

Numbers may not add due to rounding.

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Filed: 2014-07-21

EB-2013-0321

Ex J13.6 Attachment 1

Ex J13.6 Attachment 1, Hypothetical Ex C2-1-1 Table 1  
Revenue Requirement Impact of OPG's Nuclear Liabilities (\$M)  
Years Ending December 31, 2010 to 2015

Line No.	Description	Note or Reference	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Plan	2015 Plan
			(a)	(b)	(c)	(d)	(e)	(f)
	<b>PRESCRIBED FACILITIES</b>							
1	Depreciation of Asset Retirement Costs	Ex. J13.6 Attachment 1, Table 2	26.3	29.0	127.2	80.7	80.7	80.7
2	Used Fuel Storage and Disposal Variable Expenses	Ex. J13.6 Attachment 1, Table 2	23.5	26.0	51.9	52.7	56.1	56.7
3	Low & Intermediate Level Waste Management Variable Expenses	Ex. J13.6 Attachment 1, Table 2	1.1	0.9	3.8	3.3	3.1	5.5
	<b>Return on Rate Base:</b>							
4	Return on Rate Base at Weighted Average Accretion Rate	Note 1a	84.7	83.1	100.5	69.1	43.8	39.4
5	Return on Rate Base at Weighted Average Cost of Capital	Note 1	0.0	0.0	0.0	13.5	38.8	39.1
6	Pre-Tax Revenue Requirement Impact		135.5	139.1	283.5	219.3	222.6	221.3
7	Income Tax Impact	Note 2	(6.0)	(2.1)	58.8	40.4	17.5	16.2
8	<b>Total Revenue Requirement Impact (line 6 + line 7)</b>		129.5	137.0	342.3	259.7	240.1	237.5
	<b>BRUCE FACILITIES</b>							
9	Depreciation of Asset Retirement Costs	Ex. C2-1-1 Table 3	26.1	23.9	69.6	100.6	100.6	100.6
10	Used Fuel Storage and Disposal Variable Expenses	Ex. C2-1-1 Table 3	17.8	27.0	44.5	51.6	54.3	56.4
11	Low & Intermediate Level Waste Management Variable Expenses	Ex. C2-1-1 Table 3	0.9	1.0	1.8	2.8	2.4	3.8
12	Accretion Expense	Ex. C2-1-1 Table 3	283.1	296.6	327.8	367.8	382.9	397.3
13	Less: Segregated Fund Earnings (Losses)	Ex. C2-1-1 Table 3	418.0	240.1	350.9	330.8	347.0	359.8
14	Impact on Bruce Facilities' Income Taxes	Note 3	21.5	(27.5)	(23.2)	(48.0)	(48.3)	(49.6)
15	Pre-Tax Revenue Requirement Impact (Impact on Bruce Lease Net Revenues)		(68.6)	81.0	69.6	143.9	144.9	148.7
16	Income Tax Impact on Revenue Requirement (line 15 x tax rate / (1-tax rate))	Note 4	(28.0)	29.2	23.2	48.0	48.3	49.6
17	<b>Total Revenue Requirement Impact (line 15 + line 16)</b>		(96.6)	110.2	92.9	191.9	193.2	198.3
18	<b>Total Revenue Requirement Impact - Prescribed and Bruce Facilities</b> (line 8 + line 17)		32.9	247.2	435.1	451.6	433.3	435.8

See Ex. J13.6 Attachment 1, Table 1a for notes

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Ex J13.6 Attachment 1

Ex J13.6 Attachment 1, Hypothetical Ex C2-1-1 Table 1a  
Revenue Requirement Impact of OPG's Nuclear Liabilities (\$M)  
Years Ending December 31, 2010 to 2015  
Notes to Ex. J13.6 Hypothetical Ex. C2-1-1, Table 1

Notes:

1a From Ex. C1-1-1 Table 4 (2012), Table 5 (2011) and Table 6 (2010). For 2013-2015, amounts represent the lesser of ARC and UNL value at Ex. J13.6 Att. 1, Table 2, line 32 multiplied by the weighted average accretion rate of 5.37% from Ex. C1-1-1 line 7, Table 1 (2015), Table 2 (2014) and Table 3 (2013).  
The hypothetical segregated fund values for 2013-2015 at Ex. J13.6 Att. 1, Table 2 result in UNL becoming less than ARC for those years.

1 If average UNL is less than average ARC for the prescribed facilities, the funded portion of average ARC (i.e. the amount by which average ARC exceeds average UNL) earns WACC as follows:

Line No.	Year	(from Ex. C2-1-1 Table 2, line 31) Average ARC (\$M)	(from Ex. J13.6 Att. 1, Table 2, line 22) Average UNL (\$M)	(a)-(b) ARC-UNL (\$M)	Annual WACC	(c) x (d) if >0 Return on Rate Base (\$M)	WACC Reference
		(a)	(b)	(c)	(d)	(e)	
1a	2010	1,517.6	1,719.8	(202.1)	7.19%	0.0	EB-2007-0905 Payment Amounts Order, App. A, Table 5b
2a	2011	1,490.0	1,605.5	(115.6)	7.31%	0.0	EB-2010-0008 Payment Amounts Order, App. A, Table 4b
3a	2012	1,851.1	2,016.9	(165.9)	7.40%	0.0	EB-2010-0008 Payment Amounts Order, App. A, Table 5b
4a	2013	1,470.2	1,287.5	182.7	7.40%	13.5	EB-2010-0008 Payment Amounts Order, App. A, Table 5b
5a	2014	1,389.5	815.9	573.6	6.77%	38.8	Ex. C1-1-1 Table 2
6a	2015	1,308.8	733.8	574.9	6.79%	39.1	Ex. C1-1-1 Table 1

2 The income tax impact for prescribed facilities is calculated as follows:

Line No.	Item	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Plan	2015 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
1b	Increase in Regulatory Taxable Income Before Impact of Segregated Fund Contributions (Ex. J13.6 Att. 1, Table 1, line 6)	135.5	139.1	283.5	219.3	222.6	221.3
2b	Contributions to Nuclear Segregated Funds for Prescribed Facilities (Ex. C2-1-1 Table 2, line 16)	150.2	145.0	107.1	98.1	170.1	172.8
3b	Net Increase in Regulatory Taxable Income (line 1b - line 2b)	(14.7)	(5.9)	176.4	121.2	52.5	48.6
4b	Income Tax Rate (Ex. F4-2-1 Table 4 line 33 and Ex. F4-2-1 Table 5 line 29)	29.00%	26.50%	25.00%	25.00%	25.00%	25.00%
5b	Income Tax Impact (line 3b x line 4b / (1 - line 4b))	(6.0)	(2.1)	58.8	40.4	17.5	16.2

3 The impact on Bruce facilities' income taxes relates to higher deductible temporary differences associated with the expenses at Ex. C2-1-1 Table 1, lines 9-13, which are not deductible for tax purposes. The impact is calculated as follows:

Line No.	Item	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Plan	2015 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
	Short-Term Temporary Differences:						
1c	Increase in Short-Term Temporary Differences - Depreciation Expense (Ex. C2-1-1 Table 1, line 9)	26.1	23.9	69.6	100.6	100.6	100.6
2c	Income Tax Rate - Current (Ex. G2-2-1 Tables 7 and 8, line 50)	29.00%	26.50%	25.00%	25.00%	25.00%	25.00%
3c	Increase in Deferred Income Taxes - Short-Term	(7.6)	(6.3)	(17.4)	(25.1)	(25.1)	(25.1)
	Long-Term Temporary Differences:						
4c	Increase in Long-Term Temporary Differences - All Other Expenses (Ex. C2-1-1 Table 1, lines 10 through 13)	(116.2)	84.5	23.3	91.3	92.6	97.7
5c	Income Tax Rate - Long-Term (Ex. G2-2-1 Tables 7 and 8, line 54)	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6c	Increase in Deferred Income Taxes - Long-Term	29.0	(21.1)	(5.8)	(22.8)	(23.2)	(24.4)
7c	Impact on Bruce Facilities' Income Taxes (line 3c + line 6c)	21.5	(27.5)	(23.2)	(48.0)	(48.3)	(49.6)

4 Income tax rates are from Ex. F4-2-1 Table 4, line 33 and Ex. F4-2-1 Table 5, line 29.

Ex J13.6 Attachment 1, Hypothetical Ex C2-1-1 Table 2  
Prescribed Facilities - Asset Retirement Obligation, Nuclear Segregated Funds, and Asset Retirement Costs (\$M)  
Years Ending December 31, 2010 to 2015

Line No.	Description	Note	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Plan	2015 Plan
			(a)	(b)	(c)	(d)	(e)	(f)
<b>ASSET RETIREMENT OBLIGATION</b>								
1	Opening Balance	1	6,391.2	7,174.5	7,935.9	8,034.1	8,400.6	8,772.2
2	Darlington Refurbishment Adjustment	2	497.4	0.0	0.0	0.0	0.0	0.0
3	Adjusted Opening Balance (line 1 + line 2)		6,888.6	7,174.5	7,935.9	8,034.1	8,400.6	8,772.2
4	Used Fuel Storage and Disposal Variable Expenses		23.5	26.0	51.9	52.7	56.1	56.7
5	Low & Intermediate Level Waste Management Variable Expenses		1.1	0.9	3.8	3.3	3.1	5.5
6	Accretion Expense		382.2	399.0	432.6	442.1	461.3	479.8
7	Expenditures for Used Fuel, Waste Management & Decommissioning		(122.0)	(104.0)	(115.5)	(131.6)	(148.8)	(197.6)
8	Consolidation and Other Adjustments		1.2	0.3	0.9	0.0	0.0	0.0
9	Closing Balance Before Year-End Adjustments (lines 3 through 8)		7,174.5	7,496.7	8,309.7	8,400.6	8,772.2	9,116.7
10	Current Approved ONFA Reference Plan Adjustment	3	0.0	439.2	(276.9)	0.0	0.0	0.0
11	New CNSC Requirements Adjustment	4	0.0	0.0	1.3	0.0	0.0	0.0
12	Closing Balance (line 9 + line 10 + line 11)		7,174.5	7,935.9	8,034.1	8,400.6	8,772.2	9,116.7
13	Average Asset Retirement Obligation ((line 3 + line 9)/2)		7,031.6	7,335.6	8,122.8	8,217.3	8,586.4	8,944.4
<b>NUCLEAR SEGREGATED FUNDS BALANCE</b>								
14	Opening Balance	1	5,058.7	5,564.9	5,895.3	6,316.5	7,543.2	7,997.8
15	Earnings (Losses) - Increased for Dec. 31, 2013 Due to Province Amount		417.7	220.7	355.7	1,181.9	347.2	369.3
16	Contributions		150.2	145.0	107.1	98.1	170.1	172.8
17	Disbursements		(61.8)	(35.3)	(41.6)	(53.3)	(62.6)	(116.5)
18	Closing Balance (line 14 + line 15 + line 16 + line 17)		5,564.9	5,895.3	6,316.5	7,543.2	7,997.8	8,423.4
19	Average Nuclear Segregated Funds Balance ((line 14 + line 18)/2)		5,311.8	5,730.1	6,105.9	6,929.8	7,770.5	8,210.6
<b>UNFUNDED NUCLEAR LIABILITY BALANCE (UNL)</b>								
20	Opening Balance (line 3 - line 14)		1,829.9	1,609.6	2,040.6	1,717.6	857.4	774.4
21	Closing Balance (line 9 - line 18)		1,609.6	1,601.4	1,993.2	857.4	774.4	693.2
22	Average Unfunded Nuclear Liability Balance ((line 20 + line 21)/2)		1,719.8	1,605.5	2,016.9	1,287.5	815.9	733.8
<b>ASSET RETIREMENT COSTS (ARC)</b>								
23	Opening Balance	1	1,098.0	1,504.5	1,914.7	1,510.5	1,429.8	1,349.1
24	Reconciliation Adjustment	5	(42.7)	0.0	0.0			
25	Darlington Refurbishment Adjustment	2	475.5	0.0	0.0	0.0	0.0	0.0
26	Adjusted Opening Balance (line 23 + line 24 + line 25)		1,530.8	1,504.5	1,914.7	1,510.5	1,429.8	1,349.1
27	Depreciation Expense		(26.3)	(29.0)	(127.2)	(80.7)	(80.7)	(80.7)
28	Closing Balance Before Year-End Adjustments (line 26 + line 27)		1,504.5	1,475.4	1,787.5	1,429.8	1,349.1	1,268.4
29	Current Approved ONFA Reference Plan Adjustment	3	0.0	439.2	(276.9)	0.0	0.0	0.0
30	Closing Balance (line 28 + line 29)		1,504.5	1,914.7	1,510.5	1,429.8	1,349.1	1,268.4
31	Average Asset Retirement Costs ((line 26 + line 28)/2)		1,517.6	1,490.0	1,851.1	1,470.2	1,389.5	1,308.8
32	LESSER OF AVERAGE UNL OR ARC (lesser of line 22 or line 31)		1,517.6	1,490.0	1,851.1	1,287.5	815.9	733.8

Notes:

- Opening balances in col. (a) from EB-2010-0008, Ex. C2-1-1 Table 1.
- Adjustment recorded on January 1, 2010 associated with the changes to the end-of-life date assumptions underlying the ARO calculation, as a result of the approval of the definition phase of the Darlington Refurbishment project.
- Adjustments recorded on December 31, 2011 and December 31, 2012, as per Ex. C2-1-1 Table 4, associated with the current approved ONFA Reference Plan effective January 1, 2012.
- Represents implementation, in accordance with GAAP, of new CNSC requirements in 2012 to include certain facilities with Waste Nuclear Substance Licenses not included in the 2012 ONFA Reference Plan due to timing of notification by the CNSC. As a result, ARO increased by \$2.4M to include a legacy facility not used to support OPG's current operations, of which \$1.3M is attributed to prescribed facilities and \$1.1M is attributed to Bruce facilities. In accordance with GAAP, this amount was expensed (i.e., not included in ARC) in 2012.
- Adjustment to remove from the ARC continuity amounts reflected in the non-ARC portion of PP&E in rate base. Total rate base is not impacted.