

1 **BRUCE GENERATING STATIONS – REVENUES AND COSTS**

2 3 **1.0 PURPOSE**

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

7 8 **2.0 OVERVIEW**

9 OPG leases the Bruce A (Units 1-4) and Bruce B (Units 5-8) Nuclear Generating Stations and
10 associated lands and facilities to Bruce Power L.P. (“Bruce Power”). The Second Amended
11 and Restated Bruce Lease Agreement (“Bruce Lease Agreement”) as further amended,
12 restated or replaced from time to time, sets out the main terms and conditions of the lease
13 arrangement between OPG and Bruce Power, including lease payments.

14
15 In addition, OPG and Bruce Power have signed a number of associated agreements for the
16 provision of services by OPG to Bruce Power or by Bruce Power to OPG. These agreements
17 include the Amended and Restated Used Fuel Waste and Cobalt-60 Agreement (“Used Fuel
18 Agreement”), the Amended and Restated Low and Intermediate Level Waste Agreement
19 (“L&ILW Agreement”), and the Amended and Restated Bruce Site Services Agreement
20 (“BSSA”), each as further amended, restated or replaced from time to time.

21
22 Bruce Power has options to renew the lease to December 31, 2064. OPG’s IR term forecasts
23 assume that Bruce Power will exercise its options to renew the lease.

24
25 The treatment of revenues and costs associated with the Bruce Lease Agreement and
26 associated agreements, including the methodology for assigning and allocating such revenues
27 and costs, is unchanged from previous OPG proceedings since EB-2007-0905.

28
29 For the IR term , the net amounts of Bruce Lease revenues and costs are forecast to be -\$5.2M
30 for 2027, \$11.5M for 2028, -\$18.1M for 2029, \$7.3M for 2030, and -\$17.1M for 2031 as shown

1 in Ex. G2-2-1, Table 1. In accordance with O. Reg. 53/05 and the OEB's previous findings,¹ as
2 applicable, these net amounts reduce or are applied towards the nuclear revenue
3 requirements. Specifically, sections 6(2)9 and 6(2)10 of the O. Reg. 53/05 provide that the
4 OEB shall ensure that OPG recovers all the costs it incurs with respect to the Bruce stations,
5 and that any revenues earned from the Bruce Lease in excess of costs be used to offset the
6 nuclear payment amounts. Forecast revenues and costs applied towards the nuclear revenue
7 requirements are trued-up to the actual revenues and costs through the Bruce Lease Net
8 Revenues Variance Account.

9
10 Section 3.0 considers revenues from the Bruce Lease Agreement and associated agreements.
11 Section 4.0 considers the costs incurred by OPG associated with the Bruce Lease. Discussion
12 of Bruce Lease revenues and costs for the years 2020-2031 is provided in Sections 3.5 and
13 4.10, respectively.

14 15 **3.0 BRUCE LEASE REVENUES**

16 The forecast Bruce Lease revenues for the IR term are \$235.3M for 2027, \$257.0M for 2028,
17 \$230.2M for 2029, \$264.5M for 2030, and \$233.7M for 2031. Actual Bruce Lease revenues
18 earned by OPG during the 2020-2024 period and the Bruce Lease revenues forecast to be
19 earned during the 2025-2031 period are summarized in Ex. G2-2-1, Table 2. As in prior
20 payment amounts proceedings, OPG derives revenues from the Bruce Lease Agreement and
21 associated agreements as further described in Sections 3.1-3.4 below.

22 23 **3.1 Bruce Lease Agreement Revenues**

24 Revenues from the Bruce Lease consist of base rent and supplemental rent. Base rent is
25 discussed in Section 3.1.1 and supplemental rent is discussed in Section 3.1.2.

¹ Decision and Order, EB-2016-0152, December 28, 2017, p. 91; Decision with Reason, EB-2013-0321, November 20, 2014, p.107; Decision with Reasons, EB-2010-0008, March 10, 2011, pp.100-101; Decision with Reasons, EB-2007-0905, November 3, 2008, pp. 105-112.

1 3.1.1 Base Rent Revenue

2 Pursuant to the Bruce Lease Agreement, Bruce Power paid OPG specified base rent payments
3 for each year of the initial lease term up to the end of 2018. After the initial one-year renewal
4 term in 2019, Bruce Power pays OPG base rent of \$32M (2018\$) for each subsequent two-
5 year renewal period, upfront. These renewal payments are subject to Consumer Price Index
6 ("CPI") escalation and are generally intended to cover the executory costs incurred by OPG in
7 connection with the lease.²

8
9 As per the OEB's direction, OPG continues to determine lease revenue in accordance with
10 GAAP for non-regulated businesses. As in prior OPG proceedings, this requires the application
11 of a straight-line basis to determine lease revenue by dividing the total expected base rent
12 revenues, excluding any payments intended to cover the lessor's executory costs, by the
13 number of years in the expected lease term as determined for accounting purposes. Given that
14 the full amount of base rent receivable since 2019 is considered to be for executory costs, the
15 annual straight-line revenue amount remains fixed at \$9.1M based on the base rent payments
16 received prior to 2019 and the expected lease term for accounting purposes to the end of
17 2064.³ The renewal base rent payments received beginning in 2019 are generally recognized
18 on the same basis as the related executory costs. Accordingly, the forecast annual base rent
19 revenue in this Application is a combination of the above fixed straight-line amount and one-
20 half of the respective two-year renewal base rent payment. For the IR term, the resulting
21 forecast base rent revenue increases gradually from \$28.8M in 2027 to \$30.4M in 2031.

22
23 Base rent revenue amounts are set out in Ex. G2-2-1, Table 2.

² An additional base rent (positive or negative) was introduced pursuant to an amendment to the Bruce Lease Agreement entered in 2024, as a mechanism to true-up recovery of certain OPG's costs related to the management of non-routine waste generated as part of Bruce Power's Major Component Replacement ("MCR") program. Any revenue related to this provision is included in low and intermediate level waste services revenues. Refer to Section 3.3 for further details.

³ See EB-2020-0290, Ex. G2-02-Staff-318, Chart 1, columns [A] and [B].

1 3.1.2 Supplemental Rent Revenue

2 The monthly supplemental rent payable to OPG in addition to base rent represents the
3 volumetric cost-based fee for managing Bruce Power’s used fuel. OPG holds the liability for
4 the interim storage and future disposal of the used fuel waste from the Bruce A and Bruce B
5 reactors under the Used Fuel Agreement.

6
7 The costs used to determine the per fuel bundle fee (for all Bruce units) are based on the
8 prevailing Ontario Nuclear Funds Agreement (“ONFA”) Reference Plan estimates and are
9 subject to annual CPI escalation. Accordingly, supplemental rent varies each period with the
10 number of fuel bundles discharged by Bruce Power into the irradiated fuel bays. Supplemental
11 rent payments are also subject to a retrospective true-up adjustment to address any over or
12 under-recovery of cost estimates, based on the most recent approved ONFA Reference Plan,
13 for the used fuel discharged from January 1, 2016 onwards. The adjustment is payable or
14 refundable over the remaining expected life of the longest running Bruce unit, less five years,
15 and is reset following each approved ONFA Reference Plan.

16
17 Aside from the retrospective true-up adjustment, supplemental rent revenue is recognized on
18 a cash basis for financial accounting purposes, as it is not a fixed amount. Each retrospective
19 true-up adjustment is recognized as an increase or decrease to revenue, in full, in the period
20 it is determined based on an approved ONFA Reference Plan. The forecast annual
21 supplemental rent revenue is set out in Ex. G2-2-1 Table 2, ranging from \$169.9M to \$218.1M
22 over the IR term. The year-over-year variability in the revenue is discussed further in Section
23 3.5.

24
25 **3.2 Spent Cobalt-60 Revenues under the Used Fuel Agreement**

26 Under the Used Fuel Agreement, OPG holds the liability for the interim storage and future
27 disposal of Bruce Power’s spent Cobalt-60 and, in return, receives payments from Bruce
28 Power. As set out in Ex. G2-2-1, Table 2, the revenue from Bruce Power’s Cobalt-60 storage
29 and disposal services ranges from \$0.7M to \$0.8M per year during the IR term. Revenues for
30 Cobalt-60 storage and disposal services are recorded as the services are provided.

1 **3.3 Low and Intermediate Level Waste Agreements Revenues**

2 Under the L&ILW Agreement, OPG manages the routine L&ILW received from Bruce Power.⁴
3 In return for these services, Bruce Power pays OPG a volumetric, cost-based fee. The current
4 agreement requires OPG to maintain the capacity to accept all of the L&ILW generated on the
5 leased premises by or on behalf of Bruce Power. Similar to the used fuel fees (i.e.,
6 supplemental rent), the costs used to determine the volumetric fee rates are based on the
7 prevailing ONFA Reference Plan estimates and are subject to annual CPI escalation. L&ILW
8 fees are also subject to a retrospective true-up adjustment to address any over or under-
9 recovery of cost estimates, based on the most recent approved ONFA Reference Plan, for the
10 wastes received from January 1, 2016 onwards. The adjustment is payable or refundable over
11 the remaining expected life of the longest running Bruce unit, less five years, and is reset
12 following each approved ONFA Reference Plan.

13
14 Since 2020, OPG and Bruce Power have entered into three supplemental agreements to the
15 L&ILW Agreement related to non-routine waste generated as part of Bruce Power's Major
16 Component Replacement program ("MCR Supplemental Waste Agreements"). These
17 agreements require Bruce Power to pay upfront fees determined on the basis of OPG's
18 estimated costs of managing such L&ILW (e.g., steam generators and reactor pressure tubes)
19 received from Bruce Power as a result of the MCRs for Bruce Units 6, 3 and 4, respectively.
20 OPG expects to enter into a similar agreement for the MCR for Bruce Unit 5 by 2026. The
21 corresponding revenues are reflected as L&ILW services revenues in 2020 and 2021 for Unit
22 6, 2024 and 2025 for Unit 3, 2025 and 2026 for Unit 4, and 2027 and 2028 for Unit 5.

23
24 In 2024, the parties amended the Bruce Lease Agreement and L&ILW Agreement to implement
25 a true-up mechanism for certain cost estimates underpinning the fees payable by Bruce Power
26 under the MCR Supplemental Waste Agreements. Under this mechanism, eligible costs are
27 updated as additional base rent (positive or negative), based on the most recent approved
28 ONFA Reference Plan, with any differences amortized over the remaining expected life of the
29 longest running Bruce unit, less five years. The mechanism is intended to address the

⁴ The L&ILW Agreement does not include non-routine waste generated as part of Bruce Power's Major Component Replacement program.

1 uncertainty and risk inherent in estimating future costs of managing the waste.

2
3 Revenues under the L&ILW Agreement and the MCR Supplemental Waste Agreements are
4 recorded as the services are provided. Each retrospective true-up adjustment for routine or
5 MCR waste fees, as applicable, is recognized as an increase or decrease to revenue, in full,
6 in the period it is determined based on an approved ONFA Reference Plan. The forecast
7 L&ILW services revenues are forecast to range from \$14.6M to \$35.3M over the IR term, as
8 shown in Ex. G2-2-1, Table 2. The year-over-year variability in the revenue is discussed further
9 in Section 3.5.

10 11 **3.4 Bruce Site Services Agreement Revenues**

12 The BSSA provides for various support and maintenance services that are provided by OPG
13 to Bruce Power, and Bruce Power to OPG, on a cost recovery basis. The services
14 contemplated by this agreement are necessary to accommodate the joint occupancy and use
15 of the Bruce site by OPG and Bruce Power. OPG's site services revenues are set out in Ex.
16 G2-2-1, Table 2 and are forecasted to range from \$0.5M to \$0.6M per year during the IR term.

17
18 Together, revenues under the L&ILW Agreement, the MCR Supplemental Waste Agreements
19 and the BSSA, as well as spent Cobalt-60 revenues, comprise the services component of
20 OPG's revenues from Bruce Power.

21 22 **3.5 Comparison of Revenues**

23 A comparison of revenues from the Bruce Lease for the 2020-2031 period is provided in Ex.
24 G2-2-1, Tables 3a and 3b. Total annual revenues over the period range from \$169.6M to
25 \$269.3M.

26
27 The fluctuations in services revenue over 2020-2031, from a low of \$3.6M in 2022 to a high of
28 \$51.6M in 2024, primarily reflects variability in routine L&ILW volumes being received from
29 Bruce Power, a decrease in revenue recognized in 2022 for the retrospective true-up
30 adjustment of the routine waste fees under the L&ILW Agreement based on the 2022 ONFA
31 Reference Plan cost estimates, and revenues under the MCR Supplemental Waste

1 Agreements in certain years. As in previous proceedings, OPG projects revenues under the
2 L&ILW Agreement based on information received from Bruce Power regarding forecasted
3 routine L&ILW volumes, while the actual waste volumes received are affected by the
4 operations and refurbishment of the Bruce units. As noted in Section 3.3, the services revenue
5 over the period includes revenue under the MCR Supplemental Waste Agreements in 2021
6 and each of 2024-2028.

7
8 Actual services revenue was above the OEB-approved amount in 2021 mainly due to revenues
9 received under the MCR Supplemental Waste Agreement for Bruce Unit 6. The 2022 actual
10 amounts were below the OEB-approved amount mainly due to a decrease in revenue
11 recognized for the retrospective true-up adjustment of the routine waste fees under the L&ILW
12 Agreement based on the 2022 ONFA Reference Plan cost estimates. In 2023, actual amounts
13 were below the OEB-approved amount mainly due to lower than forecasted volumes of routine
14 L&ILW waste received. In 2024, actual amounts were above the OEB-approved amount mainly
15 due to revenues received under the MCR Supplemental Waste Agreement for Bruce Unit 3.
16 Forecasted services revenue is above the OEB-approved amounts in 2025 and 2026 mainly
17 due to revenues forecasted under the MCR Supplemental Waste Agreements for Bruce Unit
18 3 (in 2025) and Unit 4 (in 2025 and 2026).

19
20 Actual base rent revenue increased from \$25.4M in 2020 to \$28.0M in 2024 and is expected
21 to continue to modestly increase to \$30.4M in 2031, as forecast executory costs escalate at a
22 CPI rate annually. There were no significant variances to OEB-approved amounts.

23
24 The fluctuations in supplemental rent revenue over 2020-2031, from a low of \$139.7M in 2022
25 to a high of \$218.1M in 2030, primarily reflect variability in the number of fuel bundles being
26 discharged from the Bruce reactors. Such variability, together with differences in per fuel
27 bundle fees, is also the primary reason for the supplemental rent revenue variance against the
28 OEB-approved amounts in 2024-2026. As in previous proceedings, OPG projects
29 supplemental rent revenues based on information received from Bruce Power regarding the
30 forecasted number of used fuel bundles, while the actual number of fuel bundles discharged
31 is affected by the operations and refurbishment of the Bruce units.

1 The discharged fuel bundles include those arising during the defueling of the Bruce units as
2 they are taken offline for refurbishment as part of Bruce Power's MCR program. During the
3 historical years, defuelling took place in 2020 (Unit 6) and 2023 (Unit 3). Defuelling estimates
4 for the four remaining Bruce units to undergo refurbishment (Unit 4, Unit 5, Unit 7, and Unit 8)
5 are reflected in the forecast period, based on information received from Bruce Power. These
6 one-time increases in used fuel bundles are the main reason for the higher supplemental rent
7 revenue amounts in the respective years. Otherwise, supplemental rent revenue is lower as
8 Bruce units are offline for refurbishment.

10 **4.0 BRUCE LEASE COSTS**

11 For the IR term, the Bruce Lease costs forecast to be incurred by OPG are \$240.5M for 2027,
12 \$245.5M for 2028, \$248.3M for 2029, \$257.1M for 2030, and \$250.7M for 2031. Actual Bruce
13 Lease costs incurred by OPG in the 2020-2024 period and forecast costs for the 2025-2031
14 period are summarized in Ex. G2-2-1, Table 1 and are further detailed in Ex. G2-2-1, Table 5.
15 The categories of costs incurred by OPG with respect to the Bruce stations are consistent with
16 those presented in the previous proceedings. Certain relatively minor costs incurred by OPG
17 with respect to the Bruce stations, including services provided under the BSSA and for contract
18 management oversight and administration, continue to be reflected in other aspects of OPG's
19 nuclear revenue requirement and do not form part of the Bruce Lease net revenues.

21 **4.1 Depreciation**

22 Depreciation is calculated on the historical fixed assets owned by OPG at the Bruce site and
23 leased to Bruce Power. These fixed assets primarily comprise the associated asset retirement
24 costs ("ARC") shown in Ex. C2-1-1, Table 3. OPG applied the same methodology and
25 depreciation policy as in previous proceedings, summarized in Ex. F4-1-1, to derive the
26 depreciation expense for the 2020-2031 period. The average depreciation expense is forecast
27 at \$44.3M per year over the IR term, based on the closing December 31, 2024 Bruce station
28 fixed asset balances. The continuity of Bruce fixed asset balances for the 2020-2031 period is
29 presented in Ex. G2-2-1, Table 4.⁵

⁵ There are no additions to the Bruce fixed assets, except for accounting changes to ARC, as any additions to the leased property made by Bruce Power are not recorded in OPG's accounting records.

1 **4.2 Property Tax**

2 Pursuant to the provisions of the Bruce Lease Agreement, OPG continues to pay property
3 taxes for the Bruce site as a whole. OPG manages the annual tax assessment process and
4 payments of municipal property taxes to the Municipality of Kincardine and payments-in-lieu
5 of property tax to the Ontario Electricity Financial Corporation, as described in Ex. F4-2-1,
6 Section 6.0. The average property tax cost is forecast at \$15.7M per year during the IR term.

7
8 **4.3 Accretion**

9 Accretion expense represents the growth in the present value-based asset retirement
10 obligation (“ARO”) due to the passage of time. The forecast accretion expense for 2025-2031
11 is derived by reference to the December 31, 2024 ARO balances attributed to the Bruce
12 stations in OPG’s 2024 year-end consolidated financial statements, using the same
13 methodology as in previous proceedings. The recovery methodology for OPG’s nuclear
14 liabilities costs, including accretion expense, is discussed in further detail in Ex. C2-1-1. The
15 continuity schedule for the Bruce stations’ portion of the ARO is presented in Ex. C2-1-1, Table
16 3. The average accretion expense is forecast at \$628.0M per year during the IR term.

17
18 **4.4 Earnings on Nuclear Segregated Funds**

19 OPG includes the portion of earnings from investments in the nuclear segregated funds
20 attributed to the Bruce stations as a negative cost associated with these stations. These funds
21 are maintained by OPG in accordance with the ONFA to provide funding for the long-term
22 programs of the nuclear liabilities for the existing facilities. Discussed further in Ex. C2-1-1, the
23 segregated fund earnings form part of the OEB-approved methodology for recovery of costs
24 associated with OPG’s nuclear liabilities for the Bruce facilities. The forecast segregated fund
25 earnings for the 2025-2031 period are determined using the same methodology as in previous
26 proceedings, by reference to the actual closing balance of the funds attributable to the Bruce
27 stations as reflected in OPG’s 2024 year-end consolidated financial statements. The continuity
28 schedule for the portion of the segregated funds attributable to the Bruce stations is presented
29 in Ex. C2-1-1, Table 3. The average earnings on the segregated funds are forecast at \$537.6M
30 per year during the IR term.

1 **4.5 Used Fuel Storage and Disposal Costs**

2 As discussed in Ex. C2-1-1, OPG incurs variable costs associated with the storage and
3 disposal of incremental used nuclear fuel produced at the OPG-owned nuclear stations,
4 including the stations on lease to Bruce Power. These costs are included as expenses related
5 to the applicable nuclear facilities in the period incurred and are presented as part of the
6 nuclear fuel expense in OPG's consolidated financial statements. The average used fuel
7 storage and disposal variable expenses are forecast at \$69.9M per year during the IR term.
8

9 **4.6 Waste Management Variable Expenses, Facilities Removal and Other Costs**

10 As discussed in Ex. C2-1-1, OPG incurs variable costs associated with managing incremental
11 L&ILW produced at the OPG-owned nuclear facilities, including the stations on lease to Bruce
12 Power. In addition to routine waste received from Bruce Power, this includes incremental
13 nuclear liabilities' costs incurred for any non-routine waste received under an MCR
14 Supplemental Waste Agreement. Waste management variable costs are included as expenses
15 related to the applicable nuclear facilities in the period incurred and are presented as part of
16 OM&A expenses in OPG's consolidated financial statements. Any facilities removal costs or
17 costs not otherwise categorized in this evidence that may be incurred by OPG to meet its
18 obligations under the Bruce Lease are also included in this category of expenses. The average
19 waste management variable expenses, facilities removal and other costs are forecast at
20 \$12.1M per year during the IR term per Ex. C2-1-1 Table 3, of which all costs relate to waste
21 management variable expenses.
22

23 **4.7 Interest**

24 Interest related to the Bruce assets represents an allocation of the actual/forecast corporate-
25 wide accounting interest expense after attributing interest related to specific projects and other
26 investments to appropriate OPG businesses. As in EB-2020-0290, the allocation is based on
27 a forecast of the proportion of the average net book value of the fixed assets leased to Bruce
28 Power relative to the total average net book value of OPG's in-service fixed assets (including
29 intangible assets and excluding in-service assets with specific attributed debt). The average
30 interest expense over the IR term is forecast at \$17.5M per year as shown on Ex. G2-2-1,
31 Table 5.

1 **4.8 Current Income Taxes**

2 Current income taxes for the Bruce assets are calculated in accordance with the *Income Tax*
3 *Act* (Canada) and the *Taxation Act, 2007* (Ontario), as modified by the *Electricity Act, 1998*
4 and related regulations. These are the applicable pieces of legislation that together form the
5 basis for OPG's overall payments in lieu of corporate income taxes. The amount of taxes is
6 determined by applying the enacted statutory tax rate to taxable income. Taxable income is
7 computed by making adjustments, in accordance with applicable legislation, to the Bruce
8 assets' stand-alone accounting earnings before tax determined in accordance with US GAAP,
9 for items with different accounting and tax treatment. The adjustments for 2020-2031 are
10 consistent with those presented in prior OPG applications, subject to the incorporation of the
11 excessive interest and financing expenses limitation ("EIFEL") rules, which took effect under
12 the *Income Tax Act* (Canada) for taxation years beginning on or after October 1, 2023. As
13 further discussed in Ex. F4-2-1, Section 3.2.9, the EIFEL rules can restrict the tax-deductible
14 amounts of net interest and financing expenses for affected enterprises. The overall average
15 current income tax expense is a forecast credit of \$20.2M per year during the IR term. In
16 addition to the above calculation of corporate income taxes.

17
18 **4.9 Deferred Income Taxes**

19 Deferred income taxes generally represent the amount of tax that will be payable/recoverable
20 in the future upon reversal of temporary differences between the tax basis and the accounting
21 carrying value of items recorded in the current year.⁶ The deferred income tax expense is
22 determined in accordance with GAAP for unregulated entities. The actual (2020-2024) and
23 forecast (2025-2031) deferred income taxes are calculated on a stand-alone basis using the
24 actual/forecast Bruce Lease revenue and Bruce Lease costs, as shown in Ex. G2-2-1, Tables
25 7 and 8. These calculations are consistent with those presented in prior OPG applications. The
26 average deferred income tax expense is forecast at \$21.6M per year during the IR term.

⁶ EB-2013-0321, Ex. G2-2-1, Section 5.9.

1 **4.10 Comparison of Bruce Costs**

2 A comparison of Bruce Lease costs for 2020-2031 is set out in Ex. G2-2-1, Tables 6a and 6b.

3
4 4.10.1 Depreciation

5 After decreasing from \$69.6M in 2020 to \$52.4M in 2022 and then to \$44.3M in 2024,
6 depreciation expense is expected to be stable over the remaining period to 2031. The decrease
7 in 2022 was due to the year-end 2021 decrease in the Bruce stations' ARC of \$599.9M,
8 reflecting the 2022 ONFA Reference Plan update. In 2024, the year-end 2023 decrease in the
9 Bruce stations' ARC of \$314.3M, related to the extension of the accounting end-of-life dates
10 for Pickering Units 5-8. Actual/forecasted depreciation expense is lower than the OEB-
11 approved amounts from 2022-2026 for the same reasons. The ARC adjustments are
12 discussed in Ex. C2-1-1.

13
14 4.10.2 Property Tax

15 Property tax expense increases gradually over the 2020-2031 from \$12.3M in 2020 to \$16.3M
16 in 2031. Actual and budget property tax expenses are largely in line with OEB-approved from
17 2021-2026. Increase in the forecast property tax over the IR term reflects inflationary
18 increases.

19 4.10.3 Accretion

20 Accretion expense decreased by \$8.7M in 2022 over 2021, primarily due to the year-end 2021
21 decrease in the Bruce stations' ARO of \$599.9M reflecting the 2022 ONFA Reference Plan
22 update. Accretion expense in 2024 was substantially unchanged from 2023, as the impact of
23 the year-end 2023 decrease in the Bruce stations' ARO of \$438.7M related to the extension of
24 the accounting end-of-life dates for Pickering Units 5-8 was largely offset by normal present
25 value growth of the liability due to the passage of time. For the remainder of the period to 2031,
26 the gradual increase in accretion expense is primarily a result of normal present value growth
27 of the liability due to the passage of time. By 2031, forecast accretion expense is \$668.1M.
28 Adjustments to ARO are discussed in Ex. C2-1-1.

29
30 Actual 2020 and 2021 accretion expenses were higher than the OEB-approved amounts,
31 primarily due to the impact of the year-end 2017 ARO adjustment related to changes in the

1 accounting end-of-life dates for Pickering and lower expenditures against the ARO. Actual
2 2022 and 2023 accretion expenses were lower than the OEB-approved amount, mainly due to
3 the year-end 2021 decrease in the Bruce stations' ARO. Actual and forecast accretion expense
4 for 2024 to 2026 is lower than the OEB-approved amounts, mainly due to the combination of
5 the year-end 2021 and year-end 2023 decreases to the Bruce stations' ARO.

6 7 4.10.4 Earnings on Nuclear Segregated Funds

8 The variability in the nuclear segregated funds earnings over the historical years primarily
9 reflects a combination of the growth rate per the prevailing approved ONFA Reference Plan of
10 5.15% per annum, the impact of the contribution amounts pursuant to the prevailing ONFA
11 contribution schedule, disbursements, and an adjustment to the accounting value of the funds
12 recorded in 2022 to reflect the change in the funding liabilities as a result of the 2022 ONFA
13 Reference Plan. As discussed further in Ex. C2-1-1, when both the Decommissioning
14 Segregated Fund and the Used Fuel Fund are in a surplus position, as was the case during
15 the historical period, fund asset values recognized for accounting purposes are limited by the
16 funding liabilities and fund earnings are recorded at the rate of growth of the funding liabilities
17 per the prevailing ONFA Reference Plan.

18
19 For 2025-2031, nuclear segregated fund earnings are forecast at a rate of 5.15% per annum
20 consistent with the 2022 ONFA Reference Plan, which, together with the contribution amounts
21 pursuant to the 2022 ONFA Contribution Schedule and projected disbursements, results in
22 gradual increases in the earnings averaging approximately \$17.0M per year over the period.
23 By 2031, nuclear segregated fund earnings are forecast to reach \$578.7M.

24
25 Actual 2020 nuclear segregated fund earnings were higher than the OEB-approved amount,
26 primarily due to lower fund disbursements and a higher portion of the earnings attributable to
27 the Bruce facilities. Actual 2022 nuclear segregated fund earnings were higher than the OEB-
28 approved amount, primarily due to an adjustment to the accounting value of the funds to reflect
29 the change in the funding liabilities as a result of the 2022 ONFA Reference Plan. Forecasted
30 2025 and 2026 nuclear segregated fund earnings are lower than the OEB-approved amount,
31 primarily due to higher cumulative contribution amounts pursuant to the prevailing ONFA

1 contribution schedule and higher cumulative actual and forecast disbursements. There are no
2 significant variances relative to the OEB-approved amounts for the remaining historical and
3 bridge years.

4
5 4.10.5 Used Fuel Storage and Disposal Costs

6 The variability in the used fuel storage and disposal variable expenses over the historical and
7 bridge years and the IR term, from a low of \$57.2M in 2026 to a high of \$96.7M in 2023,
8 primarily reflects a combination of the variability in the number of fuel bundles loaded into the
9 Bruce reactors and changes in the per fuel bundle cost rates following each ARO adjustment
10 recorded during the period. The number of actual and forecasted fuel bundles is based on
11 information received from Bruce Power and, beginning in 2020, includes the effects of Bruce
12 Power's ongoing MCR program, both from lower utilization of bundles due to the MCR outages
13 and from higher utilization reflecting initial fuel loads into the refurbished reactors.⁷

14
15 The higher expenses in 2021 also reflected the impact of the year-end 2020 ARO adjustment
16 related to changes in the accounting end-of-life dates for Pickering Units 1 and 4, which
17 resulted in an increase in per fuel bundle cost rates due to a lower discount rate of 2.01%
18 compared to the discount rate of 2.94% in effect prior to 2021.⁸ The lower expenses in 2024
19 reflected the impact of the year-end 2023 ARO adjustment related to the extension of the
20 accounting end-of-life dates for Pickering Units 5-8, which resulted in a decrease in per fuel
21 bundle costs rates due to a higher discount rate of 3.93%.

22
23 Differences in used fuel variable expenses relative to OEB-approved amounts in the historical
24 period are primarily a result of higher per bundle costs rates in 2021, 2022, and 2023, as
25 discussed above. In 2025 and 2026, forecast used fuel variable expenses are lower than the
26 OEB-approved amounts, primarily as a result of differences in the number of fuel bundles
27 projected to be loaded into the Bruce reactors.

⁷ Used fuel variable expenses are recognized at the time fuel is loaded into a reactor and becomes irradiated.

⁸ EB-2020-0290, Ex. C2-1-1, Sections 4.1.2.

1 4.10.6 Waste Management Variable Expenses, Facilities Removal and Other Costs

2 The higher waste management variable expenses, facilities removal costs and other costs of
3 \$19.6M in 2021 reflected incremental costs related to the receipt of waste under the MCR
4 Supplemental Waste Agreement for Bruce Unit 6, as well as a one-time cost incurred as part
5 of a settlement reached with British Energy Limited and British Energy International Holdings
6 Limited (together, "British Energy"), as an initial owner of Bruce Power, regarding their claim
7 of contribution and indemnity from OPG for amounts British Energy was found liable for in an
8 arbitration commenced against it by purchasers of British Energy's interest in Bruce Power.
9 The action and arbitration pertained to corrosion of a steam generator unit, discovered after
10 OPG leased the Bruce stations to Bruce Power. The higher actual/forecast expenses
11 averaging \$18.2M over 2024-2028 reflect incremental costs related to the actual or anticipated
12 receipt of waste under the MCR Supplemental Waste Agreements for Bruce Unit 3, Unit 4, and
13 Unit 5.

14
15 In addition to the above factors, differences in waste management variable expenses, facilities
16 removal and other costs relative to OEB-approved amounts in the historical and bridge periods
17 reflect higher volumetric L&ILW cost rates based on the 2022 ONFA Reference Plan update
18 beginning in 2022. Over the 2020-2031 period, expenses also reflect variability in routine waste
19 volumes received from, or projected to be received based on information provided by, Bruce
20 Power.

21
22 4.10.7 Interest

23 The interest expense associated with the Bruce assets decreased over the historical period,
24 from \$23.1M in 2020 to \$5.6M in 2024, primarily due to a lower allocation factor for the Bruce
25 assets, reflecting increases in-service assets for OPG's prescribed facilities and decreases in
26 the Bruce fixed assets owing to the year-end 2021 and 2023 ARO and ARC adjustments.
27 Beginning in 2027, the interest expense associated with the Bruce assets is forecasted to
28 increase, peaking at \$25.3M in 2030 before declining to \$18.6M in 2031. This reflects an
29 increase in OPG's corporate debt levels, partly offset by a declining allocation factor for the
30 Bruce assets due to increases in in-service assets for OPG's prescribed facilities, including
31 upon return to service of Pickering Unit 5 from refurbishment in 2031.

1 The actual/forecasted interest expense associated with the Bruce assets is lower than the
2 OEB-approved amounts for 2020-2026, mainly due to a lower allocation factor for the Bruce
3 assets. For 2020 and 2021, this was mainly due to the use of a historical allocation factor to
4 determine the EB-2016-0152 forecast amounts, which did not reflect the decrease in the Bruce
5 fixed assets resulting from the subsequent year-end 2016 ARO and ARC adjustment reflecting
6 the 2017 ONFA Reference Plan. For 2022-2024, the historical allocation factor used to
7 determine the EB-2020-0290 forecast amounts similarly did not reflect the subsequent
8 decreases in the Bruce fixed assets resulting from the year-end 2021 and year-end 2023 ARO
9 and ARC adjustments.

10
11 4.10.8 Current Income Taxes

12 Actual current income tax expense in 2020, 2021, 2022, 2023 and 2024 was \$33.1M, \$45.0M,
13 \$69.8M, \$78.0M, and \$69.9M, respectively. Forecast amounts peak in 2025 at \$82.5M before
14 gradually declining to \$37.3M, \$25.5M, \$24.3M, \$10.2M, \$21.2M, and \$19.8M in 2026, 2027,
15 2028, 2029, 2030, and 2031, respectively. The higher current income taxes in years 2022-
16 2024 were mainly due to lower nuclear segregated fund contribution amounts per the 2022
17 ONFA Contribution Schedule, compared to the previous approved contribution schedule in
18 effect through 2021. The forecast peak income tax expense in 2025 is due primarily to higher
19 segregated fund disbursements in that year. The declining trend through the IR term reflects
20 lower forecast earnings before tax.

21
22 Actual income taxes for 2020 were lower than OEB-approved amounts mainly due to lower
23 receipts from the nuclear segregated funds and lower Other deductible items. Actual income
24 taxes in 2023 and 2024 and forecast income taxes in 2026 are higher than OEB-approved
25 amounts mainly due to lower nuclear segregated fund contribution amounts per the 2022
26 ONFA Contribution Schedule. Forecast income taxes in 2025 are higher than OEB-approved
27 amount due to lower nuclear segregated fund contribution amounts per the 2022 ONFA
28 Contribution Schedule and higher earnings before tax.

29
30 4.10.9 Deferred Income Taxes

31 Actual deferred income taxes were -\$37.0M, -\$67.9M, -\$81.5M, -\$86.6M and -\$55.8M in 2020,

1 2021, 2022, 2023 and 2024, respectively. Forecast deferred income taxes gradually increase
2 and then level off through the IR term, at -\$70.6M, -\$28.4M, -\$27.2M, -\$20.5M, -\$16.3M, -
3 \$18.7M and -\$25.5M in 2025, 2026, 2027, 2028, 2029, 2030, and 2031, respectively. The
4 lower deferred income tax expense in 2021 was due to temporary differences arising from
5 higher receipts from the nuclear segregated funds and higher used fuel and waste
6 management variable expenses. The further decline in deferred income tax expense in 2022
7 was primarily due to lower contributions to the nuclear segregated funds per the 2022 ONFA
8 Contribution Schedule. The increase in deferred income tax expense in 2024 was due to higher
9 expenditures on decommissioning, used fuel and nuclear waste management activities. This
10 is followed by a decrease in forecast deferred income tax expense in 2025 due to higher
11 receipts from the nuclear segregated funds, and an increase in 2026 due to higher
12 contributions to the nuclear segregated funds. The forecast deferred income tax expense
13 varies over the IR term, reflecting smaller year-over-year variances across a number of
14 sources of temporary differences.

15

16 The lower receipts from the nuclear segregated funds were the primary driver of the higher
17 deferred income tax expense in 2020 compared to the OEB-approved amount. The lower
18 deferred income tax expense in 2021 compared to the OEB-approved amount was due to
19 lower expenditures on decommissioning, and higher used fuel and waste management
20 variable expenses, partially offset by lower receipts from the nuclear segregated funds. The
21 lower deferred income tax expense than the OEB-approved amount in 2023 (actual) and 2025
22 (forecast) is due to higher contributions to the nuclear segregated funds per the 2022 ONFA
23 Contribution Schedule. The higher deferred income tax expense in 2024 compared to the OEB-
24 approved amount was due to lower depreciation and accretion expenses and higher
25 expenditures on decommissioning, used fuel and nuclear waste management, partially offset
26 by higher contributions to the nuclear segregated funds per the 2022 ONFA Contribution
27 Schedule. The higher deferred income tax expense forecast in 2026 compared to the OEB-
28 approved amount is due to higher receipts from the nuclear segregated funds, partially offset
29 by lower depreciation and accretion expenses.

Numbers may not add due to rounding.

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Table 1
 Bruce Lease Net Revenues (\$M)

Line No.	Item	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Bruce Lease Net Revenues:												
1	Bruce Lease Revenues	218.2	202.7	169.6	219.6	261.1	269.3	255.2	235.3	257.0	230.2	264.5	233.7
2	Bruce Costs	230.1	271.4	204.7	245.4	218.6	233.6	228.8	240.5	245.5	248.3	257.1	250.7
3	Bruce Lease Net Revenues (line 1 - line 2)	(11.9)	(68.7)	(35.1)	(25.8)	42.5	35.8	26.5	(5.2)	11.5	(18.1)	7.3	(17.1)

Numbers may not add due to rounding.

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 Table 2

Table 2
Bruce Lease Revenues (\$M)

Line No.	Revenue Source	Note	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Site Services (OPG to Bruce Power)		0.7	0.7	0.6	0.5	1.1	0.5	0.5	0.5	0.6	0.6	0.6	0.6
2	Low & Intermediate Level Waste Services		21.2	29.9	2.4	14.6	50.0	46.0	29.9	35.3	25.0	24.7	14.6	23.8
3	Cobalt-60		0.8	0.4	0.6	0.5	0.5	0.7	0.7	0.7	0.7	0.8	0.8	0.8
4	Total Services Revenue		22.7	30.9	3.6	15.6	51.6	47.2	31.1	36.6	26.4	26.0	16.0	25.2
5	Fixed (Base) Rent		25.4	25.4	26.3	26.3	28.0	28.0	28.8	28.8	29.6	29.6	30.4	30.4
6	Supplemental Rent		170.2	146.5	139.7	177.7	181.5	194.1	195.3	169.9	201.0	174.5	218.1	178.0
7	Total Rent Revenue		195.6	171.8	166.0	204.0	209.5	222.1	224.1	198.7	230.6	204.1	248.5	208.4
8	Total Revenue (line 4 + line 7)		218.2	202.7	169.6	219.6	261.1	269.3	255.2	235.3	257.0	230.2	264.5	233.7

Numbers may not add due to rounding.

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 Table 3a

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

Line No.	Business Unit	2020 OEB Approved	(c)-(a) Change	2020 Actual	(g)-(c) Change	2021 OEB Approved	(g)-(e) Change	2021 Actual	(k)-(g) Change	2022 OEB Approved	(k)-(i) Change	2022 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		Note 1		Note 3		Note 1		Note 3		Note 2		Note 3
1	Site Services (OPG to Bruce Power)	0.7	0.0	0.7	(0.0)	0.7	0.0	0.7	(0.0)	0.5	0.1	0.6
2	Low & Intermediate Level Waste Services	18.6	2.6	21.2	8.7	21.6	8.3	29.9	(27.5)	18.1	(15.7)	2.4
3	Cobalt-60	0.5	0.2	0.8	(0.4)	0.5	(0.2)	0.4	0.2	0.6	(0.1)	0.6
4	Total Services Revenue	19.8	2.9	22.7	8.2	22.8	8.1	30.9	(27.3)	19.2	(15.6)	3.6
5	Fixed (Base) Rent	25.4	(0.0)	25.4	(0.0)	25.7	(0.4)	25.4	0.9	26.1	0.2	26.3
6	Supplemental Rent	174.5	(4.3)	170.2	(23.7)	140.1	6.3	146.5	(6.8)	140.4	(0.7)	139.7
7	Total Rent Revenue	200.0	(4.4)	195.6	(23.7)	165.9	5.9	171.8	(5.8)	166.5	(0.5)	166.0
8	Total Revenue (line 4 + line 7)	219.8	(1.5)	218.2	(15.5)	188.7	14.0	202.7	(33.2)	185.7	(16.1)	169.6

Line No.	Business Unit	2022 Actual	(e)-(a) Change	2023 OEB Approved	(e)-(c) Change	2023 Actual	(i)-(e) Change	2024 OEB Approved	(i)-(g) Change	2024 Actual	(k)-(i) Change	2025 Budget
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		Note 3		Note 2				Note 2				
9	Site Services (OPG to Bruce Power)	0.6	(0.1)	0.5	(0.0)	0.5	0.6	0.5	0.6	1.1	(0.6)	0.5
10	Low & Intermediate Level Waste Services	2.4	12.2	23.2	(8.6)	14.6	35.5	25.1	25.0	50.0	(4.1)	46.0
11	Cobalt-60	0.6	(0.0)	0.7	(0.1)	0.5	(0.1)	0.7	(0.2)	0.5	0.2	0.7
12	Total Services Revenue	3.6	12.0	24.4	(8.8)	15.6	36.0	26.3	25.3	51.6	(4.4)	47.2
13	Fixed (Base) Rent	26.3	0.0	26.4	(0.1)	26.3	1.7	26.8	1.2	28.0	(0.0)	28.0
14	Supplemental Rent	139.7	38.1	166.8	10.9	177.7	3.7	150.7	30.8	181.5	12.7	194.1
15	Total Rent Revenue	166.0	38.1	193.3	10.8	204.0	5.4	177.5	32.0	209.5	12.6	222.1
16	Total Revenue (line 12 + line 15)	169.6	50.1	217.6	2.0	219.6	41.5	203.7	57.3	261.1	8.2	269.3

Note:

- 2020 and 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.
- 2022 to 2026 OEB-approved amounts per EB-2020-0290, Ex. G2-2-1, Table 2.
- 2020 to 2022 actuals as shown in EB-2023-0336, Ex. H1-1-1, Table 11a.

Numbers may not add due to rounding.

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 Table 3b

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

Line No.	Business Unit	2025 OEB Approved	(c)-(a) Change	2025 Budget	(g)-(c) Change	2026 OEB Approved	(g)-(e) Change	2026 Budget	(i)-(g) Change	2027 Plan	(k)-(i) Change	2028 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		Note 1				Note 1						
17	Site Services (OPG to Bruce Power)	0.5	0.0	0.5	0.0	0.5	0.0	0.5	(0.0)	0.5	0.1	0.6
18	Low & Intermediate Level Waste Services	20.3	25.7	46.0	(16.1)	24.3	5.6	29.9	5.5	35.3	(10.3)	25.0
19	Cobalt-60	0.7	0.0	0.7	0.0	0.7	0.0	0.7	0.0	0.7	0.0	0.7
20	Total Services Revenue	21.5	25.7	47.2	(16.1)	25.5	5.6	31.1	5.5	36.6	(10.2)	26.4
21	Fixed (Base) Rent	27.1	0.9	28.0	0.8	27.5	1.3	28.8	0.0	28.8	0.8	29.6
22	Supplemental Rent	169.7	24.4	194.1	1.2	168.0	27.3	195.3	(25.4)	169.9	31.1	201.0
23	Total Rent Revenue	196.9	25.3	222.1	2.0	195.5	28.6	224.1	(25.4)	198.7	31.9	230.6
24	Total Revenue (line 20 + line 23)	218.4	50.9	269.3	(14.1)	221.0	34.2	255.2	(20.0)	235.3	21.7	257.0

Line No.	Business Unit	2028 Plan	(c)-(a) Change	2029 Plan	(e)-(c) Change	2030 Plan	(g)-(e) Change	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
25	Site Services (OPG to Bruce Power)	0.6	0.0	0.6	0.0	0.6	0.0	0.6
26	Low & Intermediate Level Waste Services	25.0	(0.4)	24.7	(10.1)	14.6	9.2	23.8
27	Cobalt-60	0.7	0.0	0.8	0.0	0.8	0.0	0.8
28	Total Services Revenue	26.4	(0.3)	26.0	(10.1)	16.0	9.2	25.2
29	Fixed (Base) Rent	29.6	(0.0)	29.6	0.8	30.4	0.0	30.4
30	Supplemental Rent	201.0	(26.5)	174.5	43.6	218.1	(40.0)	178.0
31	Total Rent Revenue	230.6	(26.5)	204.1	44.4	248.5	(40.0)	208.4
32	Total Revenue (line 28 + line 31)	257.0	(26.9)	230.2	34.3	264.5	(30.8)	233.7

Note:

- 1 2022 to 2026 OEB-approved amounts per EB-2020-0290, Ex. G2-2-1, Table 2.

Numbers may not add due to rounding.

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Table 4
Bruce Net Fixed Assets¹ (\$M)

Line No.	Item	2020 Actual ²	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Opening Net Book Value	2,822.3	2,765.7	2,096.0	2,043.6	1,676.8	1,632.5	1,588.2	1,543.9	1,499.6	1,455.4	1,411.1	1,366.8
2	Add: Nuclear Liabilities Adjustment³	13.0	(599.9)	0.0	(314.3)	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	0.0
4	Less: Depreciation	69.6	69.8	52.4	52.4	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3
5	Closing Net Book Value	2,765.7	2,096.0	2,043.6	1,676.8	1,632.5	1,588.2	1,543.9	1,499.6	1,455.4	1,411.1	1,366.8	1,322.6

Notes:

- 1 Includes asset retirement costs presented in Ex. C2-1-1, Table 3.
- 2 2020 Actual Opening Net Book Value from EB-2020-0290, Ex. G2-2-1, Table 4, line 5, col (d).
- 3 Represents change in asset retirement costs effective December 31, 2020, December 31, 2021, and December 31, 2023 as shown at Ex. C2-1-1, Table 3: line 10, col (a); line 9, col. (b); and line 10, col. (d) respectively.

Numbers may not add due to rounding.

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 Table 5

Table 5
 Bruce Costs (\$M)

Line No.	Cost Item	Note	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Depreciation		69.6	69.8	52.4	52.4	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3
2	Property Tax		12.3	12.6	13.0	13.5	14.1	14.2	14.6	15.1	15.4	15.7	16.0	16.3
3	Accretion		504.1	522.3	513.6	534.1	535.7	550.5	567.3	587.8	607.6	626.9	649.5	668.1
4	(Earnings) Losses on Segregated Funds		(439.0)	(431.6)	(471.3)	(460.0)	(473.8)	(476.7)	(486.1)	(500.7)	(516.6)	(535.3)	(556.5)	(578.7)
5	Used Fuel Storage and Disposal		60.1	84.1	86.9	96.7	59.0	64.9	57.2	68.4	61.1	73.1	69.4	77.7
6	Waste Management Expenses, Facilities Removal and Other Costs		4.0	19.6	10.5	11.3	19.5	18.8	18.5	18.7	15.7	9.2	6.8	10.2
7	Interest		23.1	17.6	11.2	6.0	5.6	5.6	4.1	8.7	14.3	20.5	25.3	18.6
8	Total Costs Before Income Tax		234.1	294.3	216.4	254.0	204.5	221.6	219.9	242.3	241.7	254.3	254.7	256.4
9	Income Tax - Current		33.1	45.0	69.8	78.0	69.9	82.5	37.3	25.5	24.3	10.2	21.2	19.8
10	Income Tax - Deferred		(37.0)	(67.9)	(81.5)	(86.6)	(55.8)	(70.6)	(28.4)	(27.2)	(20.5)	(16.3)	(18.7)	(25.5)
11	Total Income Tax		(4.0)	(22.9)	(11.7)	(8.6)	14.2	11.9	8.8	(1.7)	3.8	(6.0)	2.4	(5.7)
12	Total Costs (line 8 + line 11)		230.1	271.4	204.7	245.4	218.6	233.6	228.8	240.5	245.5	248.3	257.1	250.7

Numbers may not add due to rounding.

Table 6a
 Comparison of Bruce Costs (\$M)

Line No.	Business Unit	Note	2020 OEB Approved	(c)-(a) Change	2020 Actual	(g)-(c) Change	2021 OEB Approved	(g)-(e) Change	2021 Actual	(k)-(g) Change	2022 OEB Approved	(k)-(i) Change	2022 Actual
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			Note 7		Note 9		Note 7		Note 9		Note 8		Note 9
1	Depreciation		68.4	1.2	69.6	0.2	68.4	1.4	69.8	(17.4)	69.6	(17.2)	52.4
2	Property Tax		14.0	(1.7)	12.3	0.2	15.1	(2.5)	12.6	0.4	12.6	0.4	13.0
3	Accretion	1	495.8	8.2	504.1	18.3	512.4	9.9	522.3	(8.7)	537.5	(23.9)	513.6
4	(Earnings) Losses on Segregated Funds	2	(426.2)	(12.8)	(439.0)	7.4	(436.0)	4.5	(431.6)	(39.7)	(452.6)	(18.7)	(471.3)
5	Used Fuel Storage and Disposal	3	64.2	(4.2)	60.1	24.0	52.2	31.9	84.1	2.9	57.9	29.0	86.9
6	Waste Management Expenses, Facilities Removal Costs, and Other Costs	4	3.4	0.6	4.0	15.6	4.6	14.9	19.6	(9.0)	3.2	7.4	10.5
7	Interest		26.8	(3.7)	23.1	(5.5)	25.8	(8.2)	17.6	(6.4)	18.3	(7.1)	11.2
8	Total Costs Before Income Tax		246.4	(12.3)	234.1	60.2	242.5	51.8	294.3	(78.0)	246.5	(30.1)	216.4
9	Income Tax - Current	5	47.0	(13.9)	33.1	12.0	41.7	3.4	45.0	24.8	75.9	(6.1)	69.8
10	Income Tax - Deferred	6	(53.6)	16.6	(37.0)	(30.9)	(55.1)	(12.8)	(67.9)	(13.6)	(91.1)	9.6	(81.5)
11	Total Income Tax		(6.7)	2.7	(4.0)	(18.9)	(13.4)	(9.5)	(22.9)	11.2	(15.2)	3.5	(11.7)
12	Total Costs (line 8 + line 11)		239.8	(9.6)	230.1	41.3	229.1	42.4	271.4	(66.8)	231.3	(26.6)	204.7

Line No.	Business Unit	Note	2022 Actual	(e)-(a) Change	2023 OEB Approved	(e)-(c) Change	2023 Actual	(i)-(e) Change	2024 OEB Approved	(i)-(g) Change	2024 Actual	(k)-(i) Change	2025 Budget
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			Note 9		Note 8				Note 8				
13	Depreciation		52.4	(0.0)	69.6	(17.2)	52.4	(8.1)	69.6	(25.3)	44.3	(0.0)	44.3
14	Property Tax		13.0	0.5	12.6	0.9	13.5	0.6	12.6	1.5	14.1	0.1	14.2
15	Accretion	1	513.6	20.5	556.8	(22.7)	534.1	1.6	576.7	(41.0)	535.7	14.8	550.5
16	(Earnings) Losses on Segregated Funds	2	(471.3)	11.3	(462.0)	2.0	(460.0)	(13.8)	(475.1)	1.3	(473.8)	(3.0)	(476.7)
17	Used Fuel Storage and Disposal	3	86.9	9.7	69.5	27.2	96.7	(37.7)	63.3	(4.3)	59.0	5.9	64.9
18	Waste Management Expenses, Facilities Removal, and Other Costs	4	10.5	0.8	4.2	7.1	11.3	8.2	4.5	15.1	19.5	(0.7)	18.8
19	Interest		11.2	(5.2)	18.6	(12.6)	6.0	(0.4)	16.3	(10.7)	5.6	0.0	5.6
20	Total Costs Before Income Tax		216.4	37.7	269.3	(15.2)	254.0	(49.6)	267.9	(63.5)	204.5	17.2	221.637
21	Income Tax - Current	5	69.8	8.2	48.9	29.1	78.0	(8.1)	49.8	20.1	69.9	12.6	82.5
22	Income Tax - Deferred	6	(81.5)	(5.1)	(61.8)	(24.8)	(86.6)	30.8	(65.9)	10.1	(55.8)	(14.8)	(70.6)
23	Total Income Tax		(11.7)	3.1	(12.9)	4.3	(8.6)	22.8	(16.0)	30.2	14.2	(2.2)	11.9
24	Total Costs (line 20 + line 23)		204.7	40.8	256.3	(10.9)	245.4	(26.8)	251.9	(33.3)	218.6	14.9	233.6

Notes:

- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 4.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 13.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 2.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 3.
- 2020 to 2024 Actual and 2025 Budget from Ex. G2-2-1, Table 7, line 20. 2026 Budget and 2027 to 2031 Plan from Ex. G2-2-1, Table 8, line 20 and line 21.
- 2020 to 2024 Actual and 2025 Budget from Ex. G2-2-1, Table 7, line 28. 2026 Budget and 2027 to 2031 Plan from Ex. G2-2-1, Table 8, line 28.
- 2020 and 2021 OEB-approved amounts per EB-2016-0152, Ex. J21.2, Attachment 1, Table 1.
- 2022 to 2026 OEB-approved amounts per EB-2020-0290, Ex. G2-2-1, Table 5.
- 2020 to 2022 actuals as shown in EB-2023-0336, Ex. H1-1-1, Table 11a; amount in line 18, col. (a) reflects updated calculations of the dollar per cubic metre cost rates for low and intermediate level waste based on the 2022 ONFA Reference Plan.

Numbers may not add due to rounding.

Table 6b
 Comparison of Bruce Costs (\$M)

Line No.	Business Unit	Note	2025 OEB Approved	(c)-(a) Change	2025 Budget	(g)-(c) Change	2026 OEB Approved	(g)-(e) Change	2026 Budget	(i)-(g) Change	2027 Plan	(k)-(i) Change	2028 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			Note 7				Note 7						
25	Depreciation		69.6	(25.2)	44.3	(0.0)	69.5	(25.2)	44.3	(0.0)	44.3	0.0	44.3
26	Property Tax		12.6	1.6	14.2	0.4	12.6	2.0	14.6	0.4	15.1	0.3	15.4
27	Accretion	1	599.6	(49.1)	550.5	16.8	623.7	(56.4)	567.3	20.5	587.8	19.8	607.6
28	(Earnings) Losses on Segregated Funds	2	(491.0)	14.2	(476.7)	(9.4)	(510.3)	24.2	(486.1)	(14.6)	(500.7)	(15.9)	(516.6)
29	Used Fuel Storage and Disposal	3	72.0	(7.1)	64.9	(7.7)	59.7	(2.5)	57.2	11.2	68.4	(7.3)	61.1
30	Waste Management Expenses, Facilities Removal, and Other Costs	4	3.8	15.0	18.8	(0.3)	4.7	13.8	18.5	0.2	18.7	(3.0)	15.7
31	Interest		13.8	(8.2)	5.6	(1.5)	12.2	(8.1)	4.1	4.6	8.7	5.5	14.3
32	Total Costs Before Income Tax		280.3	(58.7)	221.6	(1.7)	272.1	(52.2)	219.9	22.3	242.3	(0.6)	241.7
33	Income Tax - Current	5	31.3	51.2	82.5	(45.3)	28.8	8.4	37.3	(11.8)	25.5	(1.2)	24.3
34	Income Tax - Deferred	6	(46.8)	(23.8)	(70.6)	42.2	(41.6)	13.2	(28.4)	1.2	(27.2)	6.7	(20.5)
35	Total Income Tax		(15.5)	27.4	11.9	(3.1)	(12.8)	21.6	8.8	(10.6)	(1.7)	5.6	3.8
36	Total Costs (line 32 + line 35)		264.9	(31.3)	233.6	(4.8)	259.3	(30.6)	228.8	11.8	240.5	5.0	245.5

Line No.	Business Unit	Note	2028 Plan	(c)-(a) Change	2029 Plan	(e)-(c) Change	2030 Plan	(g)-(e) Change	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
37	Depreciation		44.3	(0.0)	44.3	0.0	44.3	(0.0)	44.3
38	Property Tax		15.4	0.3	15.7	0.3	16.0	0.3	16.3
39	Accretion	1	607.6	19.3	626.9	22.6	649.5	18.6	668.1
40	(Earnings) Losses on Segregated Funds	2	(516.6)	(18.7)	(535.3)	(21.2)	(556.5)	(22.2)	(578.7)
41	Used Fuel Storage and Disposal	3	61.1	12.0	73.1	(3.7)	69.4	8.3	77.7
42	Waste Management Expenses, Facilities Removal, and Other Costs	4	15.7	(6.5)	9.2	(2.4)	6.8	3.4	10.2
43	Interest		14.3	6.3	20.5	4.7	25.3	(6.7)	18.6
44	Total Costs Before Income Tax		241.7	12.6	254.3	0.4	254.7	1.8	256.4
45	Income Tax - Current	5	24.3	(14.1)	10.2	11.0	21.2	(1.4)	19.8
46	Income Tax - Deferred	6	(20.5)	4.2	(16.3)	(2.5)	(18.7)	(6.7)	(25.5)
47	Total Income Tax		3.8	(9.9)	(6.0)	8.5	2.4	(8.1)	(5.7)
48	Total Costs (line 44 + line 47)		245.5	2.8	248.3	8.8	257.1	(6.4)	250.7

Notes:

- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 4.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 13.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 2.
- 2020 to 2024 Actual, 2025 to 2026 Budget, and 2027 to 2031 Plan from Ex. C2-1-1, Table 3, line 3.
- 2020 to 2024 Actual and 2025 Budget from Ex. G2-2-1, Table 7, line 20. 2026 Budget and 2027 to 2031 Plan from Ex. G2-2-1, Table 8, line 20 and line 21.
- 2020 to 2024 Actual and 2025 Budget from Ex. G2-2-1, Table 7, line 28. 2026 Budget and 2027 to 2031 Plan from Ex. G2-2-1, Table 8, line 28.
- 2022 to 2026 OEB-approved amounts per EB-2020-0290, Ex. G2-2-1, Table 5.

Table 7
 Calculation of Bruce Income Taxes (\$M)
 Years Ending December 31, 2020, 2021, 2022, 2023, 2024 and 2025

Line No.	Particulars	Note	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget
			(a)	(b)	(c)	(d)	(e)	(f)
	Determination of Taxable Income							
1	Earnings (Loss) Before Tax	1	(15.9)	(91.6)	(46.8)	(34.4)	56.6	47.7
	Additions for Tax Purposes - Temporary Differences:							
2	Base Rent Accrual		(9.1)	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)
3	Depreciation		69.6	69.8	52.4	52.4	44.3	44.3
4	Accretion		504.1	522.3	513.6	534.1	535.7	550.5
5	Restricted Net Interest and Financing Expenses		0.0	0.0	0.0	0.0	0.0	0.0
6	Used Fuel and Waste Management Expenses and Facilities Removal Costs		64.0	92.6	97.5	108.0	78.5	83.7
7	Receipts from Nuclear Segregated Funds		72.7	93.7	102.0	84.0	95.0	219.6
8	Other		(29.4)	10.9	2.4	6.4	9.7	5.6
9	Total Additions - Temporary Differences (lines 2 through 8)		671.9	780.2	758.8	775.9	754.1	894.6
	Deductions for Tax Purposes - Temporary Differences:							
10	CCA		12.9	10.9	10.9	10.1	8.2	8.2
11	Cash Expenditures for Used Fuel, Waste Management & Decommissioning and Facilities Removal		174.4	168.6	150.5	159.5	249.1	243.6
12	Contributions to Nuclear Segregated Funds		(102.5)	(102.5)	(200.1)	(200.1)	(200.1)	(116.4)
13	Earnings (Losses) on Nuclear Segregated Funds		439.0	431.6	471.3	460.0	473.8	476.7
14	Total Deductions - Temporary Differences (lines 10 through 13)		523.8	508.5	432.6	429.5	531.1	612.1
15	Taxable Income/(Loss) Before Loss Carry-Over (line 1 + line 9 - line 14)		132.2	180.1	279.4	312.0	279.7	330.1
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 (line 15 + line 16)		132.2	180.1	279.4	312.0	279.7	330.1
	Determination of Total Current Income Taxes							
18	Taxable Income After Loss Carry-Over (from line 17)		132.2	180.1	279.4	312.0	279.7	330.1
19	Income Tax Rate - Current		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
20	Income Taxes - Current (line 18 x line 19)		33.1	45.0	69.8	78.0	69.9	82.5
	Determination of Total Deferred Income Taxes							
22	Total Net Temporary Differences (line 9 - line 14)		148.1	271.7	326.1	346.4	223.1	282.5
23	Income Tax Rate - Deferred		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
24	Deferred Income Taxes (line 22 x -1 x line 23)		(37.0)	(67.9)	(81.5)	(86.6)	(55.8)	(70.6)
25	Tax Loss / Tax Loss Carry-Over (line 15 or line 16)		0.0	0.0	0.0	0.0	0.0	0.0
26	Income Tax Rate		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
27	Deferred Income Taxes - Tax Loss / Tax Loss Carry-Over (line 25 x line 26)		0.0	0.0	0.0	0.0	0.0	0.0
28	Deferred Income Taxes - Total (line 24 + line 27)		(37.0)	(67.9)	(81.5)	(86.6)	(55.8)	(70.6)
	Income Tax Rate - Current							
29	Federal Tax		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
30	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
31	Total Income Tax Rate - Current		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
	Income Tax Rate - Long-Term							
32	Federal Tax		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
33	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
34	Total Income Tax Rate - Long-Term		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 8 and Total Costs Before Income Tax in Ex. G2-2-1 Table 5, Line 8 for each corresponding year.

Table 8
 Calculation of Bruce Income Taxes (\$M)
 Years Ending December 31, 2026, 2027, 2028, 2029, 2030 and 2031

Line No.	Particulars	Note	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan
			(a)	(b)	(c)	(d)	(e)	(f)
Determination of Taxable Income								
1	Earnings (Loss) Before Tax	1	35.3	(7.0)	15.3	(24.2)	9.8	(22.8)
Additions for Tax Purposes - Temporary Differences:								
2	Base Rent Accrual		(9.1)	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)
3	Depreciation		44.3	44.3	44.3	44.3	44.3	44.3
4	Accretion		567.3	587.8	607.6	626.9	649.5	668.1
5	Restricted Net Interest and Financing Expenses		0.0	0.0	0.0	0.0	0.0	0.0
6	Used Fuel and Waste Management Expenses and Facilities Removal Costs		75.7	87.1	76.8	82.3	76.2	87.9
7	Receipts from Nuclear Segregated Funds		170.5	196.0	187.0	118.4	129.9	122.0
8	Other		1.6	3.8	0.0	0.0	0.0	0.0
9	Total Additions - Temporary Differences (lines 2 through 8)		850.3	909.8	906.6	862.7	890.8	913.2
Deductions for Tax Purposes - Temporary Differences:								
10	CCA		7.4	6.5	5.9	5.4	4.7	4.1
11	Cash Expenditures for Used Fuel, Waste Management & Decommissioning and Facilities Removal		282.3	293.8	302.2	256.9	254.6	228.6
12	Contributions to Nuclear Segregated Funds		(39.2)	0.0	0.0	0.0	0.0	0.0
13	Earnings (Losses) on Nuclear Segregated Funds		486.1	500.7	516.6	535.3	556.5	578.7
14	Total Deductions - Temporary Differences (lines 10 through 13)		736.5	800.9	824.7	797.7	815.8	811.4
15	Taxable Income/(Loss) Before Loss Carry-Over (line 1 + line 9 - line 14)		149.0	101.9	97.3	40.9	84.7	79.0
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 (line 15 + line 16)		149.0	101.9	97.3	40.9	84.7	79.0
Determination of Current Income Taxes								
18	Taxable Income After Loss Carry-Over (from line 17)		149.0	101.9	97.3	40.9	84.7	79.0
19	Income Tax Rate - Current		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
20	Income Taxes - Current (line 18 x line 19)		37.3	25.5	24.3	10.2	21.2	19.8
Determination of Total Deferred Income Taxes								
22	Total Net Temporary Differences (line 9 - line 14)		113.7	108.9	81.9	65.1	75.0	101.8
23	Income Tax Rate - Deferred		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
24	Deferred Income Taxes (line 22 x -1 x line 23)		(28.4)	(27.2)	(20.5)	(16.3)	(18.7)	(25.5)
25	Tax Loss / Tax Loss Carry-Over (line 15 or line 16)		0.0	0.0	0.0	0.0	0.0	0.0
26	Income Tax Rate		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
27	Deferred Income Taxes - Tax Loss / Tax Loss Carry-Over (line 25 x line 26)		0.0	0.0	0.0	0.0	0.0	0.0
28	Deferred Income Taxes - Total (line 24 + line 27)		(28.4)	(27.2)	(20.5)	(16.3)	(18.7)	(25.5)
Income Tax Rate - Current								
29	Federal Tax		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
30	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
31	Total Income Tax Rate - Current		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Income Tax Rate - Long-Term								
32	Federal Tax		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
33	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
34	Total Income Tax Rate - Long-Term		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 8 and Total Costs Before Income Tax in Ex. G2-2-1, Table 5, Line 8 for each corresponding year.