TAXES

1.0 PURPOSE

This evidence presents taxes, including income tax, commodity tax, and property tax, for the regulated nuclear facilities for the 2022-2026 IR term and income taxes for the historical and bridge periods.

2.0 OVERVIEW

OPG is seeking approval of the 2022-2026 nuclear income tax expense of $(16.5)M, $(16.3)M, $(16.4)M, $(16.1)M and $(15.9)M and property tax expense of $12.9M, $13.2M, $13.6M, $12.7M and $9.8M, respectively, as presented in Ex. F4-2-1, Table 2.

For all tax matters for the prescribed facilities addressed in this exhibit, OPG has applied the same principles and methodology as in EB-2016-0152.[1] Taxes included in the determination of Bruce Lease net revenues are discussed in Ex. G2-2-1.

The layout of this evidence is largely unchanged from prior applications with two exceptions:

1) Section 3.2.1 addresses the Accelerated Investment Incentive program which provides for a first year increase in capital cost allowance ("CCA"); and,
2) Section 3.4 addresses the utilization of scientific research and experimental development ("SR&ED") investment tax credits ("ITCs") for the nuclear and regulated hydroelectric businesses for periods after 2021, as directed by the OEB.[2]

3.0 INCOME TAX EXPENSE

3.1 Calculation of Regulatory Income Tax Expense

Under the *Electricity Act, 1998,* OPG is required to make payments in lieu of corporate income taxes to the Ontario Electricity Financial Corporation ("OEFC") and to file federal and provincial

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[1] Consistent with the introduction of the SR&ED ITC Variance Account in EB-2016-0152, as noted in EB-2016-0152 OPG Reply Argument (p. 173, footnote 94), OPG has simplified the regulatory reporting of SR&ED ITCs to the amounts earned in the year (at the applicable accounting recognition percentage), beginning in 2017.

[2] In its Decision and Order in EB-2016-0152, the OEB stated that "OPG's next application should consider the utilization of SR&ED ITCs and explain its proposal", p. 88.

income tax returns with the Ontario Ministry of Finance. The tax payments are calculated in accordance with the *Income Tax Act* (Canada) and the *Taxation Act, 2007* (Ontario), as modified by the *Electricity Act, 1998* and related regulations. This effectively results in OPG paying taxes similar to what would be imposed under federal and Ontario tax legislation.

OPG continues to use the taxes payable method for determining regulatory income taxes for its prescribed assets. Under the taxes payable method, only the current income tax expense is reflected in the revenue requirement. Regulatory income taxes are determined by applying the statutory tax rates to the regulatory taxable income of the prescribed facilities and reducing the resulting amount by recognized ITCs for qualifying SR&ED expenditures. There have been no changes in the statutory income tax rates in the historic period and none are included in the forecast for the bridge or IR term. The SR&ED ITCs are discussed in Section 3.4.

Regulatory taxable income is computed by making additions and deductions to regulatory earnings before tax for items affected by differences in regulatory accounting treatment and tax treatment reflecting applicable requirements of the tax legislation. These additions and deductions are described in the next section, and are detailed in the calculation of regulatory income taxes in Ex. F4-2-1, Table 3 for 2016-2021 and Ex. F4-2-1, Table 3a for 2022-2026.

As in prior payment amounts applications, regulatory income taxes for the historical and bridge periods continue to be determined by applying statutory tax rates to the regulatory taxable income of the combined prescribed nuclear and hydroelectric facilities, less SR&ED ITCs. Total regulatory income taxes are then allocated based on each business' regulatory taxable income, with SR&ED ITCs predominantly directly attributed to each business unit based on the underlying expenditures giving rise to the ITCs.

For nuclear ratemaking purposes for 2022-2026, the forecast regulatory income taxes are presented for the prescribed nuclear facilities only, and are determined by applying statutory tax rates to the forecast regulatory taxable income of these facilities, less corresponding forecast SR&ED ITCs.[3] In a situation where a tax loss is forecast for the nuclear business in a given year of the IR term, the loss is applied (carried back or carried forward) to reduce the nuclear business' taxable income in other years of the IR term, with any remaining tax losses carried forward to future IR terms. This approach is consistent with the cost allocation principle of direct assignment, whereby costs directly related to a business are directly assigned to that business, and was similarly applied in EB-2016-0152. Forecast regulatory income taxes presented for the 2022-2026 IR term take into account the carryover of forecast tax losses for the nuclear business from the 2017-2021 IR term, determined using the above approach in the EB-2016-0152 Payment Amounts Order.

As discussed in Section 3.3, the income tax impacts associated with amounts recorded in deferral and variance accounts continue to be considered in the calculation of regulatory taxable income in the periods they are recovered from or refunded to ratepayers, rather than in the periods in which these amounts arise. Therefore, additions or deductions that reverse amounts reflected in regulatory earnings before tax are presented net of any corresponding additions recorded in deferral and variance accounts in the period, and any return on rate base recorded in deferral or variance accounts in the period is also reversed.[4]

In Attachment 1, OPG is providing, as confidential material, the most recent corporate income tax returns and the associated notices of assessment. The returns are for the 2019 taxation year, for the same companies included in EB-2016-0152. Exhibit F4-2-1, Table 4 presents the reconciliation of OPG's consolidated taxable income based on its 2019 tax returns to the calculation of regulatory taxable income for the prescribed facilities for that year.

[3] As in prior applications, the SR&ED ITCs reduce regulatory tax expense even when there is no income tax payable in a given year.

[4] As in EB-2016-0152, the reversal of return on rate base amounts recorded in deferral and variance accounts continues to be presented as a separate adjustment to regulatory earnings before tax in the historical and bridge years at Ex. F4-2-1, Table 3, line 19. As no such deferral and variance account additions are forecasted for the purposes of determining regulatory earnings before tax in the IR term, the adjustment is not required for the 2022-2026 period.

3.2 Description of Additions and Deductions to Regulatory Earnings Before Tax

3.2.1 Depreciation and Amortization/Capital Cost Allowance

Accounting depreciation and amortization of fixed/intangible assets is not deductible for income tax purposes; however, CCA is deductible. Therefore, depreciation and amortization expense is an addition to earnings before tax, while CCA is deducted from earnings before tax. Accounting depreciation and amortization of fixed/intangible assets for the prescribed facilities is determined as described in Ex. F4-1-1.

The amount of depreciation/amortization expense added back in Ex. F4-2-1, Table 3 for 2016-2021 is net of depreciation amounts for the prescribed facilities recorded (or forecasted to be recorded) in the applicable years as additions to the following deferral and variance accounts: Nuclear Liability Deferral Account, Capacity Refurbishment Variance Account ("CRVA"), Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account, Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account and Impact Resulting from Changes to Pickering End-of-Life Dates (December 31, 2017) Deferral Account.

OPG's 2019 income tax returns provided in Attachment 1 include the calculations of CCA deductions by applying, by asset class, a prescribed rate to the Undepreciated Capital Cost ("UCC") balance (i.e., Schedules 8 of Ex. F4-2-1, Attachment 1). These schedules contain consolidated information for both OPG's regulated and unregulated assets. Undepreciated Capital Costs and CCA schedules for the prescribed nuclear assets are provided for 2016-2021 in Ex. F4-2-1, Tables 5-10 and for 2022-2026 in Ex. F4-2-1, Tables 11-15.

The CCA amounts for the Darlington Refurbishment Program ("DRP") continue to reflect the "rolling start" rule, which allows CCA to be claimed on property acquired two years ago that has not been placed in service. The DRP CCA amounts also reflect OPG's continued election under the "long-term project" rule that permits property acquired after the second year of a long-term project to become eligible for CCA deductions earlier than it otherwise would under the "rolling start" rule, subject to certain thresholds.

On June 21, 2019, Bill C-97, the *Budget Implementation Act, 2019, No. 1*, received Royal Assent. As a result, taxpayers are able to claim higher CCA deductions on accelerated investment incentive property.[5] Accelerated investment incentive property is property acquired after November 20, 2018 and that is put into service after that date. Capital cost allowance at normal CCA rates is available on property acquired before November 21, 2018 and put into service after November 20, 2018. The changes generally result in a CCA allowance of three times the normal first-year CCA for assets acquired after November 20, 2018 and put into service before 2024 and two times the normal first-year CCA for assets acquired after November 20, 2018 and put into service during the 2024-2027 period.

In its letter dated July 25, 2019, the OEB set out its expectation that OPG (and other rate-regulated utilities) record the impact of these CCA rule changes not reflected in rates in a sub-account of the Income and Other Taxes Variance Account (or such other similar accounts for other rate-regulated utilities) and also reflect them in cost-based rate applications going forward. In line with this, OPG is recording the impact of the higher CCA deductions, in full, for the prescribed facilities, other than for the projects subject to the CRVA, in the Income and Other Taxes Variance Account and has similarly reflected these deductions, in full, in the forecasts for the bridge years and IR term.[6] The impact of these rules on the CCA for the CRVA-eligible projects, including the DRP, is recorded, in full, in the CRVA as part of the total CCA variances for these projects.[7] The Income and Other Taxes Variance Account and the CRVA are discussed further in Ex. H1-1-1, Sections 5.5 and 5.6, respectively.

3.2.2 <u>Nuclear Waste Management Variable Expenses</u>

Consistent with the provisions of the *Income Tax Act* (Canada), accounting expenses accrued by OPG relating to its obligations for decommissioning its nuclear stations and managing nuclear used fuel and low and intermediate level waste produced by these facilities (collectively, the “nuclear liabilities”) are not deductible for tax purposes. Therefore, used fuel

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[5] The application of the new rules includes property subject to the “rolling start” rule and “long-term project” election.

[6] While these changes are effective on November 21, 2018, entries in the Income and Other Taxes Variance Account (and the CRVA) were recorded, retrospectively, starting in 2019, based on the timing of the legislation receiving Royal Assent.

[7] This treatment is consistent with the requirements of the CRVA to record variances between actual and forecast costs for eligible projects.

storage and disposal and low and intermediate level waste management variable expenses incurred in the period in relation to the prescribed nuclear assets are added back to earnings before tax. These expenses are presented in Ex. C2-1-1, Table 2, lines 2 and 3. The amount added back to earnings before tax for these expenses in Ex. F4-2-1, Table 3, is net of amounts recorded (or forecasted to be recorded) as additions to the Nuclear Liability Deferral Account and the Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account in 2016 and 2017, and to the Impact Resulting from Changes to Pickering End-of-Life Dates (December 31, 2017) Deferral Account in 2018-2021.

3.2.3 Cash Expenditures for Nuclear Waste Management and Decommissioning

Cash expenditures incurred and charged against the nuclear liabilities for waste management and decommissioning activities are generally deductible for tax purposes in accordance with the regulations under the *Electricity Act*, *1998*. The expenditures for the prescribed nuclear facilities are presented in Ex. C2-1-1, Table 2, line 5.

The full amount of cash expenditures relating to the prescribed nuclear assets is presented at line 15 in Ex. F4-2-1, Tables 3 and 3a as a deduction from earnings before tax. As part of Other additions presented at line 12 in Ex. F4-2-1, Tables 3 and 3a, and as noted in Section 3.2.7 below, a portion of these expenditures deemed to be capital for tax purposes is added back to earnings before tax in order to adjust the amount of cash expenditures deducted in arriving at taxable income. The CCA deduction discussed in Section 3.2.1 includes CCA related to these expenditures.

3.2.4 Segregated Fund Contributions and Receipts

The regulations under the *Electricity Act, 1998* allow OPG a tax deduction for contributions made to segregated funds pursuant to the Ontario Nuclear Funds Agreement (“ONFA”). The ONFA contribution schedule based on the current approved ONFA Reference Plan is used to determine OPG’s contributions to the segregated funds. The contribution amounts for the prescribed nuclear facilities are presented in Ex. C2-1-1, Table 2, line 15 and are deducted from earnings before tax.

When OPG receives disbursements from the funds for reimbursement of eligible expenditures, the amounts received are taxable as per the regulations under the *Electricity Act, 1998*. The amounts related to the prescribed nuclear facilities are presented in Ex. C2-1-1, Table 2 line 16 and are added to earnings before tax.

3.2.5 Pension and Other Post-Employment Benefits

Pension and other post-employment benefits ("OPEB") accrual costs recorded by OPG for accounting purposes (discussed in Ex. F4-3-2) are not deductible for tax purposes per the provisions of the *Income Tax Act* (Canada). Therefore, these costs are added back to earnings before tax. OPG's cash contributions to its registered pension plan as well as the payments for its OPEB and supplementary pension plans are deductible for tax purposes, and are reflected as deductions from earnings before tax.

The amount added back to earnings before tax for pension and OPEB accrual costs in Ex. F4-2-1, Table 3 is net of amounts recorded (or forecasted to be recorded) in the period in the Pension & OPEB Cash Versus Accrual Differential Deferral Account. For the IR term, OPG proposes to include forecast pension and OPEB accrual costs in the nuclear revenue requirement. As such, the forecast accrual costs provided in Ex. F4-3-2, Chart 1 are added to earnings before tax for the IR term, and the forecast cash amounts provided in Ex. F4-3-2, Chart 2 are deducted from earnings before tax.

3.2.6 Adjustment Related to Financing Cost for Nuclear Liabilities

The calculation of regulatory earnings before tax adds back an adjustment in respect of the financing cost (i.e., return on rate base) for the prescribed facilities' portion of the nuclear liabilities. This adjustment is required as a result of the methodology for the recovery of the revenue requirement impact of the nuclear liabilities (approved in EB-2007-0905 and applied in all subsequent payment amounts proceedings) and the inclusion of tax deductions for nuclear segregated fund contributions and cash expenditures on nuclear liabilities. As part of the approved methodology discussed in Ex. C2-1-1, the revenue requirement treatment of the nuclear liabilities includes an amount derived by applying the weighted average accretion rate to the lesser of the average unfunded nuclear liabilities and the average unamortized asset retirement costs for the prescribed facilities. This amount is deducted in determining regulatory earnings before tax. For years 2016-2026, the derivation of this amount is presented in Ex. C1-1-1, Tables 1-11, line 7. The nuclear segregated fund contributions also include financing costs related to the nuclear liabilities, as discussed in Section 3.2.4 above. Therefore, an adjustment is included as an addition to regulatory earnings before tax to remove an otherwise duplicate deduction between the return on rate base at the weighted average accretion rate and deductions for the nuclear segregated fund contributions and nuclear liabilities expenditures. The amount added to earnings before tax in Ex. F4-2-1, Table 3 is net of amounts recorded as additions to the Nuclear Liability Deferral Account in 2017, the Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account in 2016 and 2017, and the Impact of Changes to Pickering End-of-Life Dates (December 31, 2017) Deferral Account in 2018-2021.

3.2.7 <u>Other</u>

This category includes other required additions or deductions to earnings before tax, such as:

- Nuclear materials and supplies obsolescence expenses recorded for accounting purposes as part of nuclear base OM&A (as noted in Ex. F2-2-1, Section 3.1) that are not deductible for tax purposes as per the *Income Tax Act* (Canada).
- Computer equipment expenditures that are expensed for accounting purposes but must be capitalized and are eligible for CCA deductions for tax purposes.
- Fifty percent of OPG's nuclear fuel expense incurred in a given year, which is not deductible for tax purposes until the following year. Therefore, OPG adds back 50% of a given year's nuclear fuel expense and deducts 50% of the prior year's nuclear fuel expense. The resulting net addition or net deduction adjusts earnings before tax.
- Meals and entertainment expenses that are subject to the 50% tax deduction limitation.
- Adjustment to decrease the reduction for cash expenditures on nuclear waste management and decommissioning by the portion of the expenditures deemed to be capital for tax purposes, as discussed in Section 3.2.3.

- Deductions for tax purposes for lease payments with respect to arrangements treated as a finance lease capitalized for accounting purposes.[8]

3.3 Regulatory Tax Treatment of Deferral and Variance Account Recovery

Amounts recorded by OPG in deferral and variance accounts in a given period, which are reported as regulatory assets or liabilities for accounting purposes, typically impact OPG's actual taxable income in a different period. As a result, amounts recognized for accounting purposes as regulatory assets or liabilities in the period are reversed from regulatory earnings before tax in determining OPG's actual taxable income (e.g., Ex. F4-2-1, Table 4, col. (a), lines 19-22).

For regulatory purposes, as in prior payments amounts proceedings, the tax impact (i.e., tax benefits or costs) to be recovered from, or provided to, ratepayers of the amounts recorded in deferral and variance accounts is reflected in the calculation of regulatory taxable income over the same period as these amounts are recovered from, or refunded to, ratepayers. This approach is intended to result in the same total tax impact as the actual tax payable by OPG in respect of recovery or refund of the amounts, considering the entire period from when the variance or deferral account balance is initially recorded to when the balance is fully recovered or refunded. This regulatory treatment provides for a matching of costs and benefits in accordance with the principle that the party who bears a cost should be entitled to any related tax savings or benefits.

In calculating earnings, the balance of the deferral and variance accounts recovered or refunded through payment amounts in the period is reflected in both the regulated revenues and the amortization expense (or amortization credit) for that period. Amortization is not deductible for income tax purposes. Since the amounts of revenue and amortization typically would be equal and offsetting, there is no net impact on earnings before tax for the period. In calculating regulatory income taxes, no adjustment to regulatory earnings before tax is made for the amortization, subject to the discussion below, because the amount that would otherwise be added back to, or deducted from, earnings before tax as amortization expense/credit is the

[8] This comprises the Darlington Water Treatment Plant financing lease discussed in Ex. D2-1-3, Section 3.2.

same as the amount that would be deducted from, or added back to, earnings before tax in order to attribute the associated benefit or cost to ratepayers.

To the extent that there is no tax benefit/cost to be matched to the variance or deferral account recovery or refund, there is a net income tax impact associated with the amounts recorded in these accounts. In instances where this impact is not otherwise reflected in the account balance itself, an adjustment to regulatory earnings before tax is required in the period of recovery.

The Nuclear Liability Deferral Account, the CRVA, the Pension and OPEB Cost Variance Account, the Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account and the Impact Resulting from Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account are the principal accounts that record amounts for the prescribed facilities that do not have a matching tax benefit. These accounts reflect the associated income tax impacts as part of amounts recorded in the account, and therefore no adjustment to earnings before tax is required in respect of the recovery of these balances. With respect to the Pension & OPEB Cash Versus Accrual Differential Deferral Account, the associated income tax impacts are not recorded in the account and, as addressed in EB-2018-0243 and continued in this application, are being recovered through the deferral and variance account riders (see Ex. H1-2-1).

An adjustment to regulatory earnings before tax continues to be required to address the impact of the regulatory treatment of the Bruce Lease net revenues on the disposition of the Bruce Lease Net Revenues Variance Account. The forecast net revenues from the Bruce Lease are applied against OPG's nuclear revenue requirement and therefore the earnings before tax for the prescribed facilities as shown in Ex. F4-2-1, Table 3c, Note 1. To the extent that there is a difference between the forecast and actual net revenues from the Bruce Lease (i.e., an entry into the Bruce Lease Net Revenues Variance Account), there is a difference in the regulatory earnings before tax and therefore the taxes for the prescribed facilities. Hence, an adjustment to regulatory earnings before tax is required in the year of recovery/refund of the variance recorded in the Bruce Lease Net Revenues Variance Account to ensure that any overcollection of, or shortfall in, regulatory taxes is also refunded to, or recovered from, ratepayers. Accordingly, the amortization of the Bruce Lease Net Revenues Variance Account is added back to regulatory earnings before tax, as shown in Ex. F4-2-1, Tables 3 and 3a, line 6. In addition to historical and bridge years, this adjustment is included in 2022 to 2026 to reflect amortization amounts for the variance account proposed in this application (see Ex. H1-1-1).

3.4 SR&ED Investment Tax Credits

OPG can claim a non-refundable federal ITC equal to 15% and an Ontario ITC of 3.5% (4.5% prior to June 1, 2016) of the qualifying SR&ED expenditures incurred in the year. OPG files annual ITC claims based on qualifying expenditures identified. The federal ITCs reduce the federal portion of corporate income taxes otherwise payable and are taxable in the subsequent year. The Ontario ITCs reduce the Ontario portion of corporate income taxes otherwise payable and are taxable in the year earned. Additionally, certain expenditures that are capitalized for accounting purposes are deductible for income tax purposes as SR&ED expenditures (and remain eligible for SR&ED ITCs). These expenditures are deducted from earnings before tax in computing taxable income, as shown in Ex. F4-2-1, Tables 3 and 3a, line 20.

As in prior payment amounts applications, the amount of ITCs recognized for accounting purposes is determined based on an assessment of the likelihood of their allowance, in accordance with generally accepted accounting principles. Under US GAAP, the amount of ITCs recognized in the period is recorded as a reduction to income tax expense for that period. The reduction to income tax expense for the prescribed facilities is presented at line 28 of Ex. F4-2-1, Tables 3 and 3a.

In determining actual and forecast income tax expense for the nuclear business, OPG continues to recognize 75% of the estimated ITCs for taxation years that are subject to audit. For years the audit of which has been resolved, OPG adjusts, as needed, the previously recognized amount to reflect the audit resolution. To the extent the ultimate percentage of recognition for SR&ED ITCs differs from that applied in reducing regulatory income tax expense reflected in approved payment amounts, for the prescribed nuclear and hydroelectric facilities, OPG recorded the difference in the SR&ED ITCs, including the tax on the difference, in the Income and Other Taxes Variance Account until May 31, 2017. This treatment continues to be in place for the regulated hydroelectric facilities for periods after May 31, 2017.

Starting June 1, 2017, any difference between SR&ED ITC amounts reflected in approved payment amounts for the nuclear facilities and the actual SR&ED ITCs (attributed to the nuclear facilities) as determined after any tax audits, including the associated tax on the difference, are recorded in the SR&ED ITC Variance Account established in EB-2016-0152.

3.4.1 Proposed Treatment of SR&ED ITCs for the IR Term

In its Decision and Order in EB-2016-0152, the OEB instructed OPG to consider the utilization of SR&ED ITCs for the nuclear and hydroelectric businesses in its next application, as the rate-setting methodologies for these businesses beyond 2021 were not certain at the time the decision was issued. This section sets out OPG's proposed treatment of SR&ED ITCs for the IR term.

At the time of EB-2016-0152, it was anticipated that OPG would be filing a hydroelectric payment amounts application for the upcoming IR term. As the hydroelectric base payment amounts have now been set by O. Reg. 53/05 for the duration of the IR term and are not the subject of rate-setting in this application, OPG believes that it would be consistent with the intent of the OEB's decision to revisit the treatment of the regulated hydroelectric SR&ED ITCs in the next cost-based hydroelectric payment amounts application, rather than in this application. Accordingly, until such time, OPG proposes not to make changes to the current treatment of the regulated hydroelectric SR&ED ITCs.[9]

With respect to the nuclear facilities, OPG believes that the circumstances observed at the time of EB-2016-0152 related to the inherent difficulty in forecasting the nuclear ITCs have not substantially changed, and in fact may be magnified in this application by the need to forecast the ITCs during a period of winding down Pickering operations. On this basis, OPG proposes

[9] In making this proposal, OPG notes that the regulated hydroelectric ITCs have remained relatively modest, averaging $3.6M over 2016-2019, compared to $33.2M for the nuclear facilities.

to continue the treatment of the nuclear SR&ED ITCs as implemented in EB-2016-0152, including the current operation of the SR&ED ITC Variance Account.

4.0 INCOME TAX EXPENSE FOR 2016 to 2026

The actual (2016-2019) and forecast (2020 and 2021) annual regulatory income tax expense for the combined nuclear and regulated hydroelectric facilities and the forecast income tax expense (2022-2026) for the nuclear facilities has been computed using the approach described in Section 3. The 2016-2021 regulatory income tax expense calculations are shown in Ex. F4-2-1, Table 3. The 2022-2026 regulatory income tax expense calculations (for the nuclear facilities) are shown in Ex. F4-2-1, Table 3a. The resulting income taxes for the nuclear facilities for the 2016-2026 period are shown in Ex. F4-2-1 Table 2.

The forecast tax expense for the nuclear facilities in the IR term is $(16.5)M, $(16.3)M, $(16.4)M, $(16.1)M and $(15.9)M respectively. The negative tax expense for 2022-2026 represents the forecast amount of SR&ED ITCs attributed to the nuclear facilities in those years and reflects the impact of the carryover of EB-2016-0152 forecast nuclear regulatory tax losses of $321.1M at the end of 2021[10] and projected nuclear regulatory tax losses of $120.3M and $82.3M arising in 2022 and 2023, respectively. These tax losses are carried forward to fully offset the projected nuclear regulatory taxable income of $103.2M in 2024, $59.0M in 2025 and $139.8M in 2026. The remaining nuclear regulatory tax loss balance at the end of 2026 of $221.7M would be carried forward to the next rate-setting period. The regulatory tax loss carry-forward schedule is presented at Ex. F4-2-1, Table 3b.

The negative regulatory income tax expense for the nuclear facilities in 2016 and 2017 reflects directly assigned SR&ED ITCs related to those years. The increase in regulatory income tax expense in 2018 through 2021 is primarily driven by higher regulatory earnings before tax.

5.0 COMMODITY TAX

Pursuant to the *Excise Tax Act* (Canada), OPG is subject to the 13% Harmonized Sales Tax ("HST") on almost all of its purchases of goods and services. The recoverable portion of HST

[10] EB-2016-0152 Payment Amounts Order, App. A, Table 22.

paid by OPG is claimed as input tax credits on returns filed monthly. The recoverable portion of HST forecast to be paid is therefore not included in the revenue requirement. The non-recoverable portion, which resulted from the restrictions pursuant to the *Excise Tax Act* (Canada) (i.e., restricted input tax credits), has been phased out effective July 1, 2018. As in prior payment amounts applications, the impact of HST is incorporated into the computation of the cash working capital component of rate base presented in Ex. B1-1-2.

Where applicable, OPG continues to pay duty under the *Customs Act (*Canada) on goods imported into Canada. Some of these imports continue to be either exempt or have duty free status through the North American Free Trade Agreement. For supply and installation contracts, the contractor's price includes duty, if applicable, on the goods imported to perform the work. Any duty paid forms part of the cost of the underlying item.

6.0 PROPERTY TAX EXPENSE

The nature, basis, and components of OPG's property tax expense are unchanged from the evidence presented in prior payment amounts applications. OPG remains responsible for both the payment of municipal property taxes and a payment in lieu of property tax to the OEFC. The total of these two payments is intended to represent what a commercial generating company would pay as property tax, based on full Current Value Assessment ("CVA"), and represents OPG's property tax expense. OPG's property tax expense for the regulated nuclear facilities is presented in Ex. F4-2-1, Table 2, for the historical, bridge periods and IR term years. The property tax expense for the regulated nuclear facilities increases relatively gradually over the bridge period and IR term, reflecting differences in municipal property tax rates and changes in property assessment values.

Municipal property taxes paid by OPG for properties that are not directly associated with specific generation business units and are held centrally continue to form part of the asset service fees, as discussed in Ex. F3-2-1. Property taxes associated with the Bruce assets are presented separately in Ex. G2-2-1.

6.1 Municipal Property Taxes

Municipal property taxes are regulated under the *Assessment Act, R.S.O. 1990* (the "Act"). For prescribed nuclear and Bruce assets, property tax payments to municipalities continue to be paid based on a statutory assessment rate of $86.11 per square meter for most of the ground floor area of "generating" buildings (e.g., buildings that are used in, or auxiliary to, the generating process, such as a powerhouse, water treatment plant, pump houses, etc.) pursuant to the Act, and at CVA for "non-generating" buildings (e.g., administration/office buildings). For both "generating" and "non-generating" buildings, the Municipal Property Assessment Corporation issues notices of assessments annually. Additionally, for "generating" buildings, OPG continues to be subject to payment in lieu of property tax discussed below.

6.2 Payment in Lieu of Property Tax

Payment in lieu of property tax is regulated through O. Reg. 224/00 under the *Electricity Act, 1998* and is paid to the OEFC. The payment in lieu of property tax represents taxes based on the difference between CVA and the prescribed municipal assessment rate of $86.11 per square meter for most of the ground floor area of certain generating assets.

As noted in prior payment amounts applications, the assessment basis under O. Reg. 224/00 has not been updated since 1999. Consequently, the CVA used for payment in lieu of property tax calculations and the payments in lieu of tax amounts themselves remain subject to a possible update. Property tax expense forecasts for all years presented in this application assume that O. Reg. 224/00 will not be updated in those years. Changes in property taxes resulting from a change in O. Reg. 224/00 would be recorded in the Income and Other Taxes Variance Account, as per the OEB-approved scope of the account.

ATTACHMENTS

Attachment 1: Income Tax Returns and associated Notices of Assessment for 2019 (filed separately requesting treatment as confidential material)

Includes:

Part 1 – T2 Corporation Income Tax Return Ontario Power Generation Inc.
Part 2 – T2 Corporation Income Tax Return OPG – Huron A Inc.
Part 3 – T2 Corporation Income Tax Return OPG – Huron B Inc.
Part 4 – T2 Corporation Income Tax Return OPG – Huron Common Facilities Inc.
Part 5 – Notices of Assessment – Hydro Payment in Lieu

Exhibit F4-02-01, Attachment 1, Part 1

T2 Corporation Income Tax Return

Ontario Power Generation Inc.

This Attachment was filed as confidential information in its entirety

Exhibit F4-02-01, Attachment 1, Part 2

T2 Corporation Income Tax Return

OPG -Huron A Inc.

This Attachment was filed as confidential information in its entirety

Exhibit F4-02-01, Attachment 1, Part 3

T2 Corporation Income Tax Return

OPG -Huron B Inc.

This Attachment was filed as confidential information in its entirety

Exhibit F4-02-01, Attachment 1, Part 4

T2 Corporation Income Tax Return

OPG -Huron Common Facilities Inc.

This Attachment was filed as confidential information in its entirety

Exhibit F4-02-01, Attachment 1, Part 5

Notice of Assessment –Hydro Payment in Lieu

This Attachment was filed as confidential information in its entirety

Numbers may not add due to rounding.

Table 1
Taxes - Hydroelectric ($M)

Intentionally Left Blank

Table 2
Taxes - Nuclear ($M)

Line No.	Cost Item	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**Income Tax[1,2]**	(39.5)	(27.7)	(4.2)	33.1	66.8	(17.6)	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
	Property Tax:											
2	**Darlington NGS**	9.4	8.5	8.3	8.4	8.0	8.4	8.7	8.9	9.1	9.5	9.8
3	**Pickering NGS**	4.8	4.5	4.4	4.1	4.0	4.2	4.3	4.4	4.5	3.1	0.0
4	**Sub-total**	14.1	13.0	12.7	12.5	12.0	12.6	12.9	13.2	13.6	12.7	9.8
5	**Total**	(25.4)	(14.7)	8.5	45.6	78.8	(5.0)	(3.6)	(3.1)	(2.8)	(3.4)	(6.1)

Notes:

1 The income tax expense is calculated on a combined basis for OPG's prescr bed facilities for the years 2016 to 2021. As described in Ex. F4-2-1, the resulting expense is allocated between the regulated hydroelectric and nuclear businesses on the basis of each business's taxable income, and for SR&ED ITCs, on the basis of the underlying expenditures.

2 Amounts for 2022 to 2026 are from Ex. F4-2-1 Table 3a, line 29.

Table 3
Calculation of Regulatory Income Taxes for Prescribed Facilities ($M)
Years Ending December 31 2016-2021

Line No.	Particulars	Note	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
			(a)	(b)	(c)	(d)	(e)	(f)
	Determination of Regulatory Taxable Income							
1	**Regulatory Earnings Before Tax**	1	186.0	281.1	618 2	954.7	981.4	817.9
	Additions for Regulatory Tax Purposes							
2	**Depreciation and Amortization**		444.0	486.0	551 9	570.1	751.5	481.3
3	**Nuclear Waste Management Expenses**		59.1	55.7	56 2	65.6	57.8	58.9
4	**Receipts from Nuclear Segregated Funds**		38.5	40.3	49 0	44.6	65.5	117.6
5	**Pension and OPEB Accrual**		333.0	297.3	283.4	271.1	271.8	285.2
6	**Regulatory Asset Amortization - Bruce Lease Net Revenues Variance Account**		165.3	0.0	(7 2)	(17.3)	(10.2)	49.1
7	**Regulatory Asset Amortization - Pension & OPEB Cash Versus Accrual Differential Deferral Act**		0.0	0.0	0 0	51.1	51.1	51.1
8	**Regulatory Liability Amortization - Income and Other Taxes Variance Account**		(8.9)	0.0	(0 6)	(2.8)	(2.1)	(4.5)
9	**Reversal of Niagara Tunnel Disallowance**		(21.6)	0.0	0 0	0.0	0.0	0.0
10	**Adjustment Related to Financing Cost for Nuclear Liabilities**		65.9	48.1	19 9	13.3	6.0	4.0
11	**Taxable SR&ED Investment Tax Credits**	7	44.3	39.5	37 6	31.8	21.1	20.7
12	**Other**		69.9	62.5	83 6	55.2	81.5	54.8
13	**Total Additions**		1,189.4	1,029.4	1,073 8	1,082.6	1,293.9	1,118.1
	Deductions for Regulatory Tax Purposes							
14	**CCA**	2,3	485.0	542.9	627 2	870.6	895.4	1,017.3
15	**Cash Expenditures for Nuclear Waste Management & Decommissioning**		128.8	169.2	150 5	146.3	257.0	314.2
16	**Contributions to Nuclear Segregated Funds**		176.7	102.5	102 5	102.5	102.5	102.5
17	**Pension Plan Contributions**		234.0	196.7	180 5	165.3	174.8	175.5
18	**OPEB/SPP Payments**		99.0	100.6	102 9	105.8	97.0	109.7
19	**Reversal of Return on Rate Base Recorded in Deferral and Variance Accounts**		9.3	16.1	16 9	25.0	(31.9)	36.8
20	**Deductible SR&ED Qualifying Expenditures**		149.4	126.5	74 6	76.2	58.8	54.9
21	**Other**		22.9	8.9	6.1	11.5	1.6	1.6
22	**Total Deductions**		1,304.9	1,263.5	1,261.1	1,503.4	1,555.2	1,812.5
23	**Regulatory Taxable Income/(Loss) Before Tax Loss Carry-Over (line 1 + line 13 - line 22)**		70.4	46.9	430 9	534.0	720.1	123.4
24	**Tax Loss Carry-Over**	4, 5	0.0	0.0	0 0	0.0	0.0	0.0
25	**Regulatory Taxable Income After Tax Loss Carry-Over (line 23 + line 24)**		70.4	46.9	430 9	534.0	720.1	123.4
26	**Regulatory Income Taxes - Federal (line 25 x line 30)**		10.6	7.0	64 6	80.1	108.0	18.5
27	**Regulatory Income Taxes - Provincial (line 25 x line 31)**		7.0	4.7	43.1	53.4	72.0	12.3
28	**Regulatory Income Taxes - SR&ED Investment Tax Credits**	8	(39.7)	(29.2)	(24.1)	(22.9)	(20.9)	(20.0)
29	**Total Regulatory Income Taxes (line 26 + line 27 + line 28)**		(22.1)	(17.5)	83 6	110.6	159.1	10.9
	Income Tax Rate							
30	**Federal Tax**		15.00%	15.00%	15 00%	15.00%	15.00%	15.00%
31	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10 00%	10.00%	10.00%	10.00%
32	**Total Income Tax Rate**		25.00%	25.00%	25 00%	25.00%	25.00%	25.00%

For notes see Table 3c.

Numbers may not add due to rounding.

Table 3a
Calculation of Regulatory Income Taxes - Nuclear ($M)
Years Ending December 31, 2022-2026

Line No.	Particulars	Note	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan
			(a)	(b)	(c)	(d)	(e)
	Determination of Regulatory Taxable Income						
1	**Regulatory Earnings Before Tax**	1	236.7	236.0	348.4	441.5	468.7
	Additions for Regulatory Tax Purposes:						
2	**Depreciation and Amortization**		553.0	471.5	578.7	521.6	568.6
3	**Nuclear Waste Management Expenses**		57.3	68.9	72.3	52.1	47.1
4	**Receipts from Nuclear Segregated Funds**		82.5	104.3	136.4	284.2	529.3
5	**Pension and OPEB Accrual**		311.7	294.1	272.8	228.2	183.5
6	**Regulatory Asset Amortization - Bruce Lease Net Revenues Variance Account**		28.0	28.0	28.0	21.1	21.1
7	**Regulatory Asset Amortization - Pension & OPEB Cash Versus Accrual Differential Deferral Act**		152.9	152.9	152.9	108.8	108.8
8	**Regulatory Liability Amortization - Income and Other Taxes Variance Account**		(1.6)	(1.6)	(1.6)	0.0	0.0
9	**Reversal of Niagara Tunnel Disallowance**		0.0	0.0	0.0	0.0	0.0
10	**Adjustment Related to Financing Cost for Nuclear Liabilities**		3.6	0.0	0.0	0.0	0.0
11	**Taxable SR&ED Investment Tax Credits of Prior Periods & Current Provincial Portion**	7	17.4	16.5	16.3	16.3	16.1
12	**Other**		73.2	76.2	35.5	4.4	(69.3)
13	**Total Additions**		1,278.0	1,210.9	1,291.4	1,236.7	1,405.3
	Deductions for Regulatory Tax Purposes:						
14	**CCA**	2,3	839.5	878.8	834.1	860.2	828.5
15	**Cash Expenditures for Nuclear Waste & Decommissioning**		269.6	262.7	306.1	463.9	638.4
16	**Contributions to Nuclear Segregated Funds and Earnings**		244.4	100.6	100.6	0.0	0.0
17	**Pension Plan Contributions**		148.5	151.5	152.1	151.7	123.0
18	**OPEB Payments**		98.0	101.4	103.2	103.8	104.2
19	**Reversal of Return on Rate Base Recorded in Deferral and Variance Accounts**		0.0	0.0	0.0	0.0	0.0
20	**Deductible SR&ED Qualifying Expenditures**		35.0	34.2	34.4	33.1	32.3
21	**Other**		0.0	0.0	6.1	6.3	6.9
22	**Total Deductions**		1,634.9	1,529.2	1,536.7	1,619.2	1,733.2
23	**Regulatory Taxable Income Before Tax Loss Carry-Over** (line 1 + line 13 - line 22)		(120.3)	(82.3)	103.2	59.0	140.7
24	**Tax Loss Carry-Over / (Applied)**	4, 5	120.3	82.3	(103.2)	(59.0)	(140.7)
25	**Regulatory Taxable Income After Tax Loss Carry-Over** (line 23 + line 24)		0.0	0.0	0.0	0.0	0.0
26	**Regulatory Income Taxes - Federal** (line 24 x line 30)		0.0	0.0	0.0	0.0	0.0
27	**Regulatory Income Taxes - Provincial** (line 24 x line 31)		0.0	0.0	0.0	0.0	0.0
28	**Regulatory Income Taxes - SR&ED Investment Tax Credits**	8	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
29	**Total Regulatory Income Taxes** (line 26 + line 27 + line 28)		(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
	Income Tax Rate:						
30	**Federal Tax**		15.00%	15.00%	15.00%	15.00%	15.00%
31	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10.00%	10.00%	10.00%
32	**Total Income Tax Rate**		25.00%	25.00%	25.00%	25.00%	25.00%

For notes see Table 3c.

Numbers may not add due to rounding.

Table 3b

2022 - 2026 Summary of Nuclear Regulatory Losses ($M)

Line No.	Particulars	Note	2022	2023	2024	2025	2026
			(a)	(b)	(c)	(d)	(e)
1	**Tax Loss Brought Forward**	1	(321.1)	(441.4)	(523.7)	(420.5)	(361.5)
2	**Income/(Loss) for the Year**	2	(120.3)	(82.3)	0.0	0.0	0.0
3	**Tax Loss Applied**	3	0.0	0.0	103.2	59.0	140.7
4	**Tax Loss Carried Forward** (Line 1 + Line 2 + Line 3)		(441.4)	(523.7)	(420.5)	(361.5)	(220.8)

Notes:
1 2022: Tax Loss Brought Forward per EB-2016-0152 PAO Appendix A, Table 22, line 4, col. (e).
2 Ex. F4-2-1, Table 3a, line 24, col. (a) for 2022 and (b) for 2023.
3 Ex. F4-2-1, Table 3a, line 24, col. (c) for 2024, (d) for 2025, and (e) for 2026.

Table 3c
Notes to Table 3, 3a and 3b
Calculation of Regulatory Income Taxes ($M)
Years Ending December 31, 2022-2026

Notes:

1 Regulatory Earnings Before Tax for 2020 - 2021 are from Ex. I1-1-1, Tables 4 & 5, line 25. Regulatory Earnings Before Tax for 2022 - 2026 are calculated as follows :

Line No.	Item	Reference	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan
			(a)	(b)	(c)	(d)	(e)
1a	After Tax Return on Equity - Presecribed Nuclear Facilities	Ex. I1-1-1, Table 1, line 12	360.6	366.5	469.6	519.9	555.1
2a	Less: Bruce Lease Net Revenues	Ex. G2-2-1, Table 1, Line 3	(45.6)	(38.7)	(48.1)	(46.5)	(38.3)
3a		line 1a - line 2a	406.2	405.2	517.7	566.4	593.4
4a	Additions for Regulatory Tax Purposes	line 13	1,278.0	1,210.9	1,291.4	1,236.7	1,405.3
5a	Less: Regulatory Asset Amort - Pension & OPEB Cash Vs Accrual Diff Def Act	Ex. H1-2-1 Table 2, Lines 15-17	152.9	152.9	152.9	108.8	108.8
6a	Deductions for Regulatory Tax Purposes	line 22	1,634.9	1,529.2	1,536.7	1,619.2	1,733.2
7a		line 3a + line 4a - line 5a - line 6a	(103.7)	(66.0)	119.6	75.2	156.6
8a	Regulatory Income Taxes - Federal	(lines 7a + 14a + 28) x line 30/ (1 - line 32)	(18.0)	(12.3)	15.5	8.9	21.1
9a	Regulatory Income Taxes - Provincial	(lines 6a + 14a + 28) x line 31 / (1 - line 32)	(12.0)	(8.2)	10.3	5.9	14.1
10a	Regulatory Income Taxes - SR&ED Investment Tax Credits	line 28	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
11a	Total Regulatory Income Taxes Before Loss Carry-Over	line 8a + line 9a + line 10a	(46.6)	(36.9)	9.4	(1.3)	19.3
12a	Decrease in Regulatory Income Taxes Due to Tax Loss Carry-Over - Federal	line 24 x line 30	18.0	12.3	(15.5)	(8.9)	(21.1)
13a	Decrease in Regulatory Income Taxes Due to Tax Loss Carry-Over - Provincial	line 24 x line 31	12.0	8.2	(10.3)	(5.9)	(14.1)
14a	Reduction in Total Regulatory Income Taxes Due to Loss Carry-Over	line 12a + line 13a	30.1	20.6	(25.8)	(14.8)	(35.2)
15a	Regulatory Income Taxes After Tax Loss Carry-Over - Federal	line 8a + line 12a	(0.0)	0.0	(0.0)	0.0	0.0
16a	Regulatory Income Taxes After Tax Loss Carry-Over - Provincial	line 9a + line 13a	(0.0)	0.0	(0.0)	0.0	0.0
17a	Regulatory Income Taxes - SR&ED Investment Tax Credits	line 28	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
18a	Total Regulatory Income Taxes After Tax Loss Carry-Over	line 15a + line 16a + line 17a	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
19a	After Tax Return on Equity	line 1a	360.6	366.5	469.6	519.9	555.1
20a	Less: Bruce Lease Net Revenues	line 2a	(45.6)	(38.7)	(48.1)	(46.5)	(38.3)
21a	Less: Regulatory Asset Amort - Pension & OPEB Cash Vs Accrual Diff Def Act	line 5a	152.9	152.9	152.9	108.8	108.8
22a	Add: Total Regulatory Income Taxes After Tax Loss Carry-Over	line 17a	(16.5)	(16.3)	(16.4)	(16.1)	(15.9)
23a	Regulatory Earnings Before Tax	lines 19a - 20a - 21a + 22a	236.7	236.0	348.4	441.5	468.7

2 Amounts are from Ex. F4-2-1 Tables 5-15, col. (j).

3 As discussed in Ex. F4-2-1, section 3.2.1, OPG has elected to claim "long-term project" CCA for the Darlington Refurbishment Project expenditures available under the Income Tax Act (Canada). Resulting total annual CCA for the Darlington Refurbishment Project expenditures is as follows: 2016 - $131.5M, 2017 - $183.9M, 2018 - $254.5M, 2019 - $417.51M, 2020 - $432.2M, 2021 - $481.9M, 2022 - $527.6M, 2023 - $554.4M, 2024 - $543.8M, 2025 - $542.1M, 2026 - $523.1M.

4 As discussed in Ex. F4-2-1, section 3.1, in a situation where a tax loss is forecast in a given year(s) of the IR term, the loss is applied (carried back or carried forward) to reduce the nuclear business unit's taxable income in other years of the IR term, with any remaining tax losses carried forward to future IR terms.

5 The tax loss brought forward per EB-2016-0152 PAO Appendix A, Table 22, line 4, col. (e) will be applied to reduce the 2024 to 2026 revenue requirement as noted in Ex F4-2-1 Table 3b, column (c), (d), and (e).

6 To enable reconciliation to historical and bridge year regulatory ROE calculations, adjustments are made to the regulatory income taxes presented at line 29: line is to reflect the inclusion of income tax amounts in certain deferral and variance accounts (i.e., the impact of tax additions and deductions that represent items for which the tax cost or benefit is being passed on to ratepayers through deferral and variance accounts); and line (c) is to exclude the benefit of tax losses forecasted in EB-2016-0152 to be carried forward beyond the 2017-2021 period.

		2016	2017	2018	2019	2020	2021
(a)	Regulatory Income Taxes (line 29)	(22.1)	(17.5)	83.6	110.6	159.1	10.9
(b)	Income Tax Amounts Recorded in Deferral and Variance Account	36.6	14.7	4.5	27.4	17.8	28.2
(c)	Tax Losses Carried Forward Beyond 2017-2021 (per EB-2016-0152 PAO, App. A, Table 22) +	-	(0.0)	9.3	38.5	(0.0)	32.5
(d)	Regulatory Income Taxes for Regulatory ROE Purposes: (line (a) + (b) + (c))	14.5	(2.8)	97.4	176.5	176.9	71.6

+ The sum of line (c) corresponds to the total amount of tax benefit, at 25% tax rate, of forecast tax losses of $321.1M carried forward beyond 2021 per EB-2016-0152 Payment Amounts Order, App. A, Table 22, line 4, col. (e). The individual year amounts at line (c) are calculated as the year-over-year change in the forecast tax losses for the 2017-2021 period per EB-2016-0152 Payment Amounts Order, App. A, Table 22, line 4.

7 For tax return reconciliation purposes, Taxable SR&ED Investment Tax Credits are shown at 100% recognition percentage for the historical years. For the bridge years and IR term, these amounts are shown at the accounting recognition percentage of 75% for consistency with the SR&ED ITCs at line 28.

8 As indicated in EB-2016-0152 Reply Argument, p. 173, footnote 94, beginning in 2017, SR&ED ITCs are presented in the year earned at the accounting recognition percentage of 75%. For 2016, the previous SR&ED ITC presentation approach is used (see EB-2016-0152 Ex. L-6.10-1 Staff-188).

Numbers may not add due to rounding.

Table 4
Reconciliation of OPG's Tax Returns to Regulatory Income Tax Calculation for Prescribed Facilities ($M)
Year Ending December 31, 2019

Line No.	Particulars	2019 Tax Returns: OPG Inc.	2019 Tax Returns: Subsidiaries	2019 Tax Returns: (a) + (b) Total[1]	2019 Tax Returns: Unregulated	2019 Tax Returns: (c) - (d) Regulated[2]	Adjustments: Bruce Lease[3]	Adjustments: Other Adjustments[4]	(e) - (f) - (g) Regulatory Tax Calc'n[5]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Determination of Taxable Income								
1	**Earnings Before Tax**	[redacted]	[redacted]	[redacted]	[redacted]	1,488.2	(35.3)	568.8	954.7
	Additions for Tax Purposes:	[redacted]	[redacted]	[redacted]	[redacted]				
2	**Depreciation and Amortization**	[redacted]	[redacted]	[redacted]	[redacted]	546.9	69.7	(92.9)	570.0
3	**Nuclear Waste Management Expenses (incl Accretion Expense)**	[redacted]	[redacted]	[redacted]	[redacted]	1,157.5	555.1	536.8	65.6
4	**Receipts from Nuclear Segregated Funds**	[redacted]	[redacted]	[redacted]	[redacted]	91.9	47.6	(0.2)	44.6
5	**Pension and OPEB Accrual**	[redacted]	[redacted]	[redacted]	[redacted]	424.1	0.0	152.9	271.1
6	**Regulatory Asset Amortization - Bruce Lease Net Revenues Variance Account**	[redacted]	[redacted]	[redacted]	[redacted]	(17.3)	0.0	0.0	(17.3)
7	**Regulatory Liability Amortization - Income and Other Taxes Variance Account**	[redacted]	[redacted]	[redacted]	[redacted]	(2.8)	0.0	0.0	(2.8)
8	**Regulatory Asset and Liability Amortization - Other Variance and Deferral Accounts**	[redacted]	[redacted]	[redacted]	[redacted]	290.5	0.0	239.5	51.1
9	**Adjustment Related to Financing Cost for Nuclear Liabilities**	[redacted]	[redacted]	[redacted]	[redacted]	0.0	0.0	(13.3)	13.3
10	**Taxable SR&ED Investment Tax Credits**	[redacted]	[redacted]	[redacted]	[redacted]	31.8	0.0	0.0	31.8
11	**Disallowance of Niagara Tunnel Project Expenditures**	[redacted]	[redacted]	[redacted]	[redacted]	0.0	0.0	0.0	0.0
12	**Other**	[redacted]	[redacted]	[redacted]	[redacted]	61.2	(4.2)	10.2	55.2
13	**Total Additions**	[redacted]	[redacted]	[redacted]	[redacted]	2,583.8	668.2	833.0	1,082.5
	Deductions for Tax Purposes:	[redacted]	[redacted]	[redacted]	[redacted]				
14	**CCA**	[redacted]	[redacted]	[redacted]	[redacted]	885.5	10.7	4.2	870.7
15	**Cash Expenditures for Nuclear Waste Mngmt & Decommissioning and Facilities Removal**	[redacted]	[redacted]	[redacted]	[redacted]	294.0	147.6	0.0	146.3
16	**Contributions to and Earnings on Nuclear Segregated Funds**	[redacted]	[redacted]	[redacted]	[redacted]	901.9	321.3	478.1	102.5
17	**Pension Plan Contributions**	[redacted]	[redacted]	[redacted]	[redacted]	165.3	0.0	0.0	165.3
18	**OPEB/SPP Payments**	[redacted]	[redacted]	[redacted]	[redacted]	105.8	0.0	0.0	105.8
19	**Reversal of Nuclear Liability Deferral Account Additions**	[redacted]	[redacted]	[redacted]	[redacted]	0.0	0.0	0.0	0.0
20	**Reversal of Pension and OPEB Cost Variance Account Additions**	[redacted]	[redacted]	[redacted]	[redacted]	15.955	0.0	16.0	0.0
21	**Reversal of Regulatory Asset and Liability - Other Deferral and Variance Account Additions**	[redacted]	[redacted]	[redacted]	[redacted]	48.9	0.0	48.9	0.0
22	**Reversal of Return on Rate Base Recorded in Deferral and Variance Accounts**	[redacted]	[redacted]	[redacted]	[redacted]	0.0	0.0	(25.0)	25.0
23	**Deductible SR&ED Qualifying Expenditures**	[redacted]	[redacted]	[redacted]	[redacted]	76.2	0.0	0.0	76.2
24	**Construction In Progress Interest Capitalized**	[redacted]	[redacted]	[redacted]	[redacted]	215.4	0.0	215.4	0.0
25	**Other**	[redacted]	[redacted]	[redacted]	[redacted]	11.0	0.0	(0.5)	11.5
26	**Total Deductions**	[redacted]	[redacted]	[redacted]	[redacted]	2,720.0	479.6	737.0	1,503.4
27	**Taxable Income** (line 1 + line 13 - line 26)	[redacted]	[redacted]	[redacted]	[redacted]	1,351.9	153.3	664.8	533.9

Notes:

1 Represents the consolidated OPG amounts from its Canadian operations as reported in OPG's 2019 audited consolidated financial statements.
2 Represents amounts for OPG's "regulated" segments as reported in accordance with generally accepted accounting principles in OPG's audited consolidated financial statements.
3 Represents Bruce Lease net revenues included in col. (f). Bruce Lease earnings before tax at line 1 are as per Ex. G2-2-1 Table 7, col. (d), line 1 and taxable income at line 27 as per Ex. G2-2-1 Table 7, col. (d), line 17.
4 Represents items of income and expense reflected in OPG's income tax returns that do not form part of the regulatory income tax calculations as per OEB-approved methodology, and vice versa, as well as as line item presentation differences between the tax returns and the regulatory income tax calculation that do not impact taxable income
5 Amounts are as shown in Ex. F4-2-1 Table 3, col. (d).

Numbers may not add due to rounding.

Table 5
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2016

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	646.1	69.5	(1.8)	0.0	713.8	34.7	679.1	4%	0.0	27.2	686.6
2	**1-rolling start**	20.5	28.3	(20.5)	0.0	28.3	0.0	28.3	4%	0.0	1.1	27.2
3	**1.1**	290.5	36.7	1.1	0.0	328.4	18.3	310.0	6%	0.0	18.6	309.8
4	**1.1-rolling start**	64.5	159.0	21.2	0.0	244.6	0.0	244.6	6%	0.0	14.7	230.0
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	246.1	16.8	(3.2)	0.4	259.3	8.2	251.1	20%	0.0	50.2	209.1
9	**8-rolling start**	1.6	88.1	0.0	0.0	89.7	0.0	89.7	20%	0.0	17.9	71.7
10	**10**	7.6	0.2	0.0	0.1	7.7	0.0	7.7	30%	0.0	2.3	5.4
11	**12**	2.9	21.3	0.0	0.0	24.2	10.7	13.5	100%	0.0	13.5	10.7
12	**13**	3.1	0.0	0.0	0.0	3.1	0.0	3.1	N/A	0.0	0.8	2.3
13	**17**	821.6	538.4	3.8	0.0	1,363.8	269.2	1,094.6	8%	0.0	87.6	1,276.2
14	**17-rolling start**	323.7	151.4	(0.6)	0.0	474.5	0.0	474.5	8%	0.0	38.0	436.5
15	**42**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	12%	0.0	(0.0)	(0.0)
16	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	**50**	3.1	5.2	0.0	0.0	8.3	2.6	5.7	55%	0.0	3.1	5.2
20	**Total**	2,431.3	1,114.8	(0.0)	0.5	3,545.6	343.7	3,201.9		0.0	275.0	3,270.6

Table 6
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2017

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	686.6	68.4	0.0	0.0	755.1	34.2	720.9	4%	0.0	28.8	726.2
2	**1-rolling start**	27.2	114.1	0.0	0.0	141.2	0.0	141.2	4%	0.0	5.6	135.6
3	**1.1**	309.8	122.0	(7.5)	0.0	424.3	61.0	363.3	6%	0.0	21.8	402.5
4	**1.1-rolling start**	230.0	53.7	0.0	0.0	283.7	0.0	283.7	6%	0.0	17.0	266.7
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	209.1	65.4	0.0	0.6	273.9	32.4	241.5	20%	0.0	48.3	225.6
9	**8-rolling start**	71.7	1.6	0.0	0.0	73.4	0.0	73.4	20%	0.0	14.7	58.7
10	**10**	5.4	0.6	0.0	0.1	5.9	0.0	5.9	30%	0.0	1.8	4.1
11	**12**	10.7	13.8	0.3	0.0	24.7	6.9	17.8	100%	0.0	17.8	6.9
12	**13**	2.3	1.0	0.0	0.0	3.3	0.5	2.8	N/A	0.0	0.9	2.4
13	**14.1**	0.0	0.0	7.5	0.0	7.5	0.0	7.5	7%	0.0	0.5	7.0
14	**17**	1,276.2	664.6	(27.2)	0.0	1,913.6	332.3	1,581.3	8%	0.0	126.5	1,787.1
15	**17-rolling start**	436.5	163.7	0.0	0.0	600.2	0.0	600.2	8%	0.0	48.0	552.2
16	**42**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	12%	0.0	(0.0)	(0.0)
17	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
18	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
19	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
20	**50**	5.2	6.4	0.0	0.0	11.6	3.2	8.4	55%	0.0	4.6	7.0
21	**Total**	3,270.6	1,275.3	(27.0)	0.7	4,518.4	470.6	4,047.8		0.0	336.4	4,182.0

Notes:
1 Amounts are from Ex. F4-2-1 Table 5, col. (k).
2 Net Adjustments in column (c) on lines 3 and 14 are the undepreciated capital cost adjustment resulting from the disallowance of Auxilliary Heating System and Operations Support Building per EB-2016-0152 Decision and Order dated December 28, 2017.

Numbers may not add due to rounding.

Table 7
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2018

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	726 2	91.6	0.0	0.0	817.8	40 2	777.6	4%	0.0	31.1	786.7
2	**1-rolling start**	135.6	9.9	0.0	0.0	145.5	0 0	145.5	4%	0.0	5.8	139.7
3	**1.1**	402 5	15.7	0.0	0.0	418.2	7 9	410.4	6%	0.0	24.6	393.6
4	**1.1-rolling start**	266.7	0.9	0.0	0.0	267.6	0 0	267.6	6%	0.0	16.1	251.5
5	**2**	(0 0)	0.0	0.0	0.0	(0.0)	0 0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0 0)	0.0	0.0	0.0	(0.0)	0 0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0 0	0.0	0.0	0.0	0.0	0 0	0.0	10%	0.0	0.0	0.0
8	**8**	225.6	52.7	0.0	0.6	277.7	24.7	253.0	20%	0.0	50.6	227.1
9	**8-rolling start**	58.7	16.0	0.0	0.0	74.7	0 0	74.7	20%	0.0	14.9	59.7
10	**10**	4.1	1.3	0.0	0.3	5.2	0.7	4.5	30%	0.0	1.4	3.8
11	**12**	6 9	23.7	0.0	0.0	30.6	11 8	18.8	100%	0.0	18.8	11.8
12	**13**	2.4	1.5	0.0	0.0	3.9	0.7	3.1	N/A	0.0	0.7	3.1
13	**14.1**	7 0		0.0	0.0	7.0	0 0	7.0	7%	0.0	0.5	6.5
14	**14.1**	0 0	16.1	0.0	0.0	16.1	8 0	8.0	5%		0.4	15.7
15	**17**	1,787.1	1,025.8	3.0	0.0	2,815.9	510 5	2,305.4	8%	0.0	184.4	2,631.5
16	**17-rolling start**	552 2	304.9	0.0	0.0	857.1	0 0	857.1	8%	0.0	68.6	788.5
17	**42**	(0 0)	0.0	0.0	0.0	(0.0)	(0 0)	0.0	12%	0.0	0.0	(0.0)
18	**43.1**	0 0	0.0	0.0	0.0	0.0	0 0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0 0	0.0	0.0	0.0	0.0	0 0	0.0	50%	0.0	0.0	0.0
20	**45**	0 0	0.0	0.0	0.0	0.0	0 0	0.0	45%	0.0	0.0	0.0
21	**50**	7 0	6.7	0.0	0.0	13.7	3.4	10.4	55%	0.0	5.7	8.0
22	**Total**	4,182 0	1,566.9	3.0	0.9	5,751.0	607 8	5,143.2		0.0	423.7	5,327.3

Notes:
1 Amounts are from Ex. F4-2-1 Table 6, col. (k).

Numbers may not add due to rounding.

Table 8
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2019

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	786.7	52.7	0.0	0.0	839.4	28.5	810.9	4%	0.0	32.4	806.9
2	**1-rolling start**	139.7	0.1	0.0	0.0	139.8	(0.1)	139.9	4%	0.0	5.6	134.2
3	**1.1**	393.6	39.4	0.0	0.0	433.0	13.9	419.1	6%	0.0	25.1	407.8
4	**1.1-rolling start**	251.5	32.1	0.0	0.0	283.6	(11.3)	294.9	6%	0.0	17.7	265.9
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	227.1	67.8	0.0	0.3	294.6	32.8	261.8	20%	0.0	52.360	242.2
9	**8-rolling start**	59.7	5.3	0.0	0.0	65.0	(1.9)	66.8	20%	0.0	13.4	51.6
10	**10**	3.8	9.6	0.0	0.2	13.3	2.9	10.4	30%	0.0	3.1	10.1
11	**12**	11.8	31.0	0.0	0.0	42.7	5.6	37.1	100%	0.0	37.1	5.6
12	**13**	3.1	0.0	0.0	0.0	3.1	0.0	3.1	N/A	0.0	0.5	2.6
13	**14.1**	6.5	0.0	0.0	0.0	6.5	0.0	6.5	7%	0.0	0.5	6.0
14	**14.1**	15.7	0.0	0.0	0.0	15.7	0.0	15.7	5%	0.0	0.8	14.9
15	**17**	2,631.5	1,106.3	(2.9)	0.0	3,735.0	(159.2)	3,894.1	8%	0.0	311.5	3,423.4
16	**17-rolling start**	788.5	490.2	0.0	0.0	1,278.7	(168.9)	1,447.6	8%	0.0	115.8	1,162.9
17	**42**	(0.0)	0.2	0.0	0.0	0.2	0.1	0.1	12%	0.0	0.0	0.1
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	8.0	4.8	0.0	0.0	12.9	(2.4)	15.3	55%	0.0	8.4	4.5
22	**Total**	5,327.3	1,839.4	(2.9)	0.5	7,163.3	(260.1)	7,423.4		0.0	624.4	6,539.0

Notes:
1 Amounts are from Ex. F4-2-1 Table 7, col. (l).

Table 9
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2020

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	806.9	61.1	6.8	0.0	874.8	(30.5)	905.4	4%	0.0	36.2	838.6
2	**1-rolling start**	134.2	0.0	0.0	0.0	134.2	0.0	134.2	4%	0.0	5.4	128.9
3	**1.1**	407.8	17.5	0.0	0.0	425.3	(8.7)	434.0	6%	0.0	26.0	399.3
4	**1.1-rolling start**	265.9	0.0	0.0	0.0	265.9	0.0	265.9	6%	0.0	16.0	250.0
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	242.2	56.0	23.7	0.0	322.0	(28.0)	350.0	20%	0.0	70.0	252.0
9	**8-rolling start**	51.6	0.0	0.0	0.0	51.6	0.0	51.6	20%	0.0	10.3	41.3
10	**10**	10.1	9.3	0.0	0.0	19.4	(4.4)	23.8	30%	0.0	7.1	12.3
11	**12**	5.6	37.9	0.0	0.0	43.5	0.0	43.5	100%	0.0	43.5	0.0
12	**13**	2.6	0.0	0.0	0.0	2.6	0.0	2.6	N/A	0.0	0.5	2.1
13	**14.1**	6.0	0.0	0.0	0.0	6.0	0.0	6.0	7%	0.0	0.4	5.6
14	**14.1**	14.9	0.0	0.0	0.0	14.9	0.0	14.9	5%	0.0	0.7	14.1
15	**17**	3,423.4	674.1	(0.8)	0.0	4,096.7	(337.0)	4,433.8	8%	0.0	354.7	3,742.0
16	**17-rolling start**	1,162.9	41.5	0.0	0.0	1,204.4	(20.7)	1,225.1	8%	0.0	98.0	1,106.4
17	**42**	0.1	0.7	0.0	0.0	0.8	(0.3)	1.2	12%	0.0	0.1	0.7
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	4.5	4.6	0.0	0.0	9.0	(2.3)	11.3	55%	0.0	6.2	2.8
22	**Total**	6,539.0	902.5	29.7	0.0	7,471.3	(432.1)	7,903.3		0.0	675.3	6,796.0

Notes:
1 Amounts are from Ex. F4-2-1 Table 8, col. (l).

Numbers may not add due to rounding.

Table 10
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2021

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	838.6	90.7	0.0	0.0	929.3	(45.3)	974.6	4%	0.0	39.0	890.3
2	**1-rolling start**	128.9	0.0	0.0	0.0	128.9	0.0	128.9	4%	0.0	5.2	123.7
3	**1.1**	399.3	24.4	0.0	0.0	423.7	(12.2)	435.9	6%	0.0	26.2	397.5
4	**1.1-rolling start**	250.0	0.0	0.0	0.0	250.0	0.0	250.0	6%	0.0	15.0	235.0
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	252.0	105.2	0.0	0.0	357.1	(52.6)	409.7	20%	0.0	81.9	275.2
9	**8-rolling start**	41.3	0.0	0.0	0.0	41.3	0.0	41.3	20%	0.0	8.3	33.0
10	**10**	12.3	11.3	0.0	0.0	23.5	(5.6)	29.1	30%	0.0	8.7	14.8
11	**12**	0.0	50.7	0.0	0.0	50.7	0.0	50.7	100%	0.0	50.7	0.0
12	**13**	2.1	0.0	0.0	0.0	2.1	0.0	2.1	N/A	0.0	0.5	1.5
13	**14.1**	5.6	0.0	0.0	0.0	5.6	0.0	5.6	7%	0.0	0.4	5.2
14	**14.1**	14.1	0.0	0.0	0.0	14.1	0.0	14.1	5%	0.0	0.7	13.4
15	**17**	3,742.0	992.8	(0.5)	0.0	4,734.3	(496.4)	5,230.7	8%	0.0	418.5	4,315.9
16	**17-rolling start**	1,106.4	9.5	0.0	0.0	1,115.9	(4.7)	1,120.6	8%	0.0	89.6	1,026.2
17	**42**	0.7	1.0	0.0	0.0	1.7	(0.5)	2.2	12%	0.0	0.3	1.4
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	2.8	3.1	0.0	0.0	5.9	(1.5)	7.4	55%	0.0	4.1	1.8
22	**Total**	6,796.0	1,288.5	(0.5)	0.0	8,083.9	(618.9)	8,702.9		0.0	749.0	7,335.0

Notes:
1 Amounts are from Ex. F4-2-1 Table 9, col. (l).

Numbers may not add due to rounding.

Table 11
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2022

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	890.3	153.4	0.0	0.0	1,043.7	(76.7)	1,120.4	4%	0.0	44.8	998.9
2	**1-rolling start**	123.7	0.0	0.0	0.0	123.7	0.0	123.7	4%	0.0	4.9	118.8
3	**1.1**	397.5	34.8	0.0	0.0	432.3	(17.4)	449.7	6%	0.0	27.0	405.4
4	**1.1-rolling start**	235.0	0.0	0.0	0.0	235.0	0.0	235.0	6%	0.0	14.1	220.9
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	275.2	139.5	0.0	0.0	414.7	(69.7)	484.4	20%	0.0	96.9	317.8
9	**8-rolling start**	33.0	0.0	0.0	0.0	33.0	0.0	33.0	20%	0.0	6.6	26.4
10	**10**	14.8	15.8	0.0	0.0	30.6	(7.9)	38.5	30%	0.0	11.6	19.1
11	**12**	0.0	63.7	0.0	0.0	63.7	0.0	63.7	100%	0.0	63.7	0.0
12	**13**	1.5	0.0	0.0	0.0	1.5	0.0	1.5	N/A	0.0	0.5	1.0
13	**14.1**	5.2	0.0	0.0	0.0	5.2	0.0	5.2	7%	0.0	0.4	4.9
14	**14.1**	13.4	0.0	0.0	0.0	13.4	0.0	13.4	5%	0.0	0.7	12.8
15	**17**	4,315.9	1,086.0	0.0	0.0	5,401.9	(543.0)	5,944.9	8%	0.0	475.6	4,926.3
16	**17-rolling start**	1,026.2	41.5	0.0	0.0	1,067.7	(20.7)	1,088.5	8%	0.0	87.1	980.6
17	**42**	1.4	1.4	0.0	0.0	2.8	(0.7)	3.5	12%	0.0	0.4	2.4
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	1.8	5.2	0.0	0.0	7.0	(2.6)	9.5	55%	0.0	5.2	1.7
22	**Total**	7,335.0	1,541.3	0.0	0.0	8,876.3	(738.8)	9,615.2		0.0	839.5	8,036.8

Notes:
1 Amounts are from Ex. F4-2-1 Table 10, col. (l).

Numbers may not add due to rounding.

Table 12
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2023

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	998.9	202.6	0.0	0.0	1,201.6	(101.3)	1,302.9	4%	0.0	52.1	1,149.4
2	**1-rolling start**	118.8	0.0	0.0	0.0	118.8	0.0	118.8	4%	0.0	4.8	114.0
3	**1.1**	405.4	33.9	0.0	0.0	439.3	(17.0)	456.3	6%	0.0	27.4	411.9
4	**1.1-rolling start**	220.9	0.0	0.0	0.0	220.9	0.0	220.9	6%	0.0	13.3	207.6
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	317.8	117.6	0.0	0.0	435.4	(58.8)	494.2	20%	0.0	98.8	336.5
9	**8-rolling start**	26.4	0.0	0.0	0.0	26.4	0.0	26.4	20%	0.0	5.3	21.1
10	**10**	19.1	15.5	0.0	0.0	34.5	(7.7)	42.3	30%	0.0	12.7	21.8
11	**12**	0.0	62.1	0.0	0.0	62.1	0.0	62.1	100%	0.0	62.1	0.0
12	**13**	1.0	0.0	0.0	0.0	1.0	0.0	1.0	N/A	0.0	0.5	0.5
13	**14.1**	4.9	0.0	0.0	0.0	4.9	0.0	4.9	7%	0.0	0.3	4.5
14	**14.1**	12.8	0.0	0.0	0.0	12.8	0.0	12.8	5%	0.0	0.6	12.1
15	**17**	4,926.3	1,031.2	0.0	0.0	5,957.6	(515.6)	6,473.2	8%	0.0	517.9	5,439.7
16	**17-rolling start**	980.6	9.5	0.0	0.0	990.1	(4.7)	994.8	8%	0.0	79.6	910.5
17	**42**	2.4	1.4	0.0	0.0	3.8	(0.7)	4.5	12%	0.0	0.5	3.3
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	1.7	2.4	0.0	0.0	4.2	(1.2)	5.4	55%	0.0	3.0	1.2
22	**Total**	8,036.8	1,476.3	0.0	0.0	9,513.1	(707.1)	10,220.2		0.0	878.8	8,634.3

Notes:
1 Amounts are from Ex. F4-2-1 Table 11, col. (l).

Table 13
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2024

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	1,149.4	111.5	0.0	0.0	1,260.9	0.0	1,260.9	4%	0.0	50.4	1,210.5
2	**1-rolling start**	114.0	0.0	0.0	0.0	114.0		114.0	4%	0.0	4.6	109.4
3	**1.1**	411.9	21.9	0.0	0.0	433.8	0.0	433.8	6%	0.0	26.0	407.8
4	**1.1-rolling start**	207.6	0.0	0.0	0.0	207.6		207.6	6%	0.0	12.5	195.2
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	336.5	102.7	0.0	0.0	439.3	0.0	439.3	20%	0.0	87.9	351.4
9	**8-rolling start**	21.1	0.0	0.0	0.0	21.1		21.1	20%	0.0	4.2	16.9
10	**10**	21.8	15.3	0.0	0.0	37.2	0.0	37.2	30%	0.0	11.2	26.0
11	**12**	0.0	48.5	0.0	0.0	48.5	0.0	48.5	100%	0.0	48.5	0.0
12	**13**	0.5	0.0	0.0	0.0	0.5	0.0	0.5	N/A	0.0	0.5	(0.1)
13	**14.1**	4.5	0.0	0.0	0.0	4.5	0.0	4.5	7%	0.0	0.3	4.2
14	**14.1**	12.1	0.0	0.0	0.0	12.1	0.0	12.1	5%	0.0	0.6	11.5
15	**17**	5,439.7	919.3	0.0	0.0	6,359.0	0.0	6,359.0	8%	0.0	508.7	5,850.3
16	**17-rolling start**	910.5	41.5	0.0	0.0	952.0		952.0	8%	0.0	76.2	875.9
17	**42**	3.3	0.9	0.0	0.0	4.1	0.0	4.1	12%	0.0	0.5	3.6
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	1.2	2.5	0.0	0.0	3.7	0.0	3.7	55%	0.0	2.0	1.6
22	**Total**	8,634.3	1,264.1	0.0	0.0	9,898.4	0.0	9,898.4		0.0	834.1	9,064.3

Notes:
1 Amounts are from Ex. F4-2-1 Table 12, col. (l).

Numbers may not add due to rounding.

Table 14
Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)
Year Ending December 31, 2025

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	1,210.5	123.4	0.0	0.0	1,333.8	0.0	1,333.8	4%	0.0	53.4	1,280.5
2	**1-rolling start**	109.4	0.0	0.0	0.0	109.4		109.4	4%	0.0	4.4	105.1
3	**1.1**	407.8	32.8	0.0	0.0	440.6	0.0	440.6	6%	0.0	26.4	414.2
4	**1.1-rolling start**	195.2	0.0	0.0	0.0	195.2		195.2	6%	0.0	11.7	183.4
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	351.4	114.6	0.0	0.0	466.0	0.0	466.0	20%	0.0	93.2	372.8
9	**8-rolling start**	16.9	0.0	0.0	0.0	16.9		16.9	20%	0.0	3.4	13.5
10	**10**	26.0	17.4	0.0	0.0	43.4	0.0	43.4	30%	0.0	13.0	30.4
11	**12**	0.0	62.3	0.0	0.0	62.3	0.0	62.3	100%	0.0	62.3	0.0
12	**13**	(0.1)	0.0	0.0	0.0	(0.1)	0.0	(0.1)	N/A	0.0	0.5	(0.6)
13	**14.1**	4.2	0.0	0.0	0.0	4.2	0.0	4.2	7%	0.0	0.3	3.9
14	**14.1**	11.5	0.0	0.0	0.0	11.5	0.0	11.5	5%	0.0	0.6	10.9
15	**17**	5,850.3	625.8	(0.2)	0.0	6,475.8	0.0	6,475.8	8%	0.0	518.1	5,957.8
16	**17-rolling start**	875.9	1.1	0.0	0.0	876.9		876.9	8%	0.0	70.2	806.8
17	**42**	3.6	1.3	0.0	0.0	5.0	0.0	5.0	12%	0.0	0.6	4.4
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	1.6	2.4	0.0	0.0	4.0	0.0	4.0	55%	0.0	2.2	1.8
22	**Total**	9,064.3	981.0	(0.2)	0.0	10,045.1	0.0	10,045.1		0.0	860.2	9,184.8

Notes:
1 Amounts are from Ex. F4-2-1 Table 13, col. (l).

Numbers may not add due to rounding.

Table 15

Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations ($M)

Year Ending December 31, 2026

Line No.	Class	Undepreciated Capital Cost at Beginning of Year[1]	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	**1**	1,280.5	90.7	0.0	0.0	1,371.2	0.0	1,371.2	4%	0.0	54.8	1,316.4
2	**1-rolling start**	105.1	0.0	0.0	0.0	105.1		105.1	4%	0.0	4.2	100.9
3	**1.1**	414.2	24.3	0.0	0.0	438.4	0.0	438.4	6%	0.0	26.3	412.1
4	**1.1-rolling start**	183.4	0.0	0.0	0.0	183.4		183.4	6%	0.0	11.0	172.4
5	**2**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	**3**	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	**6**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	**8**	372.8	86.4	0.0	0.0	459.2	0.0	459.2	20%	0.0	91.8	367.4
9	**8-rolling start**	13.5	0.0	0.0	0.0	13.5		13.5	20%	0.0	2.7	10.8
10	**10**	30.4	11.1	0.0	0.0	41.5	0.0	41.5	30%	0.0	12.4	29.0
11	**12**	0.0	48.4	0.0	0.0	48.4	0.0	48.4	100%	0.0	48.4	0.0
12	**13**	(0.6)	0.0	0.0	0.0	(0.6)	0.0	(0.6)	N/A	0.0	0.5	(1.2)
13	**14.1**	3.9	0.0	0.0	0.0	3.9	0.0	3.9	7%	0.0	0.3	3.6
14	**14.1**	10.9	0.0	0.0	0.0	10.9	0.0	10.9	5%	0.0	0.5	10.4
15	**17**	5,957.8	352.3	0.0	0.0	6,310.0	0.0	6,310.0	8%	0.0	504.8	5,805.2
16	**17-rolling start**	806.8	41.5	0.0	0.0	848.2		848.2	8%	0.0	67.9	780.4
17	**42**	4.4	1.0	0.0	0.0	5.4	0.0	5.4	12%	0.0	0.6	4.7
18	**43.1**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
19	**43.2**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
20	**45**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
21	**50**	1.8	2.0	0.0	0.0	3.8	0.0	3.8	55%	0.0	2.1	1.7
22	**Total**	9,184.8	657.6	0.0	0.0	9,842.5	0.0	9,842.5		0.0	828.5	9,014.0

Notes:

1 Amounts are from Ex. F4-2-1 Table 14, col. (l).