UNDERTAKING JT4.11

Undertaking

Advise whether OPG hedged any portion of the SMR fuel or fuel assembly costs for 2030 or 2031.

Response

For DNNP Unit 1, the contracts are in place for the necessary supply of uranium concentrates, services for the conversion of uranium concentrates to natural uranium hexafluoride ("UF6"), enrichment services, and deconversion and fuel assemblies fabrication services expected to be required for 2030 and 2031.

Additionally, OPG has secured certain carry inventory of natural UF6 and enriched uranium which it can access starting in 2026 and 2027, respectively, for DNNP Unit 1.

The above contracts contain various pricing provisions which act as a hedging mechanism to partly mitigate the market pricing volatility for materials and services, such as balancing fixed, base-escalated, and capped spot market pricing. Refer to Ex. F2-5-1, Section 6.0 for further details regarding fuel procurement for the DNNP facilities.

In the course of responding to this undertaking, OPG identified that Ex. B3-5-1, Table 2 incorrectly stated the 2028 ending fuel inventory balance for OPG Nuclear. Such balance shown in Ex. B1-1-1, Chart 2 is correct. The 2028 ending inventory for OPG Nuclear should be $416.2M instead of $386.6M, as indicated in Chart 2. Revising Ex. B3-5-1, Table 2 for this discrepancy increases OPG's proposed 2028 and 2029 rate base values in relation to nuclear fuel by $14.7M each and corresponding revenue requirements by approximately $1M each. OPG proposes to reflect this correction in the revenue requirements during the drafting of the payments amounts order in this proceeding.