SEC Interrogatory #022

Interrogatory

Reference:
A1-3-2, Attachment 3

Question(s):

With respect to the LEI, *Benchmarking the Costs of Hydroelectric Generation Companies In North America* Report:

a) [p.17] Please provide the results of this benchmarking study if environmental and regulatory costs are included.

b) [p.18] Please provide the number of plants studied that are owned by OPG (either directly or indirectly).

c) [p. 21] Please provide the results of this benchmarking study if OM&A prices are not included as an independent variable in the model.

d) [p. 25] Please provide the actual cost (OM&A and OM&A+SC) per unit of output (MWh) of each of the plants included in the study (including the size of the plants, and whether they are OPG plants, other Canadian plants, or American plants, but no other identifying features).

Response

This response was prepared by London Economics International LLC ("LEI")

a) This is a request to change the benchmarking models and rerun the analysis. LEI has not conducted this analysis and does not consider this request to be appropriate for a benchmarking study as it would not provide meaningful results. As noted on page 12 of the benchmarking report:

> *"LEI excluded environmental and regulatory expenses because some utilities in the US, due to their local legislation and/or mandates, have included certain expenses that are not directly related to plant operations and are not typically the responsibility of utilities in other jurisdictions; including these expenses would make these*

> *US companies look less cost-efficient than their peers who are not required to pay such expenses."*

Further, this request would take a non-trivial amount of time and effort to complete.

b) Please see response to Ex. L-A1-Staff-282 part (g)(i).

c) This is a request to change the benchmarking models and rerun the analysis. LEI has not conducted this analysis and does not consider this request to be appropriate for a benchmarking study. As noted on page 21 of the benchmarking report:

> *"The **OM&A price** … impact was not statistically significant, as indicated by the p-values. In other words, the results were not statistically different from the assumption that impacts of prices on costs were zero. However, prices are included in the model because economic theory and common sense dictate that the price of inputs should impact total costs. In that case, not controlling for the impact of prices could bias the estimates of the other variables' impacts"*

Further, this request would take a non-trivial amount of time and effort to complete.

d) In accordance with the Motions Resolutions letter filed on May 4, 2026, OPG has revised this interrogatory response. Refer to Ex. L-A1-Staff-002, Attachment 1 (confidential).