BRUCE GENERATING STATIONS – REVENUES AND COSTS

1.0 PURPOSE

This evidence presents the revenues earned by OPG under the Bruce lease agreement and associated agreements (collectively "Bruce Lease") and the related costs incurred by OPG with respect to the Bruce Nuclear Generating Stations ("Bruce stations").

2.0 OVERVIEW

OPG leases the Bruce A (Units 1-4) and Bruce B (Units 5-8) Nuclear Generating Stations and associated lands and facilities to Bruce Power L.P. ("Bruce Power"). The Second Amended and Restated Bruce Lease Agreement ("Bruce Lease Agreement") sets out the main terms and conditions of the lease arrangement between OPG and Bruce Power, including lease payments.

In addition, OPG and Bruce Power have signed a number of associated agreements for the provision of services by OPG to Bruce Power or by Bruce Power to OPG. These agreements include the Amended and Restated Used Fuel Waste and Cobalt-60 Agreement ("Used Fuel Agreement"), the Amended and Restated Low and Intermediate Level Waste Agreement ("L&ILW Agreement"), and the Second Amendment to the Amended and Restated Bruce Site Services Agreement ("BSSA").

Bruce Power has options to renew the lease to December 31, 2064. OPG's IR term forecasts assume that Bruce Power will exercise its options to renew the lease.

The treatment of revenues and costs associated with the Bruce Lease Agreement and associated agreements, including the methodology for assigning and allocating such revenues and costs, is unchanged from previous proceedings since EB-2007-0905.

For the IR term, the net amounts of Bruce Lease revenues and costs are forecast to be ($45.6)M for 2022, ($38.7)M for 2023, ($48.1)M for 2024, ($46.5)M for 2025, and ($38.3)M for

2026 as shown in Ex. G2-2-1, Table 1. In accordance with O. Reg. 53/05 and the OEB's previous findings,[1] these net amounts are applied towards the nuclear revenue requirement. Specifically, sections 6(2)9 and 6(2)10 of the O. Reg. 53/05 provide that the OEB shall ensure that OPG recovers all the costs it incurs with respect to the Bruce Nuclear Generating Stations, and that any revenues earned from the Bruce Lease in excess of costs be used to offset the nuclear payment amounts. Forecast revenues and costs are trued-up to actual revenues and costs via the Bruce Lease Net Revenues Variance Account.

Section 3.0 considers revenues from the Bruce Lease Agreement and associated agreements. Section 4.0 considers the costs incurred by OPG associated with the Bruce Lease. Discussion of Bruce Lease revenues and costs for the years 2016-2026 is provided in Sections 3.5 and 4.10, respectively.

3.0 BRUCE LEASE REVENUES

The forecast Bruce Lease revenues for the IR term $185.7M for 2022, $217.6M for 2023, $203.7M for 2024, $218.4M for 2025, and $221.0M for 2026. Actual Bruce Lease revenues earned by OPG during the 2016-2019 period, and the Bruce Lease revenues forecast to be earned during the 2020-2026 period are summarized in Ex. G2-2-1, Table 2. As in prior payment amounts proceedings, OPG derives revenues from the Bruce Lease Agreement and associated agreements described in Sections 3.1 to 3.4 below.

3.1 Bruce Lease Agreement Revenues

Revenues from the Bruce Lease consist of amortization of a fixed amount of initial deferred rent (to the end of 2018), base rent and supplemental rent. Base rent is discussed in Section 3.1.1 and supplemental rent is discussed in Section 3.1.2.

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[1] EB-2016-0152 Decision and Order, p. 91; EB-2013-0321 Decision with Reason, p. 107; EB-2010-0008 Decision with Reasons, pp.100-101; EB-2007-0905 Decision with Reasons, pp. 105-112.

3.1.1 Base Rent Revenue

The Bruce Lease Agreement contains base rent payments for each year of the initial lease term up to the end of 2018. These were $88M for 2016, $90M for 2017, and $92M for 2018.[2] Pursuant to the Bruce Lease Agreement, the renewal term payments starting in 2019 are effectively $16M per year, subject to Consumer Price Index ("CPI") escalation and are generally intended to cover the executory costs being incurred by OPG in connection with the lease.[3]

As per the OEB's direction, OPG continues to determine lease revenue in accordance with generally accepted accounting principles for non-regulated businesses. As in EB-2016-0152, this requires the application of a straight-line basis to determine lease revenue by dividing the total expected base rent revenues, excluding any payments intended to cover the lessor's executory costs, by the number of years in the expected lease term as determined for accounting purposes.

Starting in 2019 the full amount of base rent is considered to be for executory costs. Therefore, only the base rent payments to the end of 2018 (excluding the portion attributable to executory costs) are subject to the straight line calculation.[4] The portion of the lease payments for executory costs is generally recognized as revenue on the same basis as the costs. As such, annual base rent revenue consists of a fixed straight-line revenue amount and the portion of the base rent payments attributed to executory costs. For the IR term, the forecast base rent revenue increases gradually from $26.1M in 2022 to $27.5M in 2026.

Base rent revenue amounts are set out in Ex. G2-2-1, Table 2.

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[2] As shown in EB-2013-0321 Ex. L-1.3-17 SEC-019, Att. 2, first column.

[3] As these ongoing costs were also incurred by OPG prior to 2019, a portion of the annual base rent payments in the 2016-2018 period has also been attributed to executory costs, by de-escalating the renewal term amount. As noted in EB-2016-0152, Ex. G2-2-1, p. 7, prior to 2016 there was insufficient evidence to characterize, for accounting purposes, a portion of base rent payments as being intended as reimbursement of executory costs.

[4] As in EB-2016-0152, in line with the Amended and Restated Bruce Power Refurbishment Implementation Agreement between the Independent Electricity System Operator ("IESO") and Bruce Power to enable the refurbishment of Bruce Units 3-8 ("ARBPRIA"), and the Bruce Lease Agreement, the expected lease term for accounting purposes is to December 2064.

3.1.2 Supplemental Rent Revenue

The monthly supplemental rent payable to OPG in addition to the base rent represents the volumetric, cost-based fee for managing Bruce Power's used fuel. OPG accepts the liability for the interim storage and future disposal of the used fuel waste under the Used Fuel Agreement.

The costs used to determine the per fuel bundle cost rate (for all Bruce units) are based on the prevailing Ontario Nuclear Funds Agreement ("ONFA") Reference Plan estimates and are subject to annual CPI escalation. Accordingly, supplemental rent varies each period with the number of fuel bundles discharged by Bruce Power into the irradiated fuel bays. Any subsequent adjustments to the estimated costs per bundle for used fuel generated after 2015, based on ONFA estimates, are subject to a cumulative true up of the fees calculated retroactively to January 1, 2016.

Supplemental rent revenue is recognized on a cash basis for financial accounting purposes because it is not a fixed amount. Supplemental rent revenue forecast ranges from $140.4M to $169.7M per year over the IR term, as set out in Ex. G2-2-1, Table 2.

3.2 Spent Cobalt-60 Revenues under the Used Fuel Waste and Cobalt-60 Agreement

Under the Used Fuel Agreement, OPG accepts the liability for the interim storage and future disposal of Bruce Power's spent cobalt-60 and, in return, receives payments from Bruce Power. As set out in Ex. G2-2-1, Table 2, the revenue from Bruce Power's cobalt-60 storage and disposal services ranges from $0.6M to $0.7M per year during the IR term. Revenues for cobalt-60 storage and disposal services are recorded as the services are provided.

3.3 Low and Intermediate Level Waste Agreements Revenues

Under the L&ILW Agreement, OPG manages the low and intermediate level radioactive waste received from Bruce Power.[5] In return for these services, Bruce Power pays OPG a volumetric, cost-based fee. OPG is required to maintain the capacity to accept all of the L&ILW received from Bruce Power. Similar to used fuel fees (i.e., supplemental rent), the costs are determined

[5] The L&ILW agreement does not include non-routine refurbishment waste.

through an ONFA Reference Plan update and are subject to annual CPI escalation. Any resulting future adjustments to the ONFA-based L&ILW management costs for waste generated during the lease term will trigger a cumulative true-up of the fees calculated retroactively to January 1, 2016. Revenues under the L&ILW Agreement are recorded as the services are provided, and are forecast to range from $18.1M to $25.1M over the IR term, as shown in Ex. G2-2-1, Table 2.

In June 2018, OPG and Bruce Power entered into a Supplemental Agreement to the L&ILW Agreement related to waste generated during the Major Component Replacement ("MCR")[6] project of Bruce Unit 6 (the "U6 Supplemental Waste Agreement"). The U6 Supplemental Waste Agreement requires OPG to manage low and intermediate-level radioactive waste (e.g., steam generators and reactor pressure tubes) generated by Bruce Power as a result of the MCR. Bruce Power will pay OPG an upfront fee determined on the basis of OPG's estimated costs of managing the incremental volume of waste that OPG expects to receive under the U6 Supplemental Waste Agreement in 2021 and 2022. The corresponding revenues are included in the 2021 forecast of low and intermediate level waste services revenues.

3.4 Bruce Site Services Agreement Revenues

The BSSA provides for various support and maintenance services that are provided by OPG to Bruce Power, and Bruce Power to OPG, on a cost recovery basis. The services contemplated by this agreement are necessary to accommodate the joint occupancy and use of the Bruce site by OPG and Bruce Power. OPG's site services revenues are set out in Ex. G2-2-1, Table 2 and are approximately $0.5M per year during the IR term.

Together, revenues under the L&ILW Agreement, the U6 Supplemental Waste Agreement and the BSSA, as well as spent Cobalt-60 revenues, comprise the services component of OPG's revenues from Bruce Power.

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[6] Major Component Replacement is the term used to describe the refurbishment activities being undertaken by Bruce Power for the Bruce units.

3.5 Comparison of Revenues

A comparison of revenues from the Bruce Lease for the 2016-2026 period is provided in Ex. G2-2-1, Tables 3a and 3b. Total revenues are relatively stable over the historical period, bridge years and IR term periods, averaging $206.6M, $210.5M and $209.3M per year in each period, respectively.

The fluctuations in services revenue over 2016-2026, from a low of $11.0M in 2016 to a high of $42.1M in 2021 primarily reflect variability in waste volumes received from Bruce Power. As noted in previous proceedings, OPG projects revenues under the L&ILW Agreement based on information received from Bruce Power regarding forecasted L&ILW volumes. Actual waste volumes received are affected by the operations of the Bruce units. Additionally, as noted in section 3.3, the services revenue forecast for 2021 includes incremental revenue under the U6 Supplemental Waste Agreement related to the Bruce unit 6 MCR and is therefore higher than in other years and above the OEB-approved amount.

Actual services revenue was below budget in 2017 and 2018 by approximately $6.6M and $6.1M, respectively, and is forecast to be below budget by approximately $7.9M in 2020. This reflects the above variability in waste volumes. There was no significant variance in either 2016 or 2019.

Actual base rent revenue increased from $24.2M in 2016 to $25.1M in 2019, and is expected to continue to increase modestly to $27.5M in 2026 as forecast executory costs escalate at an assumed CPI rate of 2% per year. There were no variances to OEB-approved amounts.

The fluctuations in supplement rent revenue over 2016-2026, from a low of $140.4M in 2022 to a high of $171.6M in 2020 primarily reflect variability in fuel bundles being discharged from the Bruce reactors. As noted above, OPG projects supplemental rent revenues based on information received from Bruce Power regarding forecasted number of used fuel bundles.

The fuel bundle projections include an estimate of the fuel bundles to be discharged during the defuelling of the corresponding Bruce units as they are taken offline for refurbishment. Defuelling estimates are included for 2020 (Bruce Unit 6), 2023 (Bruce Unit 3), 2025 (Bruce Unit 4) and 2026 (Bruce Unit 5), based on the Bruce MCR schedule set out in ARBPRIA. These one-time increases in used fuel bundles are the main reason for the higher supplemental rent revenue in these years. Otherwise, supplemental rent revenue is projected to be lower while Bruce units are offline for refurbishment during the IR term.

There are no significant variances in supplemental rent revenue against the OEB-approved amounts for 2017-2021 or against the 2016 budget.

4.0 BRUCE LEASE COSTS

For the IR term, the Bruce Lease costs forecast to be incurred by OPG are $231.3M for 2022, $256.3M for 2023, $251.9M for 2024, $264.9M for 2025, and $259.3M for 2026. Actual Bruce Lease costs incurred by OPG in the 2016-2019 period and forecast costs for the 2020-2026 period are summarized in Ex. G2-2-1, Table 1 and are further detailed in Ex. G2-2-1, Table 5. The categories of costs incurred by OPG with respect to the Bruce stations are consistent with those presented in the previous proceedings. Certain relatively minor costs incurred by OPG with respect to the Bruce stations, including services provided under the BSSA and for contract management oversight and administration, continue to be reflected in other aspects of the nuclear revenue requirement and do not form part of the Bruce Lease net revenues.

4.1 Depreciation

Depreciation is calculated on the fixed assets owned by OPG at the Bruce site and leased to Bruce Power. These fixed assets include the associated asset retirement costs (“ARC”) shown in Ex. C2-1-1, Table 3. OPG applied the same methodology and depreciation policy as in previous proceedings, summarized in Ex. F4-1-1, to derive the depreciation expense for the 2016-2026 period. The average depreciation expense is forecast at $69.6M per year over the IR term, based on the closing June 30, 2020 Bruce station fixed asset balances. The continuity of Bruce fixed asset balances for the 2016-2026 period is presented in Ex. G2-2-1, Table 4.[7]

4.2 Property Tax

Pursuant to the provisions of the Bruce Lease Agreement, OPG continues to pay the property taxes for the Bruce site as a whole. OPG manages the annual tax assessment process and payments of municipal property taxes to the Municipality of Kincardine and payments-in-lieu of property tax to the Ontario Electricity Financial Corporation, as described in Ex. F4-2-1, Section 6.0. The average property tax cost is forecast at $12.6M per year during the IR term.

4.3 Accretion

Accretion expense represents the growth in the present value based asset retirement obligation ("ARO") due to the passage of time. The forecast accretion expense for 2020-2026 is derived by reference to the June 30, 2020 ARO balances attributed to the Bruce stations in OPG's second quarter 2020 consolidated financial statements, using the same methodology as in previous proceedings. The recovery methodology for OPG's nuclear liabilities costs, including accretion expense, is discussed in further detail in Ex. C2-1-1. The continuity schedule for the Bruce ARO is presented in Ex. C2-1-1, Table 3. The average accretion expense is forecast at $578.8M per year during the IR term.

4.4 Earnings on Nuclear Segregated Funds

OPG includes the portion of earnings from investments in the nuclear segregated funds attributed to the Bruce stations as a negative cost associated with these stations. These funds are maintained by OPG in accordance with the ONFA to provide funding for the long-term programs of the nuclear liabilities. Discussed further in Ex. C2-1-1, the segregated fund earnings form part of the OEB-approved methodology for recovery of costs associated with OPG's nuclear liabilities for the Bruce assets. The forecast fund earnings for the 2020-2026 period are determined using the same methodology as in previous proceedings, by reference to the actual closing balance of the funds attributable to the Bruce stations as reflected in

[7] There are no additions to the Bruce fixed assets as any such additions, except for accounting changes to ARC, are not recorded in OPG's accounting records and are the property of Bruce Power.

OPG's second quarter 2020 consolidated financial statements. The continuity schedule for the Bruce portion of the segregated funds is presented in Ex. C2-1-1, Table 3. The average earnings on the segregated funds are forecast at $478.2 per year during the IR term.

4.5 Used Fuel Storage and Disposal Costs

As discussed in Ex. C2-1-1, OPG incurs variable costs associated with the storage and disposal of incremental used nuclear fuel produced at the OPG-owned nuclear stations, including the stations on lease to Bruce Power. These costs are included as expenses related to the applicable nuclear assets in the period incurred and are presented as part of the nuclear fuel expense in OPG's consolidated financial statements.[8] The average used fuel storage and disposal expense is forecast at $64.5M per year during the IR term.

4.6 Waste Management Variable Expenses and Facilities Removal Costs

As discussed in Ex. C2-1-1, OPG incurs variable costs associated with managing the low level and intermediate level radioactive waste produced at the OPG-owned nuclear facilities, including the stations on lease to Bruce Power. Any facilities removal costs incurred by OPG to meet its obligations under the Bruce Lease are also included in this category of expenses. The average waste management variable expense and facilities removal costs are forecast at $4.1M per year during the IR term.

4.7 Interest

Interest related to the Bruce assets represents an allocation of the actual/forecast corporate-wide accounting interest expense after attributing interest related to specific projects and other investments to appropriate OPG businesses. The allocation is based on a forecast of the proportion of the average net book value of the fixed assets leased to Bruce Power relative to the total average net book value of OPG's in-service fixed assets (including intangible assets and excluding in-service assets with specific attributed debt).[9] The average interest expense

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[8] OPG's costs associated with the cobalt-60 services provided to Bruce Power are presented as part of the costs associated with the nuclear non-energy businesses in Ex. G2-1-1.

[9] In prior applications, OPG used a historical proportion of such asset values for forecasting purposes. Given the

is forecast at $15.8M per year during the IR term.

4.8 Current Income Taxes

Current income taxes for the Bruce assets 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. These are the applicable pieces of legislation that together form the basis for OPG's overall payments in lieu of corporate income taxes. The amount of taxes is determined by applying the enacted statutory tax rate to taxable income. Taxable income is computed by making adjustments, in accordance with applicable legislation, to the Bruce assets' stand-alone accounting earnings before tax determined in accordance with US GAAP, for items with different accounting and tax treatment. The adjustments for 2016-2026 are consistent with those presented in prior OPG applications. The derivation of actual (2016-2019) and forecast (2020-2026) taxable income and current tax expense is shown in Ex. G2-2-1, Tables 7 and 8, respectively. The average current income tax expense is forecast at $47.0M per year during the IR term.

4.9 Deferred Income Taxes

Deferred income taxes generally represent the amount of tax that will be payable/recoverable in the future upon reversal of temporary differences between the tax basis and the accounting carrying value of items recorded in the current year.[10] The deferred income tax expense is determined in accordance with generally accepted accounting principles for unregulated entities. The actual (2016-2019) and forecast (2020-2026) deferred income taxes are calculated on a stand-alone basis using the actual/forecast Bruce Lease revenue and Bruce Lease costs, as shown in Ex. G2-2-1, Tables 7 and 8. The average deferred income tax expense is a forecast credit of $61.4M per year during the IR term.

4.10 Comparison of Bruce Costs

A comparison of Bruce Lease costs for 2016-2026 is set out in Ex. G2-2-1, Tables 6 and 6a.

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significant increase in the regulated nuclear asset base anticipated over the IR term as the Darlington Refurbishment Program is completed, a forecast proportion was used in this application for greater accuracy.

[10] EB-2013-0321 Ex. G2-2-1, Section 5.9.

4.10.1 Depreciation

After decreasing by $32.4M in 2017, depreciation expense is stable over the rest of the period to 2026. The decrease in 2017 reflected the year-end 2016 ARO and ARC adjustment related to the approved 2017 ONFA Reference Plan. There are no significant variances in depreciation expense against the OEB-approved amounts for 2017-2021 or against the 2016 budget.

4.10.2 Property Tax

Actual and forecast property tax is stable over the 2016-2026 period. Property tax expense is lower than the OEB-approved amounts for 2017-2021 due to differences in municipal property tax rates and property assessment values.

4.10.3 Accretion

Accretion expense decreased by $52.0M in 2017 over 2016, primarily due to the year-end 2016 decrease in the Bruce ARO of $1,312.9M reflecting the 2017 ONFA Reference Plan update. For the remainder of the period to 2026, the gradual increase in accretion expense is primarily a result of normal growth in the liability due to the passage of time, averaging approximately $18M per year. By 2026, forecast accretion expense is $623.7M.

There are no significant variances in accretion expense against the OEB-approved amounts for 2017-2021 or against the 2016 budget.

4.10.4 Earnings on Nuclear Segregated Funds

The gradual increase in the nuclear segregated fund earnings over 2016-2026 primarily reflects the growth rate per the approved ONFA Reference Plan of 5.15% per annum. For the historical period, this rate applied when both the Decommissioning Segregated Fund and the Used Fuel Fund were in a surplus position. As discussed further in Ex. C2-1-1, when this is the case, fund earnings are recorded at the rate of growth of the funding liability per the ONFA Reference Plan in effect.

For 2020-2026, nuclear segregated funds earnings are forecast at a rate of 5.15% per annum consistent with the 2017 ONFA Reference Plan, which, together with the contribution amounts pursuant to the 2017 ONFA Contribution Schedule and projected disbursements, results in gradual increases in forecast fund earnings over the period averaging approximately $12M per year. By 2026, fund earnings are forecast to reach $510.3M.

There are no significant variances in earnings on nuclear segregated funds against the OEB-approved amounts for 2017-2021 or against the 2016 budget.

4.10.5 Used Fuel Storage and Disposal Costs

Used fuel storage and disposal variable expenses fluctuate over the historical, bridge and IR term from a low of $57.3M in 2017 to a high of $72.0M in 2025. This is primarily due to variability in the number of fuel bundles used for the Bruce stations. The projected number of fuel bundles includes the effects of the Bruce MCR program beginning in 2020, both from lower utilization due to the MCR outages and from higher utilization reflecting initial fuel loads into the refurbished reactors. [11]

In 2018, the higher expenses also reflected the impact of the year-end 2017 ARO adjustment related to changes in the Pickering station end-of-life dates for accounting purposes, which resulted in an increase in per fuel bundle cost rates due to a lower discount rate.

Relative to OEB-approved amounts for 2017-2021, variances in used fuel variable expenses reflect differences in the number of fuel bundles used for the Bruce units and the higher the per bundle cost rates as of 2018.

4.10.6 Waste Management Variable Expenses and Facilities Removal Costs

The higher expenses of $4.7M in 2016 reflected changes in cost estimates for legacy facilities no longer used to support current operations that were recorded as part of the year-end 2016 ARO adjustment related to the 2017 ONFA Reference Plan (Ex. C2-1-1 Table 3, Note 3). The

[11] Used fuel variable expenses are recognized at the time fuel is loaded into a reactor and becomes irradiated.

higher expenses of $7.2M forecast in 2021 reflect incremental costs related to the anticipated receipt of waste under the U6 Supplemental Waste Agreement. Otherwise, the fluctuations in forecast expenses for 2020-2026 reflect waste volumes based on information provided by Bruce Power. These costs average $4.1M over the IR term.

The above factors also account for the material variances against OEB-approved amounts in 2017-2021 and against the 2016 budget.

4.10.7 Interest

The interest expense associated with the Bruce assets steadily declines over the 2016-2026 period, from $34.5M in 2016 to $12.2M in 2026. The year over year decreases reflect a lower allocation factor for the Bruce assets, including from increases in in-service assets for the prescribed facilities due to the DRP and other capital investments, and lower non-specific corporate debt levels over the IR term.

The higher actual interest expense relative to the OEB-approved amount for 2017-2019 and the 2016 budget was mainly due to the use of a historical allocation factor to determine the EB-2016-0152 forecast amounts. The factor did not reflect the increase to the Bruce fixed assets resulting from the year-end 2015 ARO and ARC adjustment. For 2020 and 2021, interest expense is forecast to be lower than the OEB-approved amounts, mainly due to a lower allocation factor.

4.10.8 Current Income Taxes

Actual current income taxes expenses in 2016, 2017, 2018 and 2019 were $34.6M, $63.4M, $69.9M and $38.3M respectively. The higher income taxes in 2017 and 2018 were mainly due to lower nuclear segregated fund contribution amounts per the 2017 ONFA Contribution Schedule, compared to the approved contribution schedule in effect during 2016. The decrease in income taxes in 2019 reflected higher internally funded cash expenditures on nuclear liabilities (i.e., cash expenditures on nuclear waste management and decommissioning less receipts from segregated funds) in the year and lower base rent payments starting in 2019.

Forecast current income tax expense is $36.1M in 2020, $46.4M in 2021, $75.9M in 2022, $48.9M in 2023, $49.8M in 2024, $31.3M in 2025 and $28.8M in 2026. The increase in 2021 is due to lower internally funded cash expenditures on nuclear liabilities. The increase in 2022 is due to lower nuclear segregated fund contribution amounts in that year per the 2017 ONFA Contribution Schedule, before returning to pre-2022 levels for 2023 and 2024. A further increase in the nuclear segregated contribution amounts as of 2025, reduces the forecast tax expense in 2025 and 2026.

Current income tax expense was lower than budgeted in 2016 mainly due to lower revenues under the L&ILW Agreement and for supplemental rent. Due to variances in internally funded cash expenditures on nuclear liabilities, current income tax expense was higher than the OEB-approved amount in 2018 and is forecast to be lower than the OEB-approved amount in 2020. There are no significant variances against the OEB-approved amounts in 2017, 2019 or 2021.

4.10.9 Deferred Income Taxes

Similar to current income taxes, variances in deferred income taxes over the historical, bridge and IR term are generally driven by fluctuations in nuclear segregated fund contribution amounts, nuclear liability cash expenditures and base rent payment amounts. Thus, actual deferred income taxes were higher (i.e. a lower credit) in 2019 due to lower base rent payments and higher internally funded cash expenditures on nuclear liabilities. The lower deferred income taxes forecast (i.e. a higher credit) in 2021 are due to higher internally-funded cash expenditures on nuclear liabilities and in 2022 due to the lower segregated fund contribution amount. The higher deferred income taxes forecast in 2025 (i.e. a lower credit) are due to the higher segregated fund contribution amounts.

In 2017, the impact of the lower segregated fund contribution amounts compared to 2016 was largely offset by the impact of lower accretion and used fuel variable expenses.

Deferred income taxes are lower (i.e. a higher credit) than the OEB-approved amount in 2018 and are forecast to be higher (i.e. a lower credit) than the OEB-approved amount in 2020 due to variances in internally funded cash expenditures on nuclear liabilities.

Numbers may not add due to rounding.

Table 1
Bruce Lease Net Revenues ($M)

Line No.	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)
	Bruce Lease Net Revenues:											
1	**Bruce Lease Revenues**	198.7	208.3	211.6	207.6	209.0	212.1	185.7	217.6	203.7	218.4	221.0
2	**Bruce Costs**	313.4	225.9	231.2	234.1	225.5	233.2	231.3	256.3	251.9	264.9	259.3
3	**Bruce Lease Net Revenues** (line 1 - line 2)	(114.7)	(17.5)	(19.6)	(26.5)	(16.5)	(21.1)	(45.6)	(38.7)	(48.1)	(46.5)	(38.3)

Numbers may not add due to rounding.

Table 2
Bruce Lease Revenues ($M)

Line No.	Revenue Source	Note	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	**Site Services (OPG to Bruce Power)**		0.8	0.5	1.1	0.4	0.6	0.5	0.5	0.5	0.5	0.5	0.5
2	**Low & Intermediate Level Waste Services**		9.6	11.0	13.3	18.8	10.7	41.0	18.1	23.2	25.1	20.3	24.3
3	**Cobalt-60**		0.7	0.9	0.6	0.8	0.6	0.6	0.6	0.7	0.7	0.7	0.7
4	**Total Services Revenue**		11.0	12.4	14.9	20.0	11.9	42.1	19.2	24.4	26.3	21.5	25.5
5	**Fixed (Base) Rent**		24.2	24.5	24.8	25.1	25.4	25.8	26.1	26.4	26.8	27.1	27.5
6	**Supplemental Rent**		151.4	159.4	159.8	162.5	171.6	144.2	140.4	166.8	150.7	169.7	168.0
7	**Amortization of Initial Deferred Rent**		12.1	12.1	12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	**Total Rent Revenue**		187.7	195.9	196.7	187.6	197.1	170.0	166.5	193.3	177.5	196.9	195.5
9	**Total Revenue** (line 4 + line 8)		198.7	208.3	211.6	207.6	209.0	212.1	185.7	217.6	203.7	218.4	221.0

Table 3a
Comparison of Bruce Lease Revenues ($M)

Line No.	Business Unit	2016 Budget	(c)-(a) Change	2016 Actual	(g)-(c) Change	2017 OEB Approved	(g)-(e) Change	2017 Actual	(k)-(g) Change	2018 OEB Approved	(k)-(i) Change	2018 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
				Note 2		Note 1		Note 2		Note 1		
1	**Site Services (OPG to Bruce Power)**	0.7	0.1	0.8	(0.2)	0.7	(0.1)	0.5	0.5	0.7	0.4	1.1
2	**Low & Intermediate Level Waste Services**	32.3	(22.7)	9.6	1.4	17.8	(6.9)	11.0	2.3	19.8	(6.6)	13.3
3	**Cobalt-60**	0.5	0.2	0.7	0.2	0.5	0.3	0.9	(0.3)	0.5	0.1	0.6
4	**Total Services Revenue**	33.5	(22.5)	11.0	1.4	19.1	(6.6)	12.4	2.5	21.0	(6.1)	14.9
5	**Fixed (Base) Rent**	24.2	0.0	24.2	0.3	24.5	(0.0)	24.5	0.3	24.8	0.0	24.8
6	**Supplemental Rent**	167.6	(16.2)	151.4	8.0	160.4	(1.1)	159.4	0.4	153.0	6.8	159.8
7	**Amortization of Initial Deferred Rent**	12.1	0.0	12.1	0.0	12.1	0.0	12.1	0.0	12.1	0.0	12.1
8	**Total Rent Revenue**	203.9	(16.2)	187.7	8.3	197.0	(1.1)	195.9	0.8	189.9	6.8	196.7
9	**Total Revenue** (line 4 + line 8)	237.4	(38.7)	198.7	9.6	216.0	(7.7)	208.3	3.3	210.9	0.7	211.6

Line No.	Business Unit	2018 Actual	(e)-(a) Change	2019 OEB Approved	(e)-(c) Change	2019 Actual	(i)-(e) Change	2020 OEB Approved	(i)-(g) Change	2020 Budget	(k)-(i) Change	2021 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
				Note 1				Note 1				
10	**Site Services (OPG to Bruce Power)**	1.1	(0.7)	0.7	(0.3)	0.4	0.2	0.7	(0.1)	0.6	(0.1)	0.5
11	**Low & Intermediate Level Waste Services**	13.3	5.6	19.2	(0.3)	18.8	(8.1)	18.6	(7.9)	10.7	30.3	41.0
12	**Cobalt-60**	0.6	0.2	0.5	0.3	0.8	(0.2)	0.5	0.1	0.6	0.0	0.6
13	**Total Services Revenue**	14.9	5.1	20.4	(0.3)	20.0	(8.1)	19.8	(7.9)	11.9	30.2	42.1
14	**Fixed (Base) Rent**	24.8	0.3	25.1	0.0	25.1	0.3	25.4	(0.0)	25.4	0.3	25.8
15	**Supplemental Rent**	159.8	2.7	163.0	(0.5)	162.5	9.1	174.5	(2.9)	171.6	(27.4)	144.2
16	**Amortization of Initial Deferred Rent**	12.1	(12.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	**Total Rent Revenue**	196.7	(9.1)	188.1	(0.5)	187.6	9.4	200.0	(2.9)	197.1	(27.1)	170.0
18	**Total Revenue** (line 13 + line 17)	211.6	(4.0)	208.5	(0.9)	207.6	1.3	219.8	(10.8)	209.0	3.1	212.1

Note:
1 2017 to 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.
2 2016 and 2017 actuals per EB-2018-0243, Ex. H1-1-1, Table 12a.

Numbers may not add due to rounding.

Table 3b
Comparison of Bruce Lease Revenues ($M)

Line No.	Business Unit	2021 OEB Approved	(c)-(a) Change	2021 Budget	(e)-(c) Change	2022 Plan	(g)-(e) Change	2023 Plan	(i)-(g) Change	2024 Plan	(k)-(i) Change	2025 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		Note 1										
19	**Site Services (OPG to Bruce Power)**	0.7	(0.2)	0.5	0.0	0.5	0.0	0.5	0.0	0.5	0.0	0.5
20	**Low & Intermediate Level Waste Services**	21.6	19.4	41.0	(22.9)	18.1	5.1	23.2	1.9	25.1	(4.8)	20.3
21	**Cobalt-60**	0.5	0.1	0.6	0.0	0.6	0.0	0.7	0.0	0.7	0.0	0.7
22	**Total Services Revenue**	22.8	19.3	42.1	(22.9)	19.2	5.2	24.4	1.9	26.3	(4.8)	21.5
23	**Fixed (Base) Rent**	25.7	0.0	25.8	0.3	26.1	0.3	26.4	0.3	26.8	0.4	27.1
24	**Supplemental Rent**	140.1	4.1	144.2	(3.8)	140.4	26.4	166.8	(16.2)	150.7	19.1	169.7
25	**Amortization of Initial Deferred Rent**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	**Total Rent Revenue**	165.9	4.1	170.0	(3.5)	166.5	26.8	193.3	(15.8)	177.5	19.4	196.9
27	**Total Revenue** (line 22 + line 26)	188.7	23.4	212.1	(26.4)	185.7	31.9	217.6	(13.9)	203.7	14.6	218.4

Line No.	Business Unit	2025 Budget	(c)-(a) Change	2026 Plan
		(a)	(b)	(c)
28	**Site Services (OPG to Bruce Power)**	0.5	0.0	0.5
29	**Low & Intermediate Level Waste Services**	20.3	4.0	24.3
30	**Cobalt-60**	0.7	0.0	0.7
31	**Total Services Revenue**	21.5	4.0	25.5
32	**Fixed (Base) Rent**	27.1	0.4	27.5
33	**Supplemental Rent**	169.7	(1.7)	168.0
34	**Amortization of Initial Deferred Rent**	0.0	0.0	0.0
35	**Total Rent Revenue**	196.9	(1.4)	195.5
36	**Total Revenue** (line 31 + line 35)	218.4	2.7	221.0

Note:
1 2017 to 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.

Numbers may not add due to rounding.

Table 4
Bruce Net Fixed Assets[1] ($M)

Line No.	Item	2016 Actual [2]	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	**Opening Net Book Value**	4,399.6	2,985.7	2,961.8	2,892.1	2,822.3	2,752.7	2,683.1	2,613.4	2,543.8	2,474.2	2,404.6
2	**Add: Nuclear Liabilities Adjustment [3]**	(1,312.9)	44.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	**Add: Additions**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	**Less: Depreciation**	101.0	68.5	69.8	69.7	69.7	69.6	69.6	69.6	69.6	69.6	69.5
5	**Closing Net Book Value**	2,985.7	2,961.8	2,892.1	2,822.3	2,752.7	2,683.1	2,613.4	2,543.8	2,474.2	2,404.6	2,335.1

Notes:
1 Includes asset retirement costs presented in Ex. C2-1-1, Table 3.
2 2016 Actual Opening Net Book Value from EB-2016-0152 Ex. G2-2-1_Table 4, line 5 col (c).
3 Represents change in asset retirement costs effective December 31, 2016, and December 31, 2017 as shown at Ex. C2-1-1 Table 3, line 9, col (a) and line 10, col. (b), respectively.

Numbers may not add due to rounding.

Table 5
Bruce Costs ($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
		(d)	(e)	(f)	(g)	(h)	(i)	(i)	(i)	(i)	(i)	(i)
1	**Depreciation**	101.0	68.5	69.8	69.7	69.7	69.6	69.6	69.6	69.6	69.6	69.5
2	**Property Tax**	12.3	12.2	12.2	12.2	12.6	12.6	12.6	12.6	12.6	12.6	12.6
3	**Accretion**	511.9	459.9	470.6	487.8	503.8	519.8	537.5	556.8	576.7	599.6	623.7
4	**(Earnings) Losses on Segregated Funds**	(374.9)	(393.8)	(406.5)	(423.8)	(439.8)	(445.5)	(452.6)	(462.0)	(475.1)	(491.0)	(510.3)
5	**Used Fuel Storage and Disposal**	66.9	57.3	63.6	64.7	59.0	59.0	57.9	69.5	63.3	72.0	59.7
6	**Waste Management Variable Expenses and Facilities Removal Costs**	4.7	2.5	2.5	2.6	4.0	7.2	3.2	4.2	4.5	3.8	4.7
7	**Interest**	34.5	29.9	30.3	29.7	21.7	17.5	18.3	18.6	16.3	13.8	12.2
8	**Total Costs Before Income Tax**	356.3	236.5	242.4	242.9	231.0	240.2	246.5	269.3	267.9	280.3	272.1
9	**Income Tax - Current**	34.6	63.4	69.9	38.3	36.1	46.4	75.9	48.9	49.8	31.3	28.8
10	**Income Tax - Deferred**	(77.6)	(74.0)	(81.2)	(47.1)	(41.6)	(53.4)	(91.1)	(61.8)	(65.9)	(46.8)	(41.6)
11	**Total Income Tax**	(43.0)	(10.6)	(11.3)	(8.8)	(5.5)	(7.0)	(15.2)	(12.9)	(16.0)	(15.5)	(12.8)
16	**Total Costs** (line 12 + line 15)	313.4	225.9	231.2	234.1	225.5	233.2	231.3	256.3	251.9	264.9	259.3

Table 6a
Comparison of Bruce Costs ($M)

Line No.	Business Unit	Note	2016 Budget	(c)-(a) Change	2016 Actual	(g)-(c) Change	2017 OEB Approved	(g)-(e) Change	2017 Actual	(k)-(g) Change	2018 OEB Approved	(k)-(i) Change	2018 Actual
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
					Note 8		Note 7		Note 8		Note 7		
1	**Depreciation**		100.9	0.1	101.0	(32.4)	68.6	(0.0)	68.5	1.2	68.6	1.2	69.8
2	**Property Tax**		12.0	0.3	12.3	(0.1)	13.0	(0.8)	12.2	0.0	13.3	(1.2)	12.2
3	**Accretion**	1	511.0	0.9	511.9	(52.0)	458.6	1.3	459.9	10.7	465.7	4.9	470.6
4	**(Earnings) Losses on Segregated Funds**	2	(379.8)	4.9	(374.9)	(18.9)	(393.0)	(0.8)	(393.8)	(12.7)	(404.3)	(2.2)	(406.5)
5	**Used Fuel Storage and Disposal**	3	65.1	1.8	66.9	(9.6)	57.0	0.3	57.3	6.3	55.0	8.6	63.6
6	**Waste Management Variable Expenses and Facilities Removal Costs**	4	2.5	2.2	4.7	(2.2)	2.5	0.0	2.5	0.0	3.0	(0.5)	2.5
7	**Interest**		18.4	16.1	34.5	(4.6)	21.1	8.8	29.9	0.4	24.1	6.2	30.3
8	**Total Costs Before Income Tax**		330.1	26.2	356.3	(119.9)	227.7	8.7	236.5	6.0	225.3	17.1	242.4
9	**Income Tax - Current**	5	43.8	(9.2)	34.6	28.8	61.6	1.8	63.4	6.5	58.0	12.0	69.9
10	**Income Tax - Deferred**	6	(70.5)	(7.0)	(77.6)	3.6	(68.1)	(5.9)	(74.0)	(7.2)	(65.1)	(16.1)	(81.2)
11	**Total Income Tax**		(26.7)	(16.2)	(43.0)	32.4	(6.5)	(4.1)	(10.6)	(0.7)	(7.2)	(4.1)	(11.3)
12	**Total Costs** (line 8 + line 11)		303.4	10.0	313.4	(87.5)	221.2	4.6	225.9	5.3	218.2	13.0	231.2

Line No.	Business Unit	Note	2018 Actual	(e)-(a) Change	2019 OEB Approved	(e)-(c) Change	2019 Actual	(i)-(e) Change	2020 OEB Approved	(i)-(g) Change	2020 Budget	(k)-(i) Change	2021 Budget
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
					Note 7				Note 7				
13	**Depreciation**		69.8	(0.0)	68.6	1.2	69.7	(0.1)	68.6	1.1	69.7	(0.0)	69.6
14	**Property Tax**		12.2	0.0	13.6	(1.5)	12.2	0.4	14.0	(1.4)	12.6	0.0	12.6
15	**Accretion**	1	470.6	17.2	480.6	7.2	487.8	16.0	495.8	8.0	503.8	16.0	519.8
16	**(Earnings) Losses on Segregated Funds**	2	(406.5)	(17.4)	(415.6)	(8.3)	(423.8)	(16.0)	(426.2)	(13.7)	(439.8)	(5.7)	(445.5)
17	**Used Fuel Storage and Disposal**	3	63.6	1.1	59.3	5.4	64.7	(5.7)	64.2	(5.2)	59.0	(0.1)	59.0
18	**Waste Management Variable Expenses and Facilities Removal Costs**	4	2.5	0.1	2.8	(0.1)	2.6	1.3	3.4	0.6	4.0	3.2	7.2
19	**Interest**		30.3	(0.6)	26.7	3.0	29.7	(8.0)	26.8	(5.0)	21.7	(4.3)	17.5
20	**Total Costs Before Income Tax**		242.4	0.5	236.0	7.0	242.9	(12.0)	246.6	(15.6)	231.0	9.2	240.2
21	**Income Tax - Current - Non-Derivative Portion**	5	69.9	(31.6)	38.5	(0.1)	38.3	(2.2)	47.0	(10.9)	36.1	10.3	46.4
22	**Income Tax - Deferred - Non-Derivative Portion**	6	(81.2)	34.0	(45.3)	(1.8)	(47.1)	5.5	(53.7)	12.1	(41.6)	(11.8)	(53.4)
23	**Total Income Tax - Non-Derivative Portion**		(11.3)	2.4	(6.9)	(2.0)	(8.8)	3.3	(6.7)	1.2	(5.5)	(1.5)	(7.0)
24	**Total Non-Derivative Costs** (line 20 + line 23)		231.2	2.9	229.1	5.0	234.1	(8.6)	239.9	(14.4)	225.5	7.7	233.2
25	**Total Costs** (line 20 + line 23)		231.2	2.9	229.1	5.0	234.1	(8.6)	239.9	(14.4)	225.5	7.7	233.2

Notes:
1 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 4.
2 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 14.
3 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 2.
4 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 3 plus line 8.
5 2016 to 2019 Actual and 2020 to 2021 Budget from Ex. G2-2-1 Table 7, line 22. 2022 to 2026 Plan from Ex. G2-2-1 Table 8, line 20.
6 2016 to 2019 Actual and 2020 to 2021 Budget from Ex. G2-2-1 Table 7, line 29. 2022 to 2026 Plan from Ex. G2-2-1 Table 8, line 27.
7 2017 to 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.
8 2016 and 2017 actuals per EB-2018-0243, Ex. H1-1-1, Table 12a. Line 6, Waste Management Variable Expenses and Facilities Removal Costs is adjusted consistent with Ex. C2-1-1, Table 3, line 6.

Table 6b
Comparison of Bruce Costs ($M)

Line No.	Business Unit	Note	2021 OEB Approved	(c)-(a) Change	2021 Budget	(e)-(c) Change	2022 Plan	(g)-(e) Change	2023 Plan	(i)-(g) Change	2024 Plan	(k)-(i) Change	2025 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			Note 7										
26	**Depreciation**		68.6	1.1	69.6	(0.0)	69.6	(0.0)	69.6	(0.0)	69.6	(0.1)	69.6
27	**Property Tax**		15.1	(2.5)	12.6	0.0	12.6	0.0	12.6	0.0	12.6	0.0	12.6
28	**Accretion**	1	512.4	7.4	519.8	17.6	537.5	19.3	556.8	19.9	576.7	22.8	599.6
29	**(Earnings) Losses on Segregated Funds**	2	(436.0)	(9.5)	(445.5)	(7.1)	(452.6)	(9.4)	(462.0)	(13.0)	(475.1)	(15.9)	(491.0)
30	**Used Fuel Storage and Disposal**	3	52.2	6.8	59.0	(1.0)	57.9	11.5	69.5	(6.1)	63.3	8.7	72.0
31	**Waste Management Variable Expenses and Facilities Removal Costs**	4	4.6	2.6	7.2	(4.0)	3.2	1.1	4.2	0.2	4.5	(0.7)	3.8
32	**Interest**		25.8	(8.3)	17.5	0.8	18.3	0.3	18.6	(2.3)	16.3	(2.4)	13.8
33	**Total Costs Before Income Tax**		242.6	(2.4)	240.2	6.3	246.5	22.8	269.3	(1.3)	267.9	12.4	280.3
34	**Income Tax - Current - Non-Derivative Portion**	5	41.7	4.7	46.4	29.5	75.9	(27.0)	48.9	1.0	49.8	(18.5)	31.3
35	**Income Tax - Deferred - Non-Derivative Portion**	6	(55.1)	1.7	(53.4)	(37.7)	(91.1)	29.3	(61.8)	(4.1)	(65.9)	19.1	(46.8)
36	**Total Income Tax - Non-Derivative Portion**		(13.5)	6.4	(7.0)	(8.2)	(15.2)	2.3	(12.9)	(3.1)	(16.0)	0.6	(15.5)
37	**Total Non-Derivative Costs** (line 33 + line 36)		229.1	4.0	233.2	(1.9)	231.3	25.1	256.3	(4.5)	251.9	13.0	264.9
38	**Total Costs** (line 33 + line 36)		229.1	4.0	233.2	(1.9)	231.3	25.1	256.3	(4.5)	251.9	13.0	264.9

Line No.	Business Unit	Note	2025 Plan	(c)-(a) Change	2026 Plan
			(a)	(b)	(c)
39	**Depreciation**		69.6	(0.0)	69.5
40	**Property Tax**		12.6	0.0	12.6
41	**Accretion**	1	599.6	24.2	623.7
42	**(Earnings) Losses on Segregated Funds**	2	(491.0)	(19.4)	(510.3)
43	**Used Fuel Storage and Disposal**	3	72.0	(12.3)	59.7
44	**Waste Management Variable Expenses and Facilities Removal Costs**	4	3.8	0.9	4.7
45	**Interest**		13.8	(1.6)	12.2
46	**Total Costs Before Income Tax**		280.3	(8.3)	272.1
47	**Income Tax - Current - Non-Derivative Portion**	5	31.3	(2.5)	28.8
48	**Income Tax - Deferred - Non-Derivative Portion**	6	(46.8)	5.2	(41.6)
49	**Total Income Tax - Non-Derivative Portion**		(15.5)	2.7	(12.8)
50	**Total Non-Derivative Costs** (line 46 + line 49)		264.9	(5.5)	259.3
51	**Total Costs** (line 46 + line 49)		264.9	(5.5)	259.3

Notes:
1. 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 4.
2. 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 14.
3. 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 2.
4. 2016 to 2019 Actual, 2020 to 2021 Budget, and 2022 to 2026 Plan from Ex. C2-1-1 Table 3, line 3 plus line 8.
5. 2016 to 2019 Actual and 2020 to 2021 Budget from Ex. G2-2-1 Table 7, line 22. 2022 to 2026 Plan from Ex. G2-2-1 Table 8, line 20.
6. 2016 to 2019 Actual and 2020 to 2021 Budget from Ex. G2-2-1 Table 7, line 29. 2022 to 2026 Plan from Ex. G2-2-1 Table 8, line 27.
7. 2017 to 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.
8. 2016 and 2017 actuals per EB-2018-0243, Ex. H1-1-1, Table 12a. Line 6, Waste Management Variable Expenses and Facilities Removal Costs is adjusted consistent with Ex. C2-1-1, Table 3, line 6.

Table 7
Calculation of Bruce Income Taxes ($M)
Years Ending December 31, 2016, 2017, 2018, 2019, 2020 and 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 Taxable Income							
1	**Earnings (Loss) Before Tax**	1	(157.6)	(28.1)	(30.8)	(35.3)	(22.0)	(28.1)
	Additions for Tax Purposes - Temporary Differences:							
2	**Base Rent Accrual**		63.8	65.5	67.2	(9.1)	(9.1)	(9.1)
3	**Depreciation**		101.0	68.5	69.8	69.7	69.7	69.6
4	**Accretion**		511.9	459.9	470.6	487.8	503.8	519.8
5	**Used Fuel and Waste Management Expenses and Facilities Removal Costs**		71.6	59.8	66.1	67.3	63.0	66.2
6	**Receipts from Nuclear Segregated Funds**		31.6	37.7	48.8	47.6	75.1	123.6
7	**Other**		18.1	20.7	23.2	4.9	2.0	7.4
8	**Total Additions - Temporary Differences**		798.0	712.1	745.7	668.2	704.4	777.6
	Deductions for Tax Purposes - Permanent Differences:							
9	**Deferred Rent Revenue**		14.2	14.2	14.2	0.0	0.0	0.0
	Deductions for Tax Purposes - Temporary Differences:							
10	**CCA**		5.6	5.7	5.9	10.7	7.7	6.6
11	**Cash Expenditures for Used Fuel, Waste Management & Decommissioning and Facilities Removal**		134.1	119.2	111.1	147.6	193.0	214.4
12	**Contributions to Nuclear Segregated Funds**		(26.9)	(102.5)	(102.5)	(102.5)	(102.5)	(102.5)
13	**Earnings (Losses) on Nuclear Segregated Funds**		374.9	393.8	406.5	423.8	439.8	445.5
14	**Total Deductions - Temporary Differences**		487.7	416.2	421.0	479.6	538.0	564.0
15	**Taxable Income/(Loss) Before Loss Carry-Over**		138.4	253.7	279.7	153.3	144.4	185.5
16	**Tax Loss Carry-Over to Future Years / (from Prior Years)**		0.0	0.0	0.0	0.0	0.0	0.0
17	**Taxable Income After Loss Carry-Over**		138.4	253.7	279.7	153.3	144.4	185.5
	Determination of Total Current Income Taxes							
18	**Taxable Income After Loss Carry-Over** (line 19)		138.4	253.7	279.7	153.3	144.4	185.5
19	**Income Tax Rate - Current**		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
20	**Income Taxes - Current**		34.6	63.4	69.9	38.3	36.1	46.4
	Determination of Total Deferred Income Taxes							
21	**Total Net Temporary Differences (line 9 - line 16)**		310.2	296.0	324.7	188.6	166.4	213.6
22	**Income Tax Rate - Deferred**		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
23	**Deferred Income Taxes**		(77.6)	(74.0)	(81.2)	(47.1)	(41.6)	(53.4)
24	**Tax Loss / Tax Loss Carry-Over** (line 17 or line 18)		0.0	0.0	0.0	0.0	0.0	0.0
25	**Income Tax Rate**		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
26	**Deferred Income Taxes - Tax Loss / Tax Loss Carry-Over**		0.0	0.0	0.0	0.0	0.0	0.0
27	**Deferred Income Taxes - Total** (line 25 + line 28)		(77.6)	(74.0)	(81.2)	(47.1)	(41.6)	(53.4)
	Income Tax Rate - Current							
28	**Federal Tax**		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
29	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
30	**Total Income Tax Rate - Current**		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
	Income Tax Rate - Deferred							
31	**Federal Tax**		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
32	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
33	**Total Income Tax Rate - Deferred**		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

Notes:

1 Earnings (Loss) Before Tax is derived as the difference between Total Revenues in Ex. G2-2-1 Table 2, Line 9 and Total Costs Before Income Tax in Ex. G2-2-1 Table 5, Line 8 for each corresponding year.

Numbers may not add due to rounding.

Table 8
Calculation of Bruce Income Taxes ($M)
Years Ending December 31, 2022, 2023, 2024, 2025, and 2026

Line No.	Particulars	Note	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan
			(a)	(b)	(c)	(d)	(e)
	Determination of Taxable Income						
1	**Earnings (Loss) Before Tax**	1	(60.8)	(51.6)	(64.2)	(62.0)	(51.1)
	Additions for Tax Purposes - Temporary Differences:						
2	**Base Rent Accrual**		(9.1)	(9.1)	(9.1)	(9.1)	(9.1)
3	**Depreciation**		69.6	69.6	69.6	69.6	69.5
4	**Accretion**		537.5	556.8	576.7	599.6	623.7
5	**Used Fuel and Waste Management Expenses and Facilities Removal Costs**		61.1	73.7	67.8	75.8	64.3
6	**Receipts from Nuclear Segregated Funds**		87.3	106.5	110.4	121.3	108.7
7	**Other**		16.2	22.4	13.8	3.4	5.6
8	**Total Additions - Temporary Differences**		762.6	819.9	829.2	860.6	862.7
	Deductions for Tax Purposes - Permanent Differences:						
9	**Deferred Rent Revenue**		0.0	0.0	0.0	0.0	0.0
	Deductions for Tax Purposes - Temporary Differences:						
10	**CCA**		9.1	9.8	8.3	8.1	7.4
11	**Cash Expenditures for Used Fuel, Waste Management & Decommissioning and Facilities Removal**		180.7	201.5	182.9	174.2	178.6
12	**Contributions to Nuclear Segregated Funds**		(244.4)	(100.6)	(100.6)	0.0	0.0
13	**Earnings (Losses) on Nuclear Segregated Funds**		452.6	462.0	475.1	491.0	510.3
14	**Total Deductions - Temporary Differences**		398.1	572.7	565.6	673.3	696.3
15	**Taxable Income/(Loss) Before Loss Carry-Over**		303.7	195.5	199.4	125.3	115.4
16	**Tax Loss Carry-Over to Future Years / (from Prior Years)**		0.0	0.0	0.0	0.0	0.0
17	**Taxable Income After Loss Carry-Over**		303.7	195.5	199.4	125.3	115.4
	Determination of Current Income Taxes						
18	**Taxable Income After Loss Carry-Over**		303.7	195.5	199.4	125.3	115.4
19	**Income Tax Rate - Current**		25.00%	25.00%	25.00%	25.00%	25.00%
20	**Income Taxes - Current**		75.9	48.9	49.8	31.3	28.8
	Determination of Deferred Income Taxes						
21	**Total Net Temporary Differences** (line 8 - line 14)		364.4	247.1	263.6	187.3	166.4
22	**Income Tax Rate - Deferred**		25.00%	25.00%	25.00%	25.00%	25.00%
23	**Deferred Income Taxes**		(91.1)	(61.8)	(65.9)	(46.8)	(41.6)
24	**Tax Loss / Tax Loss Carry-Over** (line 15 or line 16)		0.0	0.0	0.0	0.0	0.0
25	**Income Tax Rate - Current**		25.00%	25.00%	25.00%	25.00%	25.00%
26	**Deferred Income Taxes - Tax Loss / Tax Loss Carry-Over**		0.0	0.0	0.0	0.0	0.0
27	**Deferred Income Tax - Total** (line 23 + line 26)		(91.1)	(61.8)	(65.9)	(46.8)	(41.6)
	Income Tax Rate - Current						
28	**Federal Tax**		15.00%	15.00%	15.00%	15.00%	15.00%
29	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10.00%	10.00%	10.00%
30	**Total Income Tax Rate - Current**		25.00%	25.00%	25.00%	25.00%	25.00%
	Income Tax Rate - Deferred						
31	**Federal Tax**		15.00%	15.00%	15.00%	15.00%	15.00%
32	**Provincial Tax net of Manufacturing & Processing Profits Deduction**		10.00%	10.00%	10.00%	10.00%	10.00%
33	**Total Income Tax Rate - Deferred**		25.00%	25.00%	25.00%	25.00%	25.00%

Notes:

1 Earnings (Loss) Before Tax is derived as the difference between Total Revenues in Ex. G2-2-1 Table 2, Line 11 and Total Costs Before Income Tax in Ex. G2-2-1, Table 5, Line 8 for each corresponding year.

Numbers may not add due to rounding.

Table 9
Bruce Tax Losses Continuity Schedule ($M)
Years Ending December 31, 2016 to 2026

Line No.	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	**Loss Brought Forward**		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	**Loss Utilized During the Period**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	**Loss Available to be Carried Forward**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0