VIA RESS and EMAIL

June 2, 2026

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

Dear Ritchie Murray:

Re: Ontario Power Generation Inc. (OPG) and DNNP LP
2027-2031 Payment Amounts
Consumers Council of Canada (CCC) Interrogatories on OEB Staff Expert Evidence
OEB File No. EB-2025-0297

In accordance with Procedural Order No. 2, dated March 4, 2026, please find attached CCC's interrogatories with respect to OEB staff's expert evidence filed in Ontario Power Generation Inc.'s (OPG) 2027-2031 Payment Amounts proceeding.

Yours truly,

Lawrie Gluck

Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2025-0297

Ontario Power Generation Inc. and DNNP LP

2027-2031 Payment Amounts

Consumers Council of Canada

Interrogatories on OEB Staff Expert Evidence

June 2, 2026

Exhibit M1 – Christensen Associates – OPG Capital Structure Recommendations

M1-CCC-1
Ref: Exhibit M1

For each proceeding where the author of the Ontario Power Generation Inc. Capital Structure Recommendations Report has provided expert evidence on utility cost of capital, please provide the following information regarding those proceedings, as applicable:

- Jurisdiction
- Date
- Docket Number
- Applicant
- Client
- Existing equity ratio
- Author's recommended equity ratio
- Approved equity ratio as a result of the proceeding, and how it was reached (decision or settlement)
- Existing ROE
- Author's recommended ROE
- Approved ROE as a result of the proceeding, and how it was reached (decision or settlement)
- A copy or web link to the authors written report/testimony
- A copy or web link to the commission/regulatory decision

M1-CCC-2
Ref: Exhibit M1, p. 20

Question(s):

a) Please confirm that Christensen applied the OEB-approved 2026 ROE of 9.11% in its analysis of the appropriate capital structure for OPG.

b) Please advise whether Christensen agrees that the deemed equity ratio and authorized must be considered together to determine whether the Fair Return Standard has been met. If not, please explain.

c) To the extent that the OEB-approved 2027 ROE is higher than 9.11%, please explain the implications for Christensen's analysis of the appropriate capital structure for OPG.

d) Please confirm that the DNNP was not reflected in Christensen's analysis of the appropriate capital structure for OPG.

M1-CCC-3
Ref: Exhibit M1, pp. 22-23

Preamble:

Christensen states "[n]uclear plants have very high fixed costs and are generally "must-run" facilities, which means that utilities with a high proportion of nuclear power cannot easily scale output with demand—particularly if demand falls. This means that generation costs remain high for the utility even as revenue falls."

Question(s):

In the scenario that there is no meaningful risk of nuclear generation curtailment related to demand reductions (i.e., nuclear generation provides baseload supply and always produces electricity for sale to the market when available), please discuss the implications for Christensen's analysis of OPG's business risk related to increased nuclear generating plant.

M1-CCC-4
Ref: Exhibit M1, pp. 24-25

Preamble:

Christensen states "[w]e agree that weather risks are likely to increase for utilities, generally speaking, over time as climate change worsens. Power generation facilities may need to adapt to demand fluctuations and potentially milder winters, on average, interspersed with more volatile temperature swings. In this way, OPG's weather risks are potentially somewhat greater than during the last payment amounts proceeding."

Question(s):

Please advise whether Christensen's views on weather risk are related to demand and production risk or related to physical damage risk.

M1-CCC-5
Ref: Exhibit M1, pp. 26-27

Preamble:

Christensen states that "[o]ther potential changes such as the lifting of the hydroelectric rate freeze established in the EB-2020-0290 proceeding also reduce risks somewhat."

Question(s):

Please further explain why the transition from a rate freeze to forward test year rebasing with a custom IR ratemaking framework for hydroelectric cost recovery is described to only reduce risks somewhat.

M1-CCC-6
Ref: Exhibit M1, pp. 26-27

Preamble:

Christensen states that "[w]e agree that CCR causes upward impacts to OPG's creditworthiness relative to a framework that includes no means of concurrent cost recovery. However, the CCR mechanism only provides OPG with revenue recovery according to its long-term debt rate. The CCR mechanism does not recover OPG's WACC, as it does not include the cost rate of equity financing. Therefore, CCR, as designated under Ontario Regulation 53/05, likely provides a slight reduction to OPG's financial risk relative to the previous payment amounts period, when no such mechanism existed."

Question(s):

Please further explain the statement that the introduction of CCR provides "a slight reduction to OPG's financial risk…" As part of the response, please consider that the CCR for the PRP is expected to provide OPG with about $2.9 billion of revenues over the 2027-2031[1] period that, in the absence of CCR, it would have no access to. In addition, please further discuss Christensen's apparent concern with the provision of CWIP financing at OPG's long-term debt rate as opposed to the WACC.

M1-CCC-7
Ref: Exhibit M1, pp. 40-42

Preamble:

Concentric states in footnote 150 that "[f]or the FFO/Debt and CFO/Debt ratios, we calculated Total Debt using the same method as Concentric, which is based on the Moody's and S&P methods, respectively."

Question(s):

a) Please confirm that Christensen applied the same inputs (e.g. EBITDA, total debt, etc.) for the credit metric analysis as was applied by Concentric in its "Credit Metric Analysis Working Paper" for its analysis set out in Table 6.3. If not, please explain.

b) Please advise whether the FFO/Debt and CFO/Debt ratio calculations are the same as Moody's and S&P in terms of only the formula or the formula as well as the inputs

[1] Exhibit I1, Tab 1, Schedule 1, Table 2 (Line 22a).

(e.g. EBITDA, total debt, etc.) to the formula. To the extent that it is only the formula that is the same, please explain the differences in terms of the inputs that were used by Christensen and those that are used by Moody's and S&P.

c) Please provide the live excel spreadsheet that supports the historical credit metrics shown in Table 6.2.

d) Please provide the live excel spreadsheet that supports the forecast credit metrics in different scenarios shown in Table 6.3.

M1-CCC-8

Ref: Exhibit M1, pp. 43-48
BCUC, Decision and Order (G-154-23), June 19, 2023, p. 3

Question(s):

a) Please provide an excel spreadsheet, in a format that is similar to L1-CCC-030, Attachment 1, the proxy group screening that was performed by Christensen. As part of the response, please show the screening applied to all the companies that form part of Christensen's peer group and the companies that were included in Concentric's peer group. Also, please specifically, discuss the rationale for the exclusion of Maritime Electric, Newfoundland Power and Nova Scotia Power (assuming they were excluded from the peer group).

b) Please provide Christensen's view, and provide the results of its screening methodology, with respect to the potential inclusion of Manitoba Hydro and SaskPower.

c) Please provide an excel spreadsheet, in a format that is similar to L1-CCC-031, Attachment 1, showing the calculation of the mean and median authorized equity ratios. As part of this response, please also discuss whether Christensen is calculating the authorized equity ratios at the operating subsidiary or Holdco level and explain why it elected to use the approach that it selected.

d) With respect to the average authorized equity ratio for British Columbia Hydro and Power Authority, the BCUC Decision and Order (G-154-23) appears to reference a

definition, established in "Direction No. 8 to the BCUC" (see Footnote 10), that deemed equity is to be set at 30%. Please advise whether the British Columbia Hydro and Power Authority equity thickness should be 30% or 40% (as is currently shown in Table 6.5)

Exhibit M3 – Christensen Associates – Nuclear Payment Amounts Framework

M3-CCC-1
Ref: Exhibit M3, pp. 4-7
F2-CCC-071, p. 3

Preamble:

In response to F2-CCC-071(b), ScottMadden stated that "[u]sing the same starting point as the prior study (i.e., 2009) and extending the dataset through 2023 does change the outcome of ScottMadden's analysis."

The differences in model coefficients between a 2006 and 2009 starting point for the data set are set out in the table below.

Regression Term / Model Coefficient	Current Study 2009-2023 (2023$Ck)	Current Study 2006-2023 (2023$Ck)
Age	-106	77
Capacity	288	291
CANDU (to BWR Baseline)	555,768	539,467
PWR (to BWR Baseline)	9,595	17,309

Question(s):

Please provide Christensen's views on what appear to be very significant changes to model coefficients resulting from the change in the starting point of the data set (as between 2006 and 2009). For example, the age coefficient using 2009 as the starting point is negative while it is positive when using 2006 as the starting point.

M3-CCC-2
Ref: Exhibit M3, pp. 22

Question(s):

a) Please provide, in an excel spreadsheet, the stretch factor calculation shown in Table 3.6 (which is for 2028 only) for each year of the 2028-2031 period.

b) Please confirm that the "recommended stretch factor adjustment" in Table 3.6 includes the addition of only the capital-related revenue requirement associated with DRP-related assets to OPG's proposal (i.e., does not include Pickering Refurbishment and DNNP capital-related revenue requirement).

c) Please confirm that the result of applying a 0.45% stretch factor to OPG's capital related-revenue requirement inclusive of the DRP-related capital in 2028 would be equivalent to applying the 0.72% stretch factor to OPG's proposed narrower definition for revenue requirement that attracts stretch factor treatment.

d) Please provide Christensen's view on the appropriateness of the application of a stretch factor to the Pickering Refurbishment capital-related revenue requirement.

Exhibit M4 – Pacific Economics Group Research – Hydroelectric Rate Framework Design

M4-CCC-1
Ref: Exhibit M4, p. 40
Exhibit E1 / Tab 1 / Schedule 1 / Table 1
E1-CCC-063 / Chart 1

Preamble:

PEG states that it "agrees that a price cap rather than a revenue cap is warranted for OPG's prescribed hydro generation. This will provide stronger incentives for the Company to maintain or increase its hydro generation volume."

OPG's hydroelectric production forecast for the 2027-2031 period is set out in the table below.

	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
Total Regulated Hydroelectric (TWh)	32.5	32.7	33.0	33.0	32.9

Question(s):

a) Please advise whether PEG agrees that a price-cap approach that does not reflect an adjustment to reflect the increasing production forecast between 2028-2031 will lead to an over recovery of the hydroelectric revenue requirement (all else being equal).

b) Please advise whether PEG agrees that, in a revenue cap design (which reflects the changing production forecast in each year), OPG will still have an incentive to meet or increase its hydroelectric production forecast. Please consider that if OPG's actual production is below forecast it will under earn (all else being equal) and if its actual production is above forecast it will over earn (all else being equal).