

CAPITAL EXPENDITURES – CORPORATE GROUPS

1.0 PURPOSE AND OVERVIEW

The purpose of this evidence is to provide detailed information about the capital expenditures by OPG's corporate groups for the prescribed facilities during the test period.

2.0 CAPITAL PROJECTS LISTING

OPG has used a tiered structure for reporting on all capital projects which have budgeted expenditures during the 2008 and 2009 test period. The projects in each tier are shown in the attached tables, with supporting project documentation presented in Appendix A, as required.

Based on the tiered reporting structure, the following information is provided for capital projects being undertaken by OPG's corporate groups:

- Tier 1: Projects with a total cost of \$10M or greater, for which summary level information as well as a project summary form are provided.
- Tier 2: Projects with a total cost of \$5M to \$10M, for which summary level information is provided.
- Tier 3: Projects with a total cost of less than \$5M for which aggregated information is provided.

There is one project with a total cost of \$10M or greater, which is being undertaken by the Real Estate group and relates to nuclear office expansion. The project summary form is provided in Appendix A.

There are four projects with a total cost of \$5M to \$10M each, three of which are being undertaken by the CIO group and one is being undertaken by the Real Estate group. Summary information related to these projects is provided in Ex. D3-T1-S2 Table 2.

There are 71 projects with a total cost of less \$5M each, the majority of which (by dollar value) are being undertaken by the CIO group. Aggregated information for these projects is provided, by corporate group, in Ex D3-T1-S2 Table 3. Examples of some of these capital

1 projects include, under the CIO, an upgrade to the Passport application (Nuclear's integrated
2 software system), telecom infrastructure upgrades for hydroelectric (Ottawa St. Lawrence
3 Plant Group), IT systems applications upgrades for certain corporate groups, and, under the
4 Real Estate group, roofing-related projects at the Kipling Building Complex and the Bruce
5 site.

LIST OF ATTACHMENTS

Appendix A: Ontario Power Generation – Project Summary Form

- Project Number: 632.2-1016 Clarington – OPG Clarington Energy Park Development Project

1 **Ontario Power Generation – Project Summary**
2

Project Name: OPG Clarington Energy Park Development Project							
Project Number: 632.2-1016 Clarington	Project Category: <input type="checkbox"/> Regulatory <input type="checkbox"/> Sustaining <input checked="" type="checkbox"/> Value Enhancing	Project Type: <input checked="" type="checkbox"/> Capital <input type="checkbox"/> OM&A					
Project Start Date (month, year): March 2007	In-Service Date (month, year): Land purchase – July 2007 Phases 1 and 2 – 2012 Phase 3 – To be determined						
Project Description <p>OPG purchased a 61 acre property (the “Site”) in the Clarington Energy Park to meet possible future Nuclear office space needs in Clarington area. The land acquisition and subsequent proposed development within the Clarington Energy Park are strategic for OPG to maintain flexibility in its delivery of space options for the Nuclear business. Such space needs would include consolidation of existing leases and replacement of existing owned buildings.</p> <p>The Site is vacant and un-serviced and needs to be prepared for development by bringing in municipal services (i.e., water and sanitary sewer mains and storm water management system, an internal road system to subdivide the Site into building parcels, and improvement of existing roads). Due to timeline risks for securing municipal approvals, the project has been structured in the following phases: Land Purchase, Phase 1 - Municipal Approvals and Design Work, and Phase 2 - Execution of the Servicing and Subdivision Agreement and the construction of servicing infrastructure. The final phase of the project, Phase 3 - Construction of Office Building, is excluded from Real Estate’s business plan as it will only proceed at such time as the building needs are more fully defined, a lease versus own business decision has been made and a separate business case approval has been obtained.</p>							
Project Costs (as per current Business Plan): \$000							
New Office Building	LTD 2007 Actual	2008	2009	2010	2011	2012	Total Costs
Land Purchase	5,200						5,200
Phases 1 and 2		4,200	4,100	3,100	3,100	1,900	16,400
Phase 3							<i>TBD</i>
Total Project Costs							21,600
Initial Full Release (A):		Actual Completion Cost (B):			Variance (B-A):		
Variance Explanation (if Variance >10% of Initial Full Release): N/A							