

1 **UNDERTAKING J15.1**

2

3 **Undertaking**

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5 To provide HST returns filed from July 2010 onward, with allocation factor for regulated  
6 and unregulated components.

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9 **Response**

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11 OPG understands that this undertaking was modified in an exchange between Mr. Millar  
12 and Mr. Heard at Tr. Vol. 15, pages 84 - 85 such that the actual HST returns filed by  
13 OPG as a legal entity would not be required.

14

15 Mr. Heard specifically noted on pg. 84, lines 22 - 28:

16

17 As I am thinking about it, I'm reminded by Mr. Barrett that the HST returns  
18 that you would see would be for the company as a whole, and therefore  
19 they probably wouldn't be very meaningful, in the sense that our head  
20 office building, for example, is covered by employees working in the  
21 regulated business and the unregulated business.

22

23 Mr. Heard further noted on pg. 85, lines 3 - 5 that the previous estimates of HST savings  
24 provided as part of this proceeding included the use of allocations to arrive at the  
25 regulated portion of the savings.

26

27 Mr. Millar agreed that the allocated amount pertaining to the regulated operations was  
28 more meaningful than the company-wide HST returns in the following exchange at lines  
29 6 - 13 on page 85:

30

31 MR. MILLAR: Could you perform a similar allocation for August and  
32 September?

33 MR. HEARD: Yes, we could.

34 MR. MILLAR: Okay. So could I include that as part of the undertaking?

35 MR. HEARD: Yes. That would probably be more meaningful than  
36 showing you the actual returns.

37 MR. MILLAR: Yes, I agree. We will call that Undertaking J15.1.

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39 Given this modification, OPG is providing an estimate of its net HST savings for August  
40 and September 2010 pertaining to the regulated operations using an allocation  
41 approach.

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43 The estimated net HST savings for August and September 2010 were \$484,000 and  
44 \$476,000, respectively. These monthly amounts are consistent with the \$6M annualized  
45 estimate of net HST savings previously provided in Ex. JT1.9.