

Numbers may not add due to rounding.

**Comparison of After Tax Weighted Average Costs of Capital Resulting from Alternative Capital Structures  
 applying ROE and Deemed Debt Rate from OEB's Feb 24, 2010 Cost of Capital Parameters letter  
 and OPG's Existing and Planned Debt Costs for 2011**

Scenario	Note	Debt Component			Equity Component			After Tax Weighted Rate (%)	Change From Composite Rate (%)
		Rate (%)	Weight (%)	After Tax Weighted Rate (%)	Rate (%)	Weight (%)	Weighted Rate (%)		
		a	b	c = a x b x (1-.265)	d	e	f = d x e	g = c + f	h = g - 6.78
Composite-2011 OPG filed using Board's rates in Feb 24 letter--used in application	1	5.53	53	2.15	9.85	47	4.63	6.78	-
<b>Kryzanowski &amp; Roberts - 2012</b>									
Hydro D:E = 60:40		5.53	60	2.44	9.85	40	3.94	6.38	(0.40)
Nuclear D:E = 50:50		5.53	50	2.03	9.85	50	4.93	6.96	0.17
Resulting Composite D:E = 56:44	2	5.53	53	2.15	9.85	47	4.63	6.78	-
<b>Hydro 45%, Nuclear 50% Equity -2012</b>									
Hydro D:E = 55:45	3	5.53	55	2.24	9.85	45	4.42	6.66	(0.12)
Nuclear D:E = 50:50		5.53	50	2.03	9.85	50	4.93	6.96	0.17
Resulting Composite D:E = 53:47		5.53	53	2.15	9.85	47	4.63	6.78	-
<b>Hydro 43%, Nuclear 53% Equity -2012</b>									
Hydro D:E = 57:43	4	5.53	57	2.32	9.85	43	4.24	6.55	(0.23)
Nuclear D:E = 47:53		5.53	47	1.91	9.85	53	5.22	7.13	0.35
Resulting Composite D:E = 53:47		5.53	53	2.15	9.85	47	4.63	6.78	-

**Notes:**

1. Debt Rate is weighted average debt rate at Ex C1-T1-S1, Table 2, line 3.
2. OPG estimates that the Kryzanowski & Roberts proposed Hydro and Nuclear structures result in a composite equity thickness of 44%.
3. OPG estimates that a Nuclear equity thickness of 50% would require a Hydro equity thickness of 45% in order to maintain composite equity thickness of 47%.
4. Equity ratios are from Pollution Probe response to OPG interrogatory M-T10.15-S19, part e.

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**Comparison of After Tax Weighted Average Costs of Capital Resulting from Alternative Capital Structures  
 applying ROE and Deemed Debt Rate from OEB's Feb 24, 2010 Cost of Capital Parameters letter  
 and OPG's Existing and Planned Debt Costs for 2012**

Scenario	Note	Debt Component			Equity Component			After Tax Weighted Rate (%)	Change From Composite Rate (%)
		Rate (%)	Weight (%)	After Tax Weighted Rate (%)	Rate (%)	Weight (%)	Weighted Rate (%)		
		a	b	c	d	e	f	g	h
				= a x b x (1-.25)			= d x e	= c + f	= g - 6.85
Composite--2012 OPG filed using Board's rates in Feb 24 letter--used in application	1	5.58	53	2.22	9.85	47	4.63	6.85	-
Kryzanowski & Roberts - 2012									
Hydro D:E = 60:40		5.58	60	2.51	9.85	40	3.94	6.45	(0.40)
Nuclear D:E = 50:50		5.58	50	2.09	9.85	50	4.93	7.02	0.17
Resulting Composite D:E = 56:44	2	5.58	53	2.22	9.85	47	4.63	6.85	-
Hydro 45%, Nuclear 50% Equity -2012	3								
Hydro D:E = 55:45		5.58	55	2.31	9.85	45	4.42	6.73	(0.12)
Nuclear D:E = 50:50		5.58	50	2.09	9.85	50	4.93	7.02	0.17
Resulting Composite D:E = 53:47		5.58	53	2.22	9.85	47	4.63	6.85	-
Hydro 43%, Nuclear 53% Equity -2012	4								
Hydro D:E = 57:43		5.58	57	2.39	9.85	43	4.24	6.62	(0.23)
Nuclear D:E = 47:53		5.58	47	1.97	9.85	53	5.22	7.19	0.34
Resulting Composite D:E = 53:47		5.58	53	2.22	9.85	47	4.63	6.85	-

**Notes:**

1. Debt Rate is weighted average debt rate at Ex C1-T1-S1, Table 1, line 3.
2. OPG estimates that the Kryzanowski & Roberts proposed Hydro and Nuclear structures result in a composite equity thickness of 44%.
3. OPG estimates that a Nuclear equity thickness of 50% would require a Hydro equity thickness of 45% in order to maintain composite equity thickness of 47%.
4. Equity ratios are from Pollution Probe response to OPG interrogatory M-T10.15-S19, part e.