

## OM&A PURCHASED SERVICES – REGULATED HYDROELECTRIC

### 1.0 PURPOSE

This evidence presents the purchases of OM&A services and products for the regulated hydroelectric facilities that meet the threshold of 1 per cent of total OM&A expense before taxes consistent with the OEB's filing guidelines.

### 2.0 OVERVIEW

An overview of OPG's procurement process is presented in Ex. F3-T3-S1.

The regulated hydroelectric OM&A expense before taxes is equal to the sum of the regulated hydroelectric base OM&A plus project OM&A expense. As shown in Ex. F1-1-1, Table 1, and excluding the extraordinary credit of \$19M related to the reversal of the provision for the environmental cleanup of Lake Gibson in 2011, this amount ranges from \$64.7M in 2010 to a high of \$88.0M in 2014 for the Niagara Plant Group and R.H. Saunders GS. As shown in Ex. F1-1-1 Table 2, for the newly regulated stations, the amount ranges from \$129.2M in 2013 to \$145.9M in 2015. The average annual OM&A expenses of the two regulated hydroelectric segments (i.e. Niagara PG and Saunders GS, and the newly regulated stations) is approximately \$100M. Therefore, for the regulated hydroelectric facilities, the threshold of 1 per cent of the OM&A expense before taxes is approximately \$1.0M.

Information on vendor contracts for OM&A purchased services within the regulated hydroelectric business that are equal to or in excess of the \$1.0M threshold for any of the years 2010, 2011 and 2012 is presented in Chart 1.

**Chart 1**  
**Purchase of Services – Regulated Hydroelectric OM&A Contracts**

Vendor Name	Description/Nature of Activities	Tendering Process		Rationale if Single Source
		Competitive	Single Source	
HATCH LTD	Wide range of Mechanical, Civil and Electrical Engineering services	✓		
Charles Jones Industrial Limited	Commodity contractor for the supply of tools and shop equipment.	✓		
E.S. Fox	Wide range of construction activities including refurbishment of stop logs and gates, electrical upgrades, parking lot work, and refurbishment of washrooms in Niagara, as well as road work, and piping in NW, and stya vane modifications at Chat Falls,	✓		
Newman Brothers LTD	Wide range of construction activities at Niagara plant group, including, transformer removal, drain work, cliff stabilization, road repair and widening, fore bay cleanout, tailrace deck repair, screenhouse wall repair, and gantry crane work.	✓		
M Sullivan and Sons Limited	Provide a wide range of construction services in the Ottawa St Lawrence and Central plant groups including road work, safety systems, powerhouse maintenance, penstocks, lighting, and turbine overhaul support	✓		
Leo Alarie & Sons LTD	Provide a wide range of construction services, including Matabichuan slope stabilization	✓		
Farrow Construction Company Limited	Provides a range of construction services, primarily concrete work on plants in NW plant group	✓		

Voith Hydro Inc	Provides replacement products and service support for both hydro turbines and generators	✓		
Flynn Canada LTD	Provides labour, materials, tools and equipment to replace powerhouse roofing	✓		
Rankin Construction INC.	Provides wide range of construction and concrete repairs to NPG	✓		
The State Group Inc.	Supplier of multi trade mechanical, electrical and civil services	✓		
Nor Eng Construction & Engineering Inc	Provides a wide range of construction services, including Bark Lake Dam refurbishment	✓		
The Barclay Construction Group Inc	Provides a wide range of construction services, including the Matabichuan penstock	✓		
Peter Kiewit Infrastructure Co	Provides a wide range of construction services, including the Manitou Falls pier and headwork repair	✓		
DJ Venasse Construction Inc	Provides a wide range of construction services, including concrete repair and public safety fencing in Central Plant Group,	✓		
GDB Constructeurs 1468792 Ontario Inc	Provides a wide range of construction services, including major concrete rehabilitation work at Chats Falls	✓		

Total 2010 Spend (\$M) = 31.9

Total 2011 Spend (\$M) = 20.9

Total 2012 Spend (\$M) = 21.6