cash basis for your hydroelectric pension OPEB to
15 accrual basis in this application?

16 A. KOGAN: I think our position has been -- in
17 past proceedings has been and remains that we were
18 never transitioned from the accrual to a cash basis
19 of recovery. There was an account in place to track
20 differences between cash and accrual amounts pending
21 the resolution of the matter that was ultimately
22 addressed in EB-2015-0040 on a generic basis and
23 subsequently applied to OPG through subsequent --
24 through subsequent proceedings.

25 T. LI: Yeah. I understand there is variance
26 account to record the cash versus accrual basis. So
27 that account actually only records the part related
28 to hydroelectric because hydroelectric was on a cash

1 basis.

2 So I still don't understand that when you say
3 you never transitioning from -- OPG does not
4 transitioning from cash versus -- you know, to the
5 accrual, because based on my understanding, is
6 hydroelectric's pension OPEB was -- were set in OPG's
7 last payment application -- not last, like, that is -
8 - in terms of hydroelectric's last payment
9 application on cash basis, right. And then now,
10 based on what I read in your prefiled evidence, that
11 you are requesting the accrual basis in this
12 application, which it says that is the same basis as
13 the regulated nuclear facilities, which I assume is
14 accrual basis.

15 So I just want you to confirm if it is, you
16 know, you are requesting a transition from the cash
17 to the accrual for the hydroelectric pension OPEB.

18 A. KOGAN: I think my response stands. If it is
19 helpful, I can confirm that the payment amounts set
20 in EB-2013-0321 for hydroelectric facilities were
21 underpinned by the cash amounts, and the proposed
22 payment amounts in this proceeding for hydroelectric
23 payment amounts are underpinned by accrual amounts
24 for pension and OPEB.

25 T. LI: Okay. Thanks.

26 So, next, can you pull up the report of the
27 board on regulatory treatment of pension OPEB which
28 was issued in September 2017. Can you go to page 9.

1 I think that on this page, that the first two
2 paragraphs in the report talk about the transitioning
3 issue. Like, regardless if you want to use the
4 wording "transitioning" or not, but the issue was
5 raised in the report in terms of the utility, the
6 method has been transit from -- you know, like,
7 changed from or to the accrual method -- between the
8 accrual method and the cash method.

9 So specifically on the second paragraph, that
10 OEB said that when a transition -- when a change is
11 happening, i.e. you know, that the method has
12 changed, OEB "could require the utility to calculate
13 the cumulative difference to date for disposition."

14 So my question is, I understand that you do
15 have a cost variance account to record annual
16 difference between cash and accrual basis which is
17 for hydroelectric -- that is a business unit. So I
18 just want to understand, have you considered the
19 cumulative difference to date for this change?

20 A. KOGAN: So, Ms. Li, your question, the
21 reference to this paragraph, is precisely why I was
22 being particular with my earlier response in that we
23 were not transitioned from the cash basis. We
24 already had an account in place that tracked and
25 deferred the difference temporarily pending the
26 resolution of those matters that I referenced
27 earlier. The matters, in our view, have been
28 resolved, and the policy has been established.

1 The clearance of the accounts for the regulated
2 hydroelectric -- of the cash to accrual account for
3 the regulated hydroelectric business unit has been
4 accepted and approved by the OEB now in previous
5 proceedings. So our position is that we are not
6 transitioning from cash to accrual as we never
7 transitioned from accrual to cash.

8 T. LI: Okay. Understood.

9 So the next one, if you can pull up the IR
10 response F4-CCC-084. Can we go to your response in
11 part D? Part D. Right. So this -- sorry. That --
12 this is related to the concurrent cost recovery.

13 Okay. So, sorry, it is not concurrent cost recovery.
14 This is related to the reactivated incentive
15 investment, that new tax rule, and also the CEITC.

16 Okay. So I am going to read out that particular
17 response. So you -- I think this question, CCC asked
18 you in terms of that -- the impact of the new rule by
19 the federal budget which enacted, and then you agreed
20 to update the revenue requirements. And then I think
21 somewhere, it says that this -- you are waiting to
22 incorporate RIIP and the CEITC to the forecast
23 revenue requirement under condition that income tax
24 variance account and then CEITC variance account
25 established for DNNP and OPG. Can you confirm if
26 these condition are true?

27 A. KOGAN: We stand by our response.

28 T. LI: Okay. Thanks.

1 So can you also pull out the OEB letter we
2 issued on May 6th for RIIP. Can you go to page 3,
3 last page. Yes. So this letter, basically, we
4 issued to the sector regarding the requirements to
5 all rate-regulated utilities in terms the new
6 reactivated incentive investment rule for the CCA
7 that recently became a law.

8 So one requirement is OEB expects utilities,
9 including those whose applications are currently
10 before the OEB, to reflect any impacts arising from
11 CCA rule changes in their cost base application for
12 2027 rates and beyond, including taking the maximal
13 deductions allowed under the RII, and utilities
14 continue to have the option to propose smoothing
15 mechanisms. So that is one expectation.

16 And can we go to the page 2. Still this letter.
17 Okay. The page 2 regarding -- is regarding the
18 expectation for the account, 1592, which is for the
19 electricity distributor. The account is to record
20 the difference between what was embedded in rates and
21 then what is actually -- what is the rule used in the
22 actual tax filing.

23 So the expectation is OEB noted expected utility
24 -- sorry. Can you scroll further. Yeah.

25 So OEB expects -- under the OEB's updated
26 requirements, OEB expects utility to continue adhere
27 to OEB's July 25, 2019, accounting direction and
28 continue to use the applicable CCA-related subaccount

1 to address the revenue requirement impacts of the RII
2 and any future CCA rule changes.

3 So my question is -- I am not sure if you are
4 aware of this because your IR response does not refer
5 to this letter, the requirements embedded in this
6 letter, so I just want to clarify with you again,
7 like, have you considered the requirements in this
8 letter, and then your condition of -- you know, that
9 your condition of approving these two accounts still
10 stands for you to incorporate RIIP and the CEITC to
11 the forecasted revenue requirement?

12 A. KOGAN: So a couple of things in response. I
13 will start, and Ms. Zadeh may complete the response.

14 Just first an observation that notwithstanding
15 that we, I think, made some small corrections to this
16 interrogatory you are referencing, the initial
17 response was prepared prior to the issuance of the
18 letter.

19 Two, just also wanted to observe my reading of
20 the letter is in reference to the reinstated
21 incentive property CCA rules only and not CEITCs.

22 Third, I would observe the letter references the
23 -- effectively, the income and other taxes variance
24 accounts or similar accounts in place in other
25 utilities which is, I think, directionally consistent
26 with the proposals that we have in this application
27 to continue such an account that has been in place
28 for OPG since inception and to introduce a similar

1 parallel account for DNNP LP.

2 To the extent that your question is specifically
3 in references to RII, whether with a view to this
4 letter, we are only proposing to reflect RII in
5 payments amounts only if the variance accounts I
6 referenced are approved. I think our position would
7 be modified in that regard by this letter, as I think
8 you are pointing out with your question, and we would
9 seek to comply with the substance of the letter in
10 terms of reflecting those impacts in the payment
11 amounts.

12 S. ZADEH: And, sorry, just to build out on
13 that, I think that was in relation to the requirement
14 on the last page that you took us. So in our IR
15 response, I think what we are pointing out to you is
16 that we would be able to -- we believe we would be
17 able to meet that requirement by reflecting those
18 amounts or that update by virtue of the payment
19 amounts order, and then avoiding any, I guess,
20 fulfilling regulatory effectiveness by doing it that
21 way as opposed to a very pervasive update to the
22 application at this point.

23 T. LI: Yeah, that is fine. But what I was
24 asking is basically the condition, right, because
25 that condition was not there in the letter we issued.

26 M. MILLAR: Ms. Li, we are at about 3:00. Is
27 this an appropriate time for a break?

28 T. LI: Sure. I have -- hold on a second, let

1 me see. I have four questions, so probably it is
2 probably a good time.

3 M. MILLAR: Okay. Let's break for 15 minutes,
4 so 3:17.

5 --- Recess taken at 3:02 p.m.

6 --- Upon resuming at 3:18 p.m.

7 M. MILLAR: Let's continue with our questions
8 for Panel 4. Ms. Li.

9 T. LI: Thanks. So the next question is
10 regarding the concurrent cost recovery for variance
11 account, so can you please pull up I1-Staff-258. Can
12 you go to the response. So in response B, I think
13 you stated that:

14 "Any adjustment identified as a result of the
15 audit of the CCRDVA balances in respect of a given
16 year will be reflected in the balances submitted in
17 such year's annual clearance application, and any
18 adjustment or corrections identified thereafter, the
19 approval of the annual balances could be addressed in
20 the following year's annual clearance application."

21 So can you please clarify, so whether the CCR
22 DVA balances disclosed in the annual clearance
23 application will be disposed of on an interim basis,
24 given that potential adjustments or corrections
25 identified thereafter?

26 A. KOGAN: To answer your specific question, no.
27 We would view these balances as being disposed on a
28 final basis. And in the unlikely event that there is

1 an adjustment identified after the application has
2 been submitted, processed, and in the amounts
3 approved, it would form part of the entries in the
4 subsequent year and the balance to be approved for
5 that subsequent year in the ensuing application.

6 T. LI: So based on your response, I would like
7 to follow up of the any rates retroactively
8 consideration of your approach, i.e. that any
9 adjustment be included in the next year's balance
10 entries and then be closed in the next year's annual
11 clearance application.

12 A. KOGAN: No. We don't consider that to be a
13 retroactivity. In accounting in general, as I am
14 sure you can appreciate, it is possible to have
15 adjustments that are identified in subsequent periods
16 and processed as changes in estimate in that
17 subsequent period, and they would not be -- it would
18 not constitute a retroactive statement.

19 But I do want to emphasize that in general, this
20 is a circumstance that we view as unlikely, given the
21 processes that would be in place and are in place in
22 respect of the D&V balances included in the audits
23 and the other items.

24 T. LI: Okay. So -- because you just said --
25 you just say -- said that, you know, this is any
26 subsequent adjustment -- normal for the accounting,
27 which I agree. And I understand this is an unlikely
28 situation, but I just want to say that for rates, it

1 is different -- rates is different than accounting;
2 right?

3 So in your perspective, there is no rates
4 retroactivity issue from the rates perspective either
5 if that situation arise?

6 A. KOGAN: Certainly not in any material way.
7 And, again, I would not expect any manner of material
8 adjustments arising in this circumstance that it
9 would rise to the level of retroactivity, even if you
10 disregard my earlier response.

11 T. LI: Yeah, if that situation arise, would you
12 disclose that such adjustment in the annual
13 disposition process?

14 A. KOGAN: Yes, that would be our intention.

15 T. LI: Okay. Thank you.

16 So my next question is related to Pickering
17 Closure Variance Account. Can you please pull up H1-
18 CCC-103. Okay. Can you scroll down a little bit.
19 Okay. Here. Scroll down a little bit. Okay. Here.
20 So this Chart 1 provides breakdown of the costs
21 recorded in Pickering Closure Cost Deferral Account.
22 And then the cost may relate to the workforce, like,
23 for example, the human resource. The 6.2 million
24 description is provided as, you know, more related to
25 the OPG's internal human resource costs, and then law
26 is external legal counsel, which is 0.6 million, and
27 that the others is incremental -- you know, 0.3 as
28 incremental administrative costs.

1 So my understanding is Pickering Closure
2 Variance Account was established by the regulation
3 53/05, and then that account records any employment-
4 related costs and the non-capital costs related to
5 third party service provider incurred by OPG that
6 arise from any Pickering closure activities. So can
7 you explain that -- why here that we see the mostly
8 internal-incurred costs are recorded in this variance
9 account?

10 C. KEIZER: Sorry, Ms. Li. Is your
11 interpretation of the regulation that it only relates
12 to third-party costs?

13 T. LI: That is right.

14 C. KEIZER: I think our reading of the
15 regulation says that it relates to employment-related
16 costs and non-capital related to third-party service
17 providers. So it actually relates to two elements.

18 T. LI: Sorry. I could not hear you clearly.

19 C. KEIZER: Sorry?

20 T. LI: Sorry. I didn't hear the answer -- the
21 response clearly.

22 C. KEIZER: They haven't answered. I have
23 indicated that you have interpreted the regulation
24 [indiscernible].

25 T. LI: Okay. Okay. I think we can move on.

26 Okay. So the next question is related to the --
27 another variance deferral account. It is change of
28 law deferral account. Can we pull up the IRR H1-

1 Staff-257. So can you scroll down to the response
2 related to the change of laws deferral account.
3 Right here. Thanks.

4 So basically in this section, you provide
5 evidence regarding the three criteria -- eligibility,
6 causation, materiality -- for established the -- this
7 new deferral account. And then you state that this
8 process will be followed for any material change in
9 legal --

10 --- (Off-record discussion re connection)

11 T. LI: So we are looking at the section of the
12 IR related to the change of laws deferral accounts.
13 So in this response, OPG provided evidence regarding
14 the three criteria as required by the OEB, i.e. the
15 materiality, prudence, and the causation, to
16 establish the new deferral account.

17 --- (Off-record discussion re connection)

18 T. LI: So regarding this account, so basically
19 OPG states that this process will be followed for any
20 potential material change in legal or regulatory
21 requirement during the IR term, and that process will
22 ensure that potential impacts on all elements of
23 revenue requirement and in production revenue are
24 addressed holistically.

25 So my question is can you please clarify the
26 nature and the scope of the legal and the regulatory
27 requirements contemplated for this account? And then
28 specifically, do these requirements pertain solely to

1 the change that is directly applicable to OPG and
2 then DNNP, or are they intended to capture a broader
3 system-wide or generally applicable legal and
4 regulatory changes?

5 M. KIRK: Could we pull up Exhibit H1, Tab 1,
6 Schedule 1, page 60. That is Section 7.1. Thank
7 you. Okay. So this is the description of the OPG
8 version of the change of laws deferral account. And
9 we don't have to turn there, but I will just note
10 that Section 8.8, which is on page 71, is the DNNP
11 version of this account.

12 So the top of the page, on line 2, you see the
13 start of the description noting the regulatory
14 landscape -- legal and regulatory landscape that OPG
15 operates in, and the same can be said of DNNP. There
16 is no specific law or regulation that we are pointing
17 to in the request for this account. We would be
18 evaluating any potential change and its impact on the
19 Applicants as it occurs. OPG has a legal team that
20 is aware of the laws and regulations that the
21 Applicants are subject to, and as those -- if a
22 potential change were to occur, that is when we would
23 go through the process, like the three-prong test
24 that you were pointing to in the interrogatory
25 response that was up earlier.

26 T. LI: Okay. Thanks.

27 So, basically, can you confirm this is kind of a
28 broader catch-all change of the laws deferral

1 account?

2 M. KIRK: No, I would not say "catch-all." Do
3 you want to be more specific with your question?

4 T. LI: Yeah, I just want to clarify. My
5 understanding is, as indicated by your evidence on
6 the screen or your IRR, it seems to me this is kind
7 of a catch-all, like, variance account for anything
8 related to the OPG. Can you clarify if this
9 understanding is true?

10 M. KIRK: Just stating again -- or confirming,
11 it is any change in law or regulation that meets the
12 materiality that we have defined in the description.

13 T. LI: Okay. That is fine.

14 So also, I have a request of an undertaking
15 because I am not sure if you can answer it right
16 away. So can you please also provide examples of any
17 OEB's precedence where a similar kind of a change of
18 a law deferral account has been approved and is aware
19 with reference of the EB numbers?

20 C. KEIZER: I don't think that that is an
21 appropriate undertaking for us to go and do your
22 legal research so --

23 T. LI: Anything you are aware. It is not
24 exhaustive, you know, research.

25 C. KEIZER: I don't think that is -- you know,
26 that is asking us to prepare and provide you an
27 argument in advance or not. You know, there is time
28 for submissions at the end of the proceeding.

1 T. LI: Okay. That is fine.

2 Okay. So next question, which is the last
3 question I have, is for the Clarington Corporate
4 Campus Deferral Account. Can we pull up H1-SEC-211.
5 In Chart 1, again, OPG provides a breakdown of the
6 costs recorded in this account, which is 7 million,
7 and then 5.1 is related to the engineering, and the
8 project management is 1.6 million, and with some
9 interest, which is 0.25.

10 Now, can you also pull up that -- your last
11 payment application, the final draft payment amount
12 order, the accounting order for this account when
13 this account was established in your 2020-0290.

14 Okay. So can you go to Appendix F, which is the
15 accounting orders, and page 5. Appendix F. Yes,
16 here it is.

17 So I can see the accounting order when the
18 account was established said that the account is to
19 record for the nuclear facilities the revenue
20 requirement impacts of capital expenditures and
21 operating costs for OPG's planned Clarington
22 Corporate Campus, calculated on the same basis as
23 OPG's existing asset service fee methodology
24 reflected in the revenue requirements approved in the
25 EB-2020-0290 proceeding.

26 So my questions are -- my first question is can
27 you explain whether the cost list in the Chart 1 that
28 we just seen in SEC's IRR that are capital or OM&A,

1 i.e. what is the nature of the costs? We can go back
2 to the table now, that previous H1-SEC-211.

3 S. VISWANATHAN: So the costs shown on Chart 1
4 here, the \$7 million, represent OM&A costs.

5 T. LI: OM&A costs.

6 S. VISWANATHAN: Yeah, costs that were
7 previously capitalized, and then subsequently, once
8 the project was no longer undertaken, written off.
9 So they represent OM&A costs.

10 T. LI: Okay. Thank you.

11 My next question is -- and as you just said, the
12 project did not proceed. You know, so I just
13 wondered that -- can you explain if and how the
14 project management costs and engineer costs have been
15 written off on OPG's audited financial statements?

16 A. MELARANGO: They would have been written off
17 in 2023 as OM&A costs.

18 T. LI: Okay. Thank you.

19 I think the last question is can you please
20 confirm the costs recorded in this account, i.e. this
21 -- meaning calculated on the same basis as OPG's
22 asset service fee methodology reflected in your last
23 payment proceeding?

24 A. KOGAN: I believe so.

25 T. LI: Okay. Thank you. So these are all my
26 questions.

27 --- (Off-record discussion)

28 --- Recess taken at 3:45 p.m.

1 --- Upon resuming at 3:48 p.m.

2 M. MILLAR: Ms. Zhu, I will turn it over to you,
3 but I think Mr. Rubenstein has something quickly
4 first.

5 **EXAMINATION BY M. RUBENSTEIN:**

6 M. RUBENSTEIN: I just wanted a quick follow-up
7 on a response that you gave to Ms. Li with respect to
8 the Clarington Campus Deferral Account, if I am
9 getting the name right. I believe there is a balance
10 in the -- there is a balance in the account that you
11 are seeking in this decision, but I think you also
12 then said that the balance is being written off when
13 you were asked about that. Can you just clarify
14 that?

15 S. VISWANATHAN: To clarify, Mr. Rubenstein,
16 that comment was in reference to these amounts
17 originally being capital expenditures when the
18 project was assumed to be proceeding. When the
19 project was no longer proceeding, they could no
20 longer stay in capital, and hence was to use the term
21 "written off" into OM&A.

22 M. RUBENSTEIN: Okay. But the OM&A, that amount
23 wasn't written off?

24 S. VISWANATHAN: No, the OM&A amount was not
25 written off.

26 M. RUBENSTEIN: Okay. Thank you very much.

27 **EXAMINATION BY T. ZHU:**

28 T. ZHU: Good afternoon. My name is Tina Zhu.

1 I am a senior advisor from the Ontario Energy Board.
2 I have some questions around the FTEs planning,
3 compensation, and the nuclear fuel procurement.

4 First, could we pull up the prefiled evidence
5 from F2, Tab 1, Schedule 1, Table 2A, please. Tab 1,
6 please. F2, Tab 1, Schedule 1, Table 2A. If we look
7 at line 56. I will say that again. So from Exhibit
8 F2, Tab 1, Schedule 1 -- give me a moment. So -- so
9 it is from the F2-1-1, Table 2A, on the line number -
10 - it doesn't have a number of the line. Maybe try
11 line 24, please. Yeah, it is the next page on the
12 screen, the subtitle "Pickering refurbishment
13 program." As we can see, in 2027 to 2028, there will
14 be 2,700 people scheduled for the Pickering
15 refurbishment.

16 And now could we pull up the interrogatory
17 response F4-Staff-225, please. In the part A of
18 OPG's response, from line 37 to line 40, OPG
19 responded that 1,500 employees will be redeployed,
20 including 1,300 from Pickering operations and 200
21 from DRP. Of these, about 1,200 employees are
22 planned to move to the Pickering refurbishment.

23 My first question, between these 1,200 people
24 that will be redeployed to Pickering refurbishment
25 versus the 2,600 of FTEs budgeted for Pickering
26 refurbishment in the peak season from 2027 to 2030,
27 how OPG will staff the remaining, which is around
28 1,400 FTEs, so that the program will be able to reach

1 the 2,600 FTEs as budgeted for the Pickering
2 refurbishment program?

3 I think it will be helpful if you could clarify
4 if the 1,400 employees are internally transferred
5 from somewhere into the Pickering refurbishment or it
6 will be through external hiring as temporary
7 employee, regular employee or augmented staff, and so
8 on.

9 C. KEIZER: Yeah, I think they are just
10 formulating their response now, so --

11 T. ZHU: Okay. Thank you.

12 C. DOMJANCIC: Good afternoon, Ms. Zhu.

13 So the initial numbers you referenced, the
14 1,500, do refer to head count of which 1,200 will be
15 transitioned into the Pickering refurbishment project
16 later this year. In addition, there is currently
17 approximately the equivalent of 1,000 FTE on track
18 for this year, and then in addition to that, there is
19 other central groups such as engineering that will
20 also be working on the project.

21 T. ZHU: So for the 1,000 people that will be
22 redeployed, are they originally from the Pickering
23 operation?

24 C. DOMJANCIC: Just to clarify, from the 1,200
25 that will be redeployed, they are already at the
26 Pickering station, yes.

27 T. ZHU: Yes. And you just mentioned that there
28 will be another 1,000 that will be redeployed.

1 C. DOMJANCIC: No. No, sorry, I didn't say
2 that.

3 T. ZHU: So the 1,200 and the -- what is the
4 remaining to get to the 2,600? That is my question.

5 C. KEIZER: Sorry. Just so I understand, the
6 number I think you originally showed on the screen
7 was an FTE number.

8 T. ZHU: Yes.

9 C. KEIZER: This number is a head count number.
10 So I am not sure that everybody is speaking the same
11 language, FTE to FTE or head count to head count.

12 T. ZHU: Because we had this discussion the
13 other day, then I have thought about it. So for FTE,
14 the labour hours, they are already converted to the
15 full-time equivalent. I think for head count, it can
16 even be the same or lower than FTE count because head
17 count, in your definition, it could be people who
18 work full-time or less than full-time. So if we see
19 this is as head count, then the difference is even
20 going to be bigger between how many being redeployed
21 versus how many FTEs are budgeted for Pickering
22 refurbishment. So I would like a little bit of that
23 clarification.

24 A. KOGAN: I think what we are saying is you are
25 citing the number of staff that will be redeployed
26 from Pickering operations or currently at Pickering
27 performing operational activities because the plant
28 is running, and I think what Ms. Domjancic is saying

1 is that, today, while those individuals are there
2 operating the plant, we are already on track for
3 approximately another 1,000 FTEs on the project, and,
4 therefore, we expect to be able to meet the overall
5 budgeted number of the FTEs following station
6 shutdown by the '27/'28 time frames that you noted.

7 T. ZHU: Thank you for the explanation.

8 Could we pull up another interrogatory. It is
9 from F2-Staff-199, please. In the response, part B,
10 OPG responded that the -- all PRP FTEs are capital
11 funded.

12 So if -- based on this response, if we go back
13 to the prefiled evidence at the same table that we
14 looked a few minutes ago, that is the F2, Tab 1,
15 Schedule 1, Table 2A. If we move up to the first
16 page of the table, for the OPG nuclear facilities
17 OM&A, as we can see from the peak level around the --
18 around -- so if we look at line number 6.

19 So from the peak level of the OM&A FTEs in 2023
20 actual at 5,390.9 to 2027, that is the lowest level,
21 at 3,326.3, according to what you just responded, I
22 believe a big portion of this difference is for the
23 FTEs who previously and currently work in nuclear
24 facilities but will be redeployed to participate in
25 Pickering refurbishment program.

26 Could you please confirm if this is what you
27 tried to clarify a couple minutes ago.

28 A. KOGAN: So directionally, yes, a substantial

1 portion that you see as decreasing in the OM&A line
2 for FTEs shows up in the Pickering refurbishment line
3 for the period. But there is other movements that
4 are happening. For example, there is an increase in
5 what we call provision FTEs. So those are
6 individuals that are -- have been and are working for
7 the next several years on the placement and safe
8 storage of the Pickering A units 1 and 4 that have
9 been shut down that are neither capital nor OM&A.

10 So there is other movements, but the one you
11 cited is the big driver.

12 T. ZHU: Thank you for the clarification.

13 So back to the Staff-199 interrogatory response
14 that we just opened two minutes ago. So the response
15 B saying all the PRP FTEs are capital funded. So my
16 interpretation is -- if we go back to the F2, Tab 1,
17 Schedule 1, Table 2A that we just opened a few
18 seconds ago, if we move to line 28 on the second page
19 -- sorry, line number 24 on the second page.

20 So to me, that interrogatory response is saying
21 all of these over 2,600 of the FTE costs over 2027 to
22 2031, they are all going to be considered as capital
23 costs, so no OM&A costs; is that correct? Despite
24 the fact that a significant portion of these FTEs,
25 they were previously worked in Pickering facilities
26 as OM&A FTEs. But once they are redeployed, all of
27 their costs will be able to meet the capitalization
28 criteria and will be add to the Pickering

1 refurbishment capital costs.

2 C. DOMJANCIC: Is your question will the -- are
3 all of the costs capital or are the employees that
4 are transferring to Pickering refurbishment going to
5 meet the capital eligibility criteria?

6 T. ZHU: I think I am asking both.

7 C. DOMJANCIC: Okay.

8 T. ZHU: I think I am first asking because, per
9 FTE, they have a certain job function. So
10 previously, if their job functions were categorized
11 as OM&A, that is why they showed up in Pickering
12 facilities as OM&A cost. But moving forward, once
13 the redeployment happen, all of these over 1,000 FTEs
14 costs will become capital costs in the Pickering
15 refurbishment.

16 I just want to understand if that meets the
17 OPG's capital criteria for this FTE redeployment
18 strategy, that all of those costs with certain job
19 functions, no matter if it is project management or
20 administration, all of these FTEs will be capitalized
21 in the Pickering refurbishment program.

22 C. DOMJANCIC: So the answer is yes, all of the
23 employees will meet the capital eligibility criteria
24 and will be working on the Pickering refurbishment
25 program.

26 T. ZHU: Thank you for that clarification.

27 And could we go back to F4-Staff-225
28 interrogatory. So that is the first one that we put

1 up. I want to look at response part B from line 27
2 to line 31.

3 OPG is stating that overlaps between retiring
4 employees and their replacements are not reflected in
5 the 2026 to 2031 forecast.

6 My question, if OPG is not budgeting for the
7 cost of any overlapping FTEs or training costs due to
8 FTE's replacement, how OPG will capture the cost and
9 be able to build the cost into its operation if this
10 cost is not in the budget or not in the forecast at
11 all?

12 A. MELARANGO: So as you can appreciate, it is
13 difficult to forecast human behaviour. So the way we
14 do our plans is they are on a demand-based, so we do
15 not assume any overlaps in terms of vacancies.

16 T. ZHU: Thank you for the answer.

17 And my next question. For FTE retirements that
18 will be replaced with new hires, could you explain
19 how OPG budgets these starting salary for new hires?
20 Because there are a few steps in the pay band, and it
21 is in a very wide range.

22 A. MELARANGO: In terms of the way we plan our
23 labour, we reflect standard labour rates as part of
24 our planning. So it is a point in time estimate of
25 the aggregate of the company across various job
26 families. So we take an average of that, and that is
27 what is reflected in our plan and kind of pulled --
28 forecasted on a go-forward basis.

1 T. ZHU: Would that be closer to the midrange of
2 the pay band, like, midpoint of the pay band, or that
3 is leaning towards the higher end or the lower end,
4 according to your planning experience over the past?

5 A. KOGAN: So we -- we don't have that specific
6 analysis on hand. But we observe that the workforce
7 over the planning period is -- generally has a stable
8 level, so you probably have a continuing ins and outs
9 as some people are moving up and some people are
10 retiring, new people are coming in. So it may well
11 be that sort of using the type of average that Mr.
12 Melaragno alludes to is a reasonable proxy,
13 recognizing the overall aggregation in the number of
14 employees and job families involved.

15 T. ZHU: Thank you for the answer.

16 Would it be possible for OPG to take it as an
17 undertaking to provide in the 2027 to 2031 business
18 plan what is the planned starting salary point for
19 the jobs in your job family?

20 A. KOGAN: Can I just clarify your request.
21 Given our response that we are not budgeting labour
22 costs based on specific ins and outs and are using
23 average standard labour rates, I am just trying to
24 connect that statement to your request.

25 T. ZHU: So I believe in OPG, you have a HR
26 system. So in the HR system, you would have a pay
27 range of each of the jobs in your job family. So
28 each job -- as OPG has done its planning for 2027 to

1 2031, wouldn't they be able to pull a HR report
2 showing, for these jobs in the job family, what are
3 the planned hiring or targeting salary for new hires
4 for the next five years?

5 A. KOGAN: We want to further clarify that the
6 data that Mr. Melaragno alluded to is pooled at a
7 point in time. Once the standard labour rates are
8 developed based on that point in time, actual average
9 data, planning is undertaken by escalating such rates
10 using general cost escalation assumptions applicable
11 to type of labour. So we are not projecting what the
12 particular starting salary and the particular job
13 family would be three years out, in that level of
14 specificity.

15 T. ZHU: Thank you for that explanation.

16 And my next question is about the FTE vacancy
17 management and reporting. Could we pull up the F4-
18 SUP-025, please.

19 So in the response, OPG is saying that
20 currently, there are approximately 25 Band H unfilled
21 vacancies. It is from the paragraph 4 -- part A,
22 paragraph 4, line 5 to line 7.

23 From this interrogatory response, it seems that
24 OPG is able to run reports to show historical
25 vacancies by pay band and by job function. Could you
26 please clarify if this is the case?

27 C. DOMJANCIC: Ms. Zhu, the 25 Band H unfilled
28 vacancies was essentially picked at a point in time,

1 so looking at what vacancies were currently in
2 existence at that point in time. We don't track on
3 an ongoing basis the pay band and job function
4 vacancies.

5 T. ZHU: Thank you for the clarification.

6 So for the point in time, it is possible for OPG
7 to run a human resource report to show what is the
8 current vacancy by pay band and by job function?

9 A. KOGAN: Ms. Zhu, we want to clarify that the
10 information that can be run at a point in time that
11 references unfilled vacancies in this response, in
12 fact, represents the number of postings that the
13 company is looking to fill for a particular position.
14 That posting could be, to refer to our earlier
15 exchange, a pre-hire. It could be an overlap
16 situation because of retirements or other upcoming
17 needs.

18 And so the information that we -- that we
19 provide will not represent a vacancy relative to a
20 plan which, as Mr. Melaragno explained, is a demand-
21 based plan, and there would be puts and takes along
22 the way. There could be some true vacancies related
23 to the plan. There could be some overlaps and pre-
24 hires. And so that is important context, we feel.

25 T. ZHU: Thank you for that clarification.

26 So as a potential undertaking, is it possible
27 for OPG to provide as well you could the current
28 vacancy by job function and by pay band, including

1 the replacement new hires and the new positions,
2 retirement and everything.

3 A. KOGAN: We would be able to undertake to
4 provide you with the current postings for the
5 positions that the company is looking to fill.

6 T. ZHU: So that is essentially public
7 information on your career section of your website?

8 C. DOMJANCIC: Not necessarily. It would also
9 include internal recruitment as well.

10 T. ZHU: I think I would accept that
11 undertaking. Thank you.

12 M. MILLAR: That is JT-4.16.

13 **UNDERTAKING JT-4.16: PROVIDE THE CURRENT**
14 **POSTINGS FOR THE POSITIONS THAT OPG IS LOOKING**
15 **TO FILL**

16 T. ZHU: My next question is about the potential
17 FTE elimination after retirement. Could we go F4-
18 PWU-014 interrogatory, please. Could we move down to
19 Chart 2 of the response.

20 As an undertaking request, could you provide in
21 2026 to 2031, for each year, how many FTEs eligible
22 to retire will not be replaced due to position
23 elimination and so on?

24 A. KOGAN: Again, to reiterate our earlier
25 discussion, the -- resource planning is demand-based.
26 So we are not planning based on individuals retiring
27 and being replaced; it is looking at the work that
28 needs to be done and the resources planned to do that

1 work.

2 T. ZHU: Thank you for the answer.

3 And my next question is about the augmented
4 staff hiring. Could we pull up F2-Staff-209, please.
5 If we look at the part A of the response, line 37 to
6 line 38, OPG is saying that augmented staff and the
7 internal labour resources cannot readily be
8 substituted for one another, as these will also
9 depend on skill specialization. My first question:
10 Could you clarify, for the augmented staff hiring, is
11 this part of the hiring that human resource is
12 responsible for, or this is part of the external
13 purchased services, which the procurement department
14 is responsible for the hiring process?

15 C. DOMJANCIC: HR and supply chain work together
16 to fill augmented staff roles based on the existing
17 contracts -- purchased service contracts that exist.

18 T. ZHU: Could you give an approximate number of
19 companies that are supplying augmented staff to OPG?

20 C. DOMJANCIC: I don't have the exact number,
21 but it would be several dozen.

22 T. ZHU: Would you be able to take it as an
23 undertaking request to provide how many companies are
24 supplying augmented staff to OPG and if these
25 augmented staffs are exclusively work for OPG or it
26 also works for other companies? I am asking because
27 it sounds like the augmented staff skill set is very
28 specialized. So given the local market, I want to

1 know, other than OPG, do they work for other
2 employers as well?

3 C. DOMJANCIC: So I can answer that they do work
4 for other employers as well, so they -- any
5 contracted agency that provides augmented staff will
6 supply to OPG as well as other clients or customers.

7 T. ZHU: Thank you for that.

8 So as a revised undertaking, would you be able
9 to provide the number of agencies that is supplying
10 augmented staff to OPG and what was the 2025 actual
11 payment for augmented staff to each of these
12 agencies?

13 A. STERNBERG: Can I just ask, while the Panel
14 is thinking about it, if you can help us understand
15 why the breakdown is relevant by agency?

16 T. ZHU: I think I want to kind of understand if
17 the augmented staff hiring is very centralized,
18 focused on one or two of the major agencies and some
19 smaller agencies maybe supplying a few, or it is
20 pretty much threading out to many agencies, and on
21 average, no one particular, two particular agencies
22 that are supplying the most augmented staff to OPG.
23 I just kind of want to understand that concentration
24 of augmented staff hiring.

25 C. DOMJANCIC: We will undertake to provide the
26 number of agencies and payments associated with those
27 agencies, subject to regulated activities that need
28 to be considered.

1 T. ZHU: Thank you very much.

2 M. MILLAR: That is JT-4.17.

3 **UNDERTAKING JT-4.17: ADVISE HOW MANY COMPANIES**
4 **ARE SUPPLYING AUGMENTED STAFF TO OPG AND IF**
5 **THESE AUGMENTED STAFF EXCLUSIVELY WORK FOR OPG**
6 **OR ALSO WORK FOR OTHER COMPANIES**

7 T. ZHU: My next two questions are about the
8 wage escalation. First, could we pull up F1-Staff-
9 173, please. In the Chart 1, for the collective
10 agreement wage escalation, could you please clarify,
11 from 2025 to 2027 for the three numbers, 4.8, 4.7,
12 4.4, if the escalation percentages are estimated by
13 the OPG or it is the actual outcome of the latest
14 bargaining agreement.

15 If needed, you can take it as an undertaking and
16 get back to us. For each of those three years, what
17 was the escalation? Was it based on estimation, or
18 was it based on the actual outcome of the bargaining?

19 A. MELARANGO: So the escalation assumptions in
20 2025 to 2027, for the PWU, it is consistent with the
21 collective agreement. The society was an estimate
22 for planning. You can find those assumptions used in
23 Staff-227 as a confidential filing.

24 T. ZHU: Thank you for pointing this out.

25 And my next question, could we go to F4-Staff-
26 227, please. So in the Chart 1, could you please
27 take it as an undertaking to perform a sensitivity
28 analysis to show, for every 1 percent change in 2026

1 to 2031, annual wage escalations, the impact on
2 annual compensation costs in each year in 2026 to
3 2031. Please provide a table to show the impact in
4 dollars for every one percent change in a format
5 similar to the Chart 1 table, for example, between
6 the 2 percent escalation versus 3 percent escalation
7 in a particular year, how much annual compensation
8 dollar amounts would change.

9 A. MELARANGO: Just to clarify, when you say "1
10 percent sensitivity," it is a 1 percent per year?

11 T. ZHU: Yes, 1 percent per year for each of the
12 five years from 2027 to 2031.

13 A. MELARANGO: Okay. I think we can do that for
14 the regulated business for total compensation cost.

15 T. ZHU: Thank you. And please take in the
16 compounding effect.

17 A. MELARANGO: Of course.

18 T. ZHU: Yeah, thank you.

19 And my last question is about the project
20 managers. Could we go F4-Staff-226.

21 C. KEIZER: I believe that last undertaking
22 didn't --

23 M. MILLAR: Sorry. JT-4.18.

24 C. KEIZER: Thank you.

25 **UNDERTAKING JT-4.18: PROVIDE A SENSITIVITY**
26 **ANALYSIS SHOWING THE IMPACT ON ANNUAL**
27 **COMPENSATION COSTS IN EACH YEAR FROM 2026 TO**
28 **2031 FOR EVERY 1 PERCENT CHANGE IN ANNUAL WAGE**

1 **ESCALATIONS**

2 T. ZHU: In the response OPG is saying that the
3 compensation costs for project managers assigned to
4 capital projects are capitalized. The compensation
5 costs not assigned to capital or nuclear liability
6 projects are expensed to OM&A costs. So this is from
7 line 22 to line 25.

8 My first question: Could you confirm for the
9 project managers who are not assigned to capital or
10 nuclear liability project if that means these project
11 managers are solely working on the OM&A project?

12 C. DOMJANCIC: Situations where project managers
13 are not -- are assigned or expensed to OM&A would be
14 where the project is an OM&A project, but they are
15 still managing a project, if you will. So there are
16 OM&A projects in the portfolio. As well, it could be
17 a preliminary phase of the project where costs aren't
18 yet being capitalized and haven't met the capital
19 eligibility rules, and so those preliminary phases
20 are also OM&A costs.

21 T. ZHU: Thank you for the answer.

22 My next question, it is an undertaking request.
23 Could you provide the project manager FTE hiring plan
24 for each year from 2026 to 2031. Because, according
25 to your prefiled evidence, you are still hiring more
26 of the project managers down the road.

27 C. DOMJANCIC: Sorry. Can you clarify the
28 years?

1 T. ZHU: From 2026 to 2031. Thank you.

2 C. DOMJANCIC: So we have a demand plan. I
3 don't know that we have specific hiring associated
4 with that, unless, you know, there would be
5 assumptions required to determine the hiring. But
6 right now what -- we do have a demand-based plan with
7 project managers so...

8 T. ZHU: Would you be able to provide, based on
9 your current assumption and your workload, your
10 outlook for the next five, six years, how much of the
11 incremental resources will be needed for project
12 management, so maybe that way you can kind of provide
13 the project managers either in FTEs or in the dollar
14 amounts basis.

15 C. DOMJANCIC: We will undertake to provide an
16 estimate of how many project managers we will hire
17 associated with our regulated activity.

18 T. ZHU: Thank you very much. And that
19 concludes my questions. Thank you again for your
20 time.

21 M. MILLAR: Okay. That will be Undertaking JT-
22 4.19.

23 **UNDERTAKING JT-4.19: PROVIDE AN ESTIMATE OF HOW**
24 **MANY PROJECT MANAGERS WILL BE HIRED ASSOCIATED**
25 **WITH REGULATED ACTIVITY**

26 M. MILLAR: I see we are at 4:40 now, so I think
27 we will call it a day. I do want to talk quickly
28 about scheduling, but I think we can -- Mr. Keizer,

1 are there any final matters? We can go off. Just --
2 I can let the court reporter rest his hands if we are
3 --

4 C. KEIZER: No. We have no final matters, no.

5 M. MILLAR: Okay. So this concludes day 4.

6 --- Whereupon the proceeding adjourned at 4:39
7 p.m. to resume Tuesday, June 2nd, 2026, at
8 9:30 a.m.