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22
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25
26

UNDERTAKING J5.3

Undertaking

To identify which if any centrally held costs are included in the calculation of Total Generating Cost

Response

OPG undertook to identify which if any centrally held costs set out in the table at page 39 of Board Staff compendium (K5.3) are included in the calculation of Total Generating Cost.

The centrally held costs in the table at page 39 are sourced from L1-Staff-2 Table 33, and consist of the following components¹:

- Pension/OPEB Related Costs
- OPG-Wide Insurance
- Nuclear Insurance
- Performance Incentives
- IESO Non-Energy Charges
- Other

Centrally held costs included in data submitted by OPG to EUCG for the purpose of the calculation of Total Generating Cost include all of the above with the exception of Pension/OPEB Related Costs and IESO Non-Energy Charges.

¹ Only certain components of pension and OPEB-related costs for all of OPG's employees and retirees are included in centrally-held costs. These cost components include interest costs on the obligations, the expected return on pension plan assets, amounts in respect of past service costs, actuarial gains and losses, and variances from the forecast current service costs reflected in the standard labour rates. Please see Ex F4-4-1 for further discussion on Pension/OPEB as well as the other components that comprise centrally-held costs.