COMPARISON OF NUCLEAR NON-ENERGY REVENUES

1.0 PURPOSE
This evidence presents period-over-period comparisons of nuclear non-energy revenues.

2.0 OVERVIEW
This evidence supports the approvals that OPG is seeking with respect to the value of certain of its non-energy revenues from its nuclear facilities. Exhibit G2-1-2 Table 1 presents year-over-year comparisons of nuclear non-energy revenues.

3.0 PERIOD-OVER-PERIOD CHANGES - TEST PERIOD

2015 Plan versus 2014 Plan
The 2015 contribution margin from non-energy operations of $28.5M is forecast to be lower than the 2014 plan of $31.2M reflecting an expected lower amount of detritiation services sold, as the Darlington Tritium Removal Facility (“TRF”) has an extensive maintenance outage in 2015.

2014 Plan versus 2013 Budget
The 2014 contribution margin from non-energy operations of $31.2M is forecast to be higher than the 2013 budget of $30.1M due to an increase in sales of heavy water detritiation services.

Heavy water sales and processing revenue in 2014 increases by $7.7M compared to 2013 and isotope sales (cobalt 60 and tritium) are forecast to increase slightly by $0.5M.

4.0 PERIOD-OVER-PERIOD CHANGES - BRIDGE YEAR

2013 Budget versus 2012 Actual
The contribution margin in the 2013 budget ($22.8M) reflects a return to more normal conditions for sales of heavy water, heavy water detritiation services and isotope sales. This is illustrated by a $39.1M reduction relative to the actual 2012 net contribution margin ($61.9M).
Heavy Water sales and processing revenues are forecast to be lower in 2013 Budget compared to the 2012 Actual reflecting:
  - An unforeseen increase in 2012 sales of heavy water and detritiation services related to re-start of the Bruce Nuclear and Pointe Lepreau reactors.
- Isotope Sales are forecast to be lower in 2013 than 2012 actual. Cobalt sales in 2012 were above budget as some cobalt shipments planned for 2011 were delivered in 2012, and some shipments planned for 2013 were shipped in 2012.

5.0 PERIOD-OVER-PERIOD CHANGES - HISTORICAL YEARS

2012 Actual versus 2012 Board Approved

The 2012 Actual contribution margin from non-energy operations of $61.9M was $35.6M more than the 2012 Board Approved amount of $26.2M.

- Heavy Water sales and processing revenues were $33.2M higher than 2012 Board approved reflecting higher customer demand, customers securing inventory and additional upgrading requested by Bruce Power.
- Isotope Sales were slightly higher in 2012 versus 2012 Board Approved reflecting slightly higher shipments made to customers in 2012.
- Inspection and Maintenance Services (“IMS”) revenues were $4.1M higher in 2012 as a result of unanticipated tool and equipment sales and rentals.

2012 Actual versus 2011 Actual

The 2012 Actual contribution margin from non-energy operations of $61.9M was lower than the 2011 Actual amount of $82.2M. This difference is due to extraordinary sales of heavy water and detritiation services in 2011, and $7.1M of IMS revenues recorded in 2011, partially offset by a reduction in revenues from cobalt sales in 2011, with that sale income shifted to 2012.

- Heavy Water sales and processing revenues were lower in 2012 compared to the 2011 actual amount reflecting:
  - A one-time extraordinary sale of heavy water to Bruce Power along with higher than forecast heavy water sales to other customers.
Processing higher than forecast levels of heavy water for Bruce Power in 2011 which OPG was able to accommodate due to improved reliability of the Darlington TRF.

- IMS revenues were $3.0M lower reflecting OPG’s decision to exit from the provision of services to external customers in 2011.

Offsetting the above,

- Isotope sales were higher in 2012 versus 2011 since some cobalt shipments planned for 2011 were delivered in 2012, and some 2013 shipments were shipped earlier in 2012.

### 2011 Actual versus 2011 Board Approved

The 2011 actual contribution margin from non-energy operations of $82.2M was higher than the 2011 Board Approved of $38.7M, for the following reasons:

- Heavy water sales and processing revenues were higher in 2011 compared to the 2011 Board Approved amount reflecting a one-time extraordinary sale of heavy water in 2011 to Bruce Power along with higher than forecast heavy water sales to other customers.

Offsetting the above,

- Isotope Sales were lower than budget as a result of timing differences related to cobalt sales. Some cobalt shipments planned for 2011 were either delivered earlier in 2010 or were delayed to 2012 or later.

- IMS revenues were lower as OPG provided fewer services to Bruce Power in 2011. Lower IMS revenues were partially offset by lower IMS cost of goods sold.

### 2011 Actual versus 2010 Actual

The 2011 actual contribution margin from non-energy operations of $82.2M was higher than the 2010 actual of $41.3M, for the following reasons:

- Heavy Water sales and processing revenues were higher in 2011 compared to the 2010 amount reflecting:
  - a one-time extraordinary sale of heavy water to Bruce Power along with higher than forecast heavy water sales to other customers.
o Revenues from Detritiation services higher than forecast levels due to Bruce Power units returning to service.

Offsetting the above,

- Isotope Sales were lower in 2011 versus 2010 as a result of timing differences related to cobalt sales. Some cobalt shipments planned for 2011 were either delivered earlier in 2010, or were delayed to 2012 or later.
- IMS revenues were lower in 2011 compared to 2010 reflecting OPG’s exit from the provision of services to external customers in 2011. The impact of lower IMS revenues was partially offset by lower IMS cost of goods.

### 2010 Actual versus 2010 Budget

The 2010 actual contribution margin from non-energy operations of $41.3M was lower than the 2010 budget of $45.0M, for the following reasons:

- Actual IMS revenues were lower in 2010 compared to 2010 Budget due to less services requested by Bruce Power.
- Offsetting the above:
  - Actual 2010 heavy water processing revenues were higher due to increase provision of heavy water services to external customers. Actual heavy water sales were equal to budget.
  - Actual 2010 cobalt sales were higher than budget as a result of timing differences. Some cobalt shipments planned for 2011 were delivered earlier in 2010.