

RATE BASE

1.0 PURPOSE

This evidence presents a summary of rate base for the regulated hydroelectric and nuclear facilities. In addition, it provides a description of each of the components of rate base and the methodology by which these components are determined.

2.0 OVERVIEW

This evidence supports OPG's request for approval of a rate base for the regulated hydroelectric facilities and the nuclear facilities for the test period. The rate base for the regulated hydroelectric facilities and nuclear facilities for the years 2007 - 2012 are presented in Ex. B1-T1-S1 Tables 1 and 2, respectively.

OPG's rate base forecast for the bridge year and test period is established from a forecast of net fixed/intangible assets and working capital associated with the regulated facilities. The rate base amounts for the historical period are based on actual balances for those years. Working capital consists of cash working capital, fuel inventory, and materials and supplies. The total rate base forecast for the regulated hydroelectric facilities is \$3,803.4M in 2011 and \$3,787.4M in 2012 (Ex. B1-T1-S1 Table 1). The total rate base forecast for the nuclear facilities is \$4,041.3M in 2011 and \$4,150.8M in 2012 (Ex. B1-T1-S1 Table 2).

3.0 COMPONENTS OF RATE BASE

3.1 Fixed and Intangible Assets

3.1.1 Overview

The value of fixed/intangible assets in the rate base ("net plant") is an average of the opening and closing net book value balances of the fixed/intangible assets in-service and construction work-in-progress ("CWIP") for designated capital projects during the period. The value of forecast fixed/intangible assets in-service is reduced by forecast accumulated depreciation/amortization and retirements/transfers to arrive at the net book value of fixed/intangible assets in-service. The net plant for the regulated hydroelectric facilities is forecast to be \$3,781.3 in 2011 and \$3,765.3M in 2012 as shown in Ex. B1-T1-S1 Table 1.

1 The net plant for the nuclear facilities is forecast as \$3,172.2M in 2011 and \$3,302.3M in
2 2012 as shown in Ex. B1-T1-S1 Table 2.

3
4 The net plant for the regulated hydroelectric facilities for 2007 - 2012 is presented separately
5 for each of the Niagara Plant Group and R.H. Saunders. The net plant for the nuclear
6 facilities for 2007 - 2012 is presented separately for each of Darlington, the Darlington
7 Refurbishment CWIP (a designated capital project discussed below), Pickering, Nuclear
8 Support Divisions, and Inspection and Maintenance Services ("IM&CS"). The historical net
9 plant for 2007 for both regulated hydroelectric and nuclear facilities presented in the tables
10 referenced in the preceding paragraph is the same as the net plant for 2007 presented in
11 Exhibit B in OPG's previous payment amounts application, EB-2007-0905.

12
13 Fixed and intangible assets used by both the regulated and unregulated generation business
14 units are held centrally. These assets are not included in rate base. Instead, the regulated
15 business units are charged an asset service fee for the use of these assets, as discussed in
16 Ex. F3-T2-S1.

17
18 With the exception of designated capital projects, fixed assets under construction and
19 intangible assets under development are excluded from the rate base until declared in-
20 service. OPG proposes that the forecast capital for the designated capital projects be
21 included in rate base for the purposes of determining the cost of capital component of the
22 revenue requirement. For the 2011 - 2012 test period, OPG proposes that one designated
23 capital project, the Darlington Refurbishment project, be included in rate base. OPG's
24 proposal is discussed further in Ex. D2-T2-S2.

25
26 Following a change in GAAP ("GAAP") requirements effective January 1, 2009, OPG
27 reclassified certain items previously considered to be fixed assets as intangible assets. This
28 reclassification has no impact on OPG's proposed revenue requirement, as these intangible
29 assets and associated accumulated amortization continue to be included in OPG's rate base
30 calculation. The value of net intangible assets in-service for the regulated facilities is minimal,
31 representing less than 1 per cent of the total net fixed/intangible assets in-service amount, as

1 of December 31, 2009, used in the rate base calculations. Expenditures recorded as fixed or
2 intangible assets are capital in nature and must meet the criteria for capitalization, which are
3 discussed in Ex. A2-T2-S1, section 4.1.

4
5 The net plant amounts for the nuclear facilities reported in rate base include values for asset
6 retirement costs ("ARC"). These costs relate to the nuclear liabilities asset retirement
7 obligations ("ARO"), which is the present value of the committed costs for decommissioning
8 the nuclear stations and the nuclear waste management programs. ARC and ARO are
9 discussed in Ex. C2-T1-S2.

10
11 3.1.2 Forecast Methodology

12 OPG is using the same rate base forecast methodology that it used in the previous
13 application. OPG's forecast of net fixed/intangible asset in-service values is established
14 based on the actual property, plant, and equipment values (including intangible asset values)
15 in OPG's 2009 audited consolidated financial statements. These values are rolled forward
16 based on a forecast of fixed/intangible asset additions, retirements/transfers, and
17 depreciation/amortization on these assets to determine forecasts for 2010, 2011, and 2012.
18 The determination of net fixed/intangible assets is performed separately for the regulated
19 hydroelectric facilities and nuclear facilities.

20
21 Exhibits D1, D2, and D3 present the capital expenditure forecasts (including expenditures on
22 intangible assets) and forecast in-service additions for the regulated hydroelectric facilities,
23 nuclear facilities and the corporate groups (for projects impacting rate base), respectively.
24 The in-service additions forecasts are used to determine the fixed/intangible asset additions
25 for rate base purposes. Specifically, Ex. D1-T1-S2 Table 4, Ex. D2-T1-S2 Table 4 and Ex.
26 D3-T1-S2 Table 4 summarize the forecast in-service additions for the regulated hydroelectric
27 facilities, nuclear facilities and the corporate groups, respectively. Ex. D3-T1-S2 Table 4
28 separately presents forecast corporate in-service additions that are included in rate base for
29 the regulated facilities, and those that impact the asset service fees and therefore are not
30 included in rate base.

Chart 1 below provides a reconciliation of the forecast in-service additions from the Capital Projects exhibit (Exhibit D) with those from the Rate Base exhibit (Exhibit B) for the regulated hydroelectric and nuclear facilities for 2010, 2011 and 2012.

Chart 1 Forecast In-service Capital Additions (\$M)

	Regulated Hydroelectric				Nuclear			
	Reference	2010	2011	2012	Reference	2010	2011	2012
Regulated facility capital projects	Ex. D1-T1-S2, Table 5, line 5	60.9	42.9	51.5	Ex. D2-T1-S2, Table 4c, line 9	191.5	175.5	187.6
Corporate group capital projects entering regulated facility rate base	Ex. D3-T1-S2, Table 4, line 10	2.0	0.3	0.4	Ex. D3-T1-S2 Table 4, lines 1, 5, 9 and 11	8.8	8.0	18.3
Total in-service additions in capital projects evidence		62.8	43.2	51.9		200.3	183.4	205.9
Total in-service addition in rate base evidence	Ex. B2-T3-S1, Table 2, column (b)	62.8	43.2	51.8	Ex. B3-T3-S1 Table 2 column (b) excluding Darlington Refurbishment CWIP	200.2	183.4	205.9

The depreciation/amortization forecasts for 2010, 2011 and 2012 are determined by applying the estimated services lives and depreciation/amortization policies to the forecast of net opening fixed/intangible asset values in-service for each of the regulated hydroelectric and nuclear facilities. These depreciation/amortization forecasts are presented in Ex. F4-T1-S1 Table 1 and Ex. F4-T1-S1 Table 2. The depreciation/amortization policies are described in Ex. F4-T1-S1. There is no depreciation/amortization related to the Darlington Refurbishment project as OPG does not propose that its expended capital be returned until the project comes into service. The Darlington Refurbishment CWIP balance of \$72.9M as of December 31, 2010 and the annual capital budget of \$105.2M in 2011 and \$255.8M in 2012 are included as in-service additions for the purposes of establishing Gross Plant balances and rate base amounts described in Ex B3-T3-S1 Table 2.

1 The net fixed/intangible asset portion of rate base is determined using a mid-year average
2 methodology. In-service additions are considered to occur at mid-year, essentially assuming
3 expenditures are spread evenly throughout the year. This is consistent with the Filing
4 Guidelines for Ontario Power Generation Inc. issued by the OEB on November 27, 2009. For
5 large in-service additions or adjustments, where the in-service addition amount or the
6 amount of an adjustment exceeds \$50M, the applicable month when the addition or
7 adjustment is recorded is used instead of a mid-year average to improve accuracy. There are
8 no capital projects with forecast expenditures greater than \$50M expected to come into
9 service during the bridge year or test period. The adjustments related to ARC effective
10 January 1, 2010 exceed \$50M and are weighted accordingly, as discussed below. The
11 Darlington Refurbishment project CWIP additions are considered to occur at mid-year.

12
13 The treatment of forecast retirements is based on the approach discussed in Ex. F4-T1-S1,
14 section 3.0. In summary, ordinarily when an asset within a class is retired, the gross asset
15 value is removed from both the cost of the asset and the related accumulated depreciation.
16 An exception to this treatment is applied if an asset is retired significantly in advance of the
17 end of the life of its asset class, in which case the remaining net book value is charged to
18 depreciation and amortization expense.

19
20 Supporting continuity schedules for the gross fixed/intangible assets in-service and related
21 accumulated depreciation/amortization are provided for each of the historical, bridge and test
22 years for the regulated hydroelectric facilities in Ex. B2-T3-S1 Tables 1 and 2 and Ex. B2-T4-
23 S1 Tables 1 and 2, respectively. Similar supporting schedules are provided for the nuclear
24 facilities in Ex. B3-T3-S1 Tables 1 and 2 and Ex. B3-T4-S1 Tables 1 and 2, respectively.
25 These supporting continuity schedules also present the gross plant and the accumulated
26 depreciation/amortization rate base amounts for the historical, bridge and test years. These
27 rate base amounts are the mid-year averages of the applicable opening and closing values
28 for those years, with the exception of the monthly weighting of the ARC adjustments for the
29 purposes of determining the gross plant rate base amounts in 2010, as described below.

30

1 The net plant rate base amounts for 2010 onwards reflect the impact of changes in the ARC
2 associated with changes in nuclear liabilities following OPG's decision to proceed with the
3 definition phase of the Darlington Refurbishment project. The change in the nuclear liabilities
4 and consequent change in ARC is discussed in Ex. C2-T1-S2. The ARC increased by
5 approximately \$843.7M for Darlington and decreased by a total of \$368.6M for Pickering A
6 and Pickering B effective January 1, 2010 as detailed in Ex C2-T1-S2 Table 3. The changes
7 in ARC are presented in Retirements, Transfers & Adjustments in the continuity schedule of
8 gross fixed/intangible assets (Ex. B3-T3-S1 Table 2) for 2010. These amounts also are
9 reflected in the 2010 gross plant at cost rate base amount.

10
11 The 2010 impact of this adjustment on depreciation and amortization expense is reflected in
12 Retirements, Transfers & Adjustments in the continuity schedule of accumulated depreciation
13 and amortization (Ex. B3-T4-S1 Table 2). For 2011, the impact of the adjustment forms part
14 of the opening balance for both gross fixed/intangible assets and accumulated depreciation
15 and amortization, and therefore enters the calculation of net plant for that year.

16 17 **3.2 Working Capital**

18 **3.2.1 Overview**

19 OPG's working capital for regulated facilities consists of cash working capital, fuel inventory
20 and materials and supplies. The fuel inventory and material and supplies values for rate base
21 are determined using a mid-year average of opening and closing balances during the period.
22 Cash working capital is determined using a lead/lag analysis. Total working capital for the
23 regulated hydroelectric facilities is forecast to be \$22.1M in each of 2011 and 2012 (Ex. B2-
24 T5-S1 Table 1). Total working capital for OPG's nuclear facilities is forecast to be \$869.1M in
25 2011 and \$848.5M in 2012 (Ex. B3-T5-S1 Table 1).

26 27 **3.2.2 Cash Working Capital**

28 Cash working capital is the average amount of capital provided by investors above and
29 beyond investments in plant and other separately identified rate base items, including the
30 other components of working capital (e.g., inventory and materials), that bridges the gap

1 between the time expenditures are made to manufacture a good or provide a service and the
2 time payment is received for that good or service.

3
4 For regulatory purposes, cash working capital is calculated using net lag days, which is the
5 difference between the time that revenue is received by OPG and the time that expenses are
6 paid. The revenue lag is compared to the expense lead, and the net lag is applied to each of
7 OPG's expenses to determine the cash working capital amount.

8
9 As part of its last application, OPG conducted a lead/lag study to determine cash working
10 capital requirements for the regulated hydroelectric and nuclear businesses. The study was
11 filed as Ex. B4-T1-S1 in EB-2007-0905. The results from this study were approved by the
12 OEB as the cash working capital components of rate base for 2008 and 2009. As discussed
13 in Ex B1-T1-S2, in this application OPG has calculated cash working capital by applying the
14 net lag days resulting from the EB-2007-0905 lead/lag study to the relevant expenses in
15 2008 and 2009. The results of this approach are presented in Ex. B1-T1-S2.

16
17 Given the relative stability in the level and types of expenses used in the cash working capital
18 calculation, and its modest size relative to the total rate base, OPG has used the 2009 cash
19 working capital amount for the bridge year and the test period. The only notable change in
20 the lead/lag analysis from that approved by the OEB in EB-2007-0905 relates to the
21 implementation of the harmonized sales tax that will replace the goods and services and
22 provincial sales taxes in Ontario effective July 1, 2010 (see Ex. F4-T2-S1). This change
23 produces a reduction in cash working capital as described in Ex. B1-T1-S2, section 4.0.

24 25 3.2.3 Fuel Inventory

26 The hydroelectric generating stations do not require any fuel inventory. Nuclear generating
27 stations maintain a nuclear fuel inventory as well as an inventory of fuel oil for standby
28 generators. The cost of the inventory of fuel oil is minimal compared to that of nuclear fuel.

1 The nuclear fuel inventory includes the following:

- 2 • Uranium concentrate
- 3 • Uranium dioxide
- 4 • Manufactured fuel bundles

5
6 As described in Ex. F2-T5-S1, the supply chain for nuclear fuel consists of the purchase of
7 uranium concentrate, the purchase of services to convert the uranium concentrate into
8 uranium dioxide, and the purchase of services to manufacture fuel bundles that contain the
9 uranium dioxide. OPG maintains inventories at each stage of this supply chain and maintains
10 ownership of the work-in-process throughout the supply chain, as described in Ex. F2-T5-S1.
11 The nuclear fuel inventory costs represent the accumulation of costs incurred by OPG during
12 the supply chain process.

13
14 Fuel inventory is valued using the weighted average costing method. The nuclear fuel
15 inventory quantities and values for 2010 to 2012 are forecast based on the actual closing
16 nuclear fuel inventory quantities and values as of December 31, 2009, and expected fuel
17 deliveries and usage during the forecast period. Discussion of nuclear fuel deliveries and
18 usage is found in Ex. F2-T5-S1.

19 20 3.2.4 Materials and Supplies

21 Materials and supplies consist of consumable supplies and spare parts. Both OPG's
22 regulated hydroelectric and nuclear facilities maintain materials and supplies, with the
23 regulated hydroelectric facilities typically requiring a minimal amount (less than \$1M) of
24 materials and supplies on hand. The rate base materials and supplies value, which is net of a
25 provision for accumulated obsolescence, is the average of the opening and closing balances
26 during the period. OPG's inventory management system records materials and supplies
27 inventory based on orders, receipts, issuances and returns using an average costing basis.
28 The inventory valuation of materials and supplies is based on the average unit price of each
29 item times the quantity on hand.

1 OPG's financial statements for the regulated facilities include the current materials and
2 supplies inventory balance and a long-term materials and supplies inventory balance. In
3 accordance with GAAP, materials and supplies are valued at the lower of average cost and
4 net realizable value. The determination of net realizable value of the materials and supplies
5 takes into account various factors including technological obsolescence, the remaining life of
6 the related facilities in which the materials and supplies are expected to be used, and
7 adjustments required as a result of performing physical inventory counts. Charges incurred
8 as a result of valuing nuclear materials and supplies at the lower of cost and net realizable
9 value are reflected in the inventory adjustments recorded in nuclear OM&A, as discussed in
10 Ex. F2-T2-S1, and reduce the nuclear materials and supplies balance in rate base. Following
11 the change in GAAP Guidance for Inventories (CICA Handbook section 3031), which OPG
12 implemented effective January 1, 2008; these inventory adjustments are reversed through
13 nuclear OM&A when the net realizable value exceeds cost.

14
15 Materials and supplies could be consumed in the production process, utilized as part of
16 OM&A or capital projects, or charged against a previously established provision such as
17 nuclear liabilities. Materials and supplies consumed in the production process or utilized in
18 OM&A projects are included in OM&A expense as incurred. Materials and supplies utilized in
19 capital projects that meet the capitalization criteria outlined in Ex. A2-T2-S1, section 5.1 are
20 included either in CWIP or in-service fixed assets depending on whether the related asset
21 has been declared in service. Materials and supplies charged against a previously
22 established provision draw down the balance in that provision.

23
24 The nuclear materials and supplies values for 2010 to 2012 are forecast based on the actual
25 closing materials and supplies balance as of December 31, 2009 and expected consumption,
26 purchases, charges related to valuation at the lesser of cost and net realizable value during
27 the forecast period, and the projected annual contributions to the end of life obsolescence
28 provision.

29

4.0 RATE BASE TRENDS

Regulated hydroelectric rate base decreases by a small amount each year over the 2007 - 2012 period mainly as a result of the net impact of continued depreciation/amortization of in-service fixed/intangible assets and additions of new in-service fixed/intangible assets. The total decrease in 2012 as compared to 2007 is \$123.7M, averaging approximately \$25M per year over the five-year period.

The rate base for the nuclear facilities remains relatively stable over the 2007 to 2009 period. Net plant decreased by relatively small amounts over the period mainly as a result of the net impact of continued depreciation/amortization of in-service fixed/intangible assets and additions of new in-service fixed/intangible assets, while fuel and material and supplies both increased. The trend in fuel inventory balances is discussed in Ex. F2-T5-S1. Nuclear materials and supplies closing inventory increases over the 2007-2010 period (Ex. B3-T5-S1 Table 1), in support of generation reliability improvement initiatives; specifically, ensuring the right materials are available to support planned outage and maintenance activities, as well as allow urgent response to forced outages. Actual materials & supplies inventory closing balance for 2009 is essentially on target with the forecast in the last filing (<1 per cent variance).

Materials and supply closing inventory growth is forecast to decrease significantly in 2011 (as a result of process improvement initiatives being undertaken to ensure inventory is better matched to requirements), with a reduction in closing inventory forecast for 2012.

The rate base for nuclear facilities is expected to increase by \$490.6M from \$3,421.4M in 2009 to \$3,912.0M in 2010 primarily as a result of the full year impact of the net increase to ARC for the regulated facilities recorded on January 1, 2010. This change results from OPG's decision to proceed with the definition phase of the Darlington Refurbishment project. Fuel inventory and nuclear materials and supplies are also expected to continue to increase in 2010. The trend in fuel inventory balances is discussed in Ex. F2-T5-S1.

1 The rate base for nuclear facilities is expected to remain largely stable over the 2010 - 2012
2 period. The decrease in the rate base resulting from net impact of continued
3 depreciation/amortization of in-service nuclear fixed/intangible assets and additions of new
4 nuclear in-service fixed/intangible assets over this period is being generally offset by the
5 expected growth of the Darlington Refurbishment CWIP balance due to continued
6 expenditures on the project.

7
8 Additional detail regarding in-service additions for regulated hydroelectric operations and
9 nuclear facilities, and corporate capital projects impacting rate base is provided in Exhibits
10 D1, D2 and D3, respectively. Additional detail on depreciation and amortization expense is
11 provided in Ex. F4-T1-S1 and F4-T1-S2.

Numbers may not add due to rounding.

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Exhibit B1

Tab 1

Schedule 1

Table 1

Table 1

Prescribed Facility Rate Base - Regulated Hydroelectric (\$M)

Line No.	Rate Base Item	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Plan	2012 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
1	Gross Plant at Cost	4,396.5	4,416.8	4,438.6	4,485.0	4,538.0	4,585.5
2	Accumulated Depreciation and Amortization	507.8	569.5	631.2	693.6	756.7	820.2
3	Net Plant	3,888.7	3,847.3	3,807.4	3,791.4	3,781.3	3,765.3
4	Cash Working Capital	21.8	23.6	26.0	23.7	21.5	21.5
5	Materials & Supplies	0.6	0.6	0.7	0.7	0.6	0.6
6	Total	3,911.1	3,871.5	3,834.0	3,815.7	3,803.4	3,787.4

Numbers may not add due to rounding.

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Exhibit B1

Tab 1

Schedule 1

Table 2

Table 2
Prescribed Facility Rate Base - Nuclear (\$M)

Line No.	Rate Base Item	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Plan	2012 Plan
		(a)	(b)	(c)	(d)	(e)	(f)
1	Gross Plant at Cost	4,321.1	4,498.9	4,679.5	5,355.3	5,672.5	6,047.7
2	Accumulated Depreciation and Amortization	1,446.1	1,733.0	2,023.7	2,278.8	2,500.3	2,745.4
3	Net Plant	2,875.0	2,765.9	2,655.8	3,076.5	3,172.2	3,302.3
4	Cash Working Capital	16.0	15.9	14.3	9.2	4.0	4.0
5	Fuel Inventory	208.7	266.9	316.9	357.3	379.8	360.9
6	Materials & Supplies	400.4	415.6	434.4	468.9	485.3	483.7
7	Total	3,500.1	3,464.2	3,421.4	3,912.0	4,041.3	4,150.8

CASH WORKING CAPITAL

1.0 PURPOSE

This evidence presents OPG's methodology for calculating cash working capital. Application of this methodology produces a forecast of annual cash working capital for the regulated hydroelectric facilities of \$21.5 M in both 2011 and 2012, and for the nuclear facilities, the test period forecast of annual cash working is \$4.0 M in both 2011 and 2012 as follows:

Chart 1				
Summary of Results - 2011 and 2012 Cash Working Capital (\$M)				
Line No.	Type	Regulated Hydroelectric	Nuclear	Total
		(a)	(b)	(c)
1	Generation	28.9	18.2	47.1
2	Other Revenue		2.7	2.7
3	HST	(7.4)	(16.9)	(24.3)
4	Total	21.5	4.0	25.5

2.0 OVERVIEW

OPG conducted a lead/lag study as part of the EB-2007-0905 application. A lead/lag study is used by utilities to determine their cash working capital requirements. A lead/lag study analyzes transactions throughout the year to determine the number of days between the time services are rendered and payment is received (revenue lag), and the number of days between the time expenditures are incurred and payment is made for such services (expense or payment lead). A revenue lag is determined and compared to an expense lead, and the resulting net lag is then applied to each category of operating expense to determine the cash working capital requirements.

OPG has not conducted a new lead/lag study for this application given that: the OEB accepted OPG's cash working capital calculation in the last hearing; the OEB's filing

1 guidelines do not contemplate a lead/lag study; and the amount of cash working capital is
2 small relative to the overall size of rate base. Instead, OPG has used a simpler approach and
3 applied the net lag days provided in its EB-2007-0905 evidence to 2009 revenues and
4 expenses. For the bridge year, OPG used this approach, but included a half year's impact of
5 the Harmonized Sales Tax ("HST") because HST comes into effect on July 1, 2010. The test
6 period includes the full impact of the HST.

8 **3.0 METHODOLOGY**

9 OPG's regulated business earns revenues from generation sales and other revenues.¹ The
10 two revenue types each have a distinct cash receipt cycle. Each component of working
11 capital consists of revenue lags for each type of revenue and specific expense leads that
12 relate to each type of expenditure. Consistent with the approach described in EB-2007-0905,
13 OPG has applied the net lag days provided in EB-2007-0905 to revenue and expense
14 categories using 2009 financial results for OPG's regulated assets because this is the most
15 recent information available. The resulting cash working capital is then used for 2009. The
16 only change for subsequent years is to include the impact of the HST as discussed below.

17
18 In addition to the working capital calculations for generation sales and other revenues,
19 OPG's EB-2007-0905 lead/lag study calculated cash working capital requirements related to
20 the GST separately and included it as a component of cash working capital. The 5 per cent
21 GST is being replaced by a 13 per cent HST effective July 1, 2010. While the HST rules have
22 not been finalized, OPG has assumed that they will be similar to the GST in terms of net lag
23 days. OPG has maintained the 2009 cash working capital component as the base, and
24 prorated the impact the HST based on the time that it is in effect (i.e., half a year in 2010 and
25 a full year in 2011 and 2012). The full-year amount used in the test period is determined by
26 applying 13 per cent divided by 5 per cent to each component of the 2009 GST cash working
27 capital component, Chart 7 shows the prorated the effects of HST in 2010, 2011 and 2012.

28

¹ As a result of the OEB's EB-2007-0905 Decision, only net revenue from the Bruce Lease determined in accordance with Canadian GAAP is included in the revenue requirement for OPG's prescribed facilities. As cash working capital is not included in net revenues, the Bruce Lease revenue net revenue lag is no longer included in OPG's cash working capital calculation.

Chart 2 summarizes the results of applying the methodology discussed above to actual 2009 data.

Chart 2				
Summary of Results - 2009 Cash Working Capital (\$M)				
Line No.	Type	Regulated Hydroelectric	Nuclear	Total
		(a)	(b)	(c)
1	Generation	28.9	18.2	47.1
2	Other Revenue		2.7	2.7
3	GST	(2.9)	(6.5)	(9.4)
4	Total	26.0	14.3	40.3

4.0 GENERATION SALES

The largest component of revenue is generation sales, which consists of electricity sales and the provision of ancillary services to the IESO. The revenue lag associated with generation sales and the associated expense leads described in EB-2007-0905 and detailed cash working capital calculations for 2009 are provided in Chart 3 (for nuclear generation)² and Chart 4 (for regulated hydroelectric generation).

² Expense categories for nuclear are listed if the expense amount is greater than \$2M; therefore the categories presented in the summary charts may differ from those shown for previous years in EB-2007-0905.

1

Chart 3						
Cash Working Capital - Generation Nuclear						
2009						
		Expense				
Line		Amount	Revenue	Expense	Net Lead/Lag	CWC
No.	Expense Category	(\$M)	Lag Days	Lead Days	Days	(\$M)
		(a)	(b)	(c)	(d) = (b) - (c)	(e) = (a)*(d)/365
	OM&A - direct					
1	Labour	1,226.4	35.7	20.9	14.8	49.4
2	EPSCA Labour	9.3	35.7	12.0	23.7	0.6
3	Consultants - Nuclear	330.2	35.7	71.3	(35.6)	(32.2)
4	Consultants - Corporate	26.3	35.7	40.4	(4.7)	(0.3)
5	Augmented Staff - Nuclear	59.4	35.7	44.4	(8.7)	(1.4)
6	Augmented Staff - Corporate	2.0	35.7	61.4	(25.7)	(0.1)
7	Outsourced Services - Corporate	84.0	35.7	6.2	29.5	6.6
8	Telecommunications	2.8	35.7	54.5	(18.8)	(0.1)
9	Utilities	2.8	35.7	84.4	(48.7)	(0.4)
10	Facilities	3.8	35.7	0.0	35.7	0.4
11	Operating Licences	22.1	35.7	2.8	32.9	2.0
12	Membership Fees	2.5	35.7	(77.9)	113.6	0.8
13	Transport Work Equipment	5.0	35.7	56.0	(20.3)	(0.3)
14	Donations	2.6	35.7	0.0	35.7	0.3
15	All other cash expenses	47.9	35.7	28.7	7.0	0.9
	OM&A Centrally held Costs					
16	OPEB/Pensions	(20.6)	35.7	17.1	18.6	(1.0)
17	Incentives	29.1	35.7	240.0	(204.3)	(16.3)
18	PWU-EHT	3.5	35.7	240.0	(204.3)	(1.9)
19	ONFA fee	3.9	35.7	(151.5)	187.2	2.0
20	Gregorian Adjustment	3.8	35.7	20.9	14.8	0.2
21	Insurance	14.1	35.7	(103.7)	139.4	5.4
22	Total OM&A					14.6
	Other Costs:					
23	property taxes	16.9	35.7	1.9	33.8	1.6
24	capital taxes	7.2	35.7	15.1	20.6	0.4
25	income tax	27.6	35.7	15.1	20.6	1.6
26	Total Other Costs					3.6
27	Total for Nuclear					18.2

2

3

Chart 4						
Cash Working Capital - Generation Regulated Hydroelectric						
2009						
		Expense				
Line		Amount	Revenue	Expense	Net Lead/Lag	CWC
No.	Expense Category	(\$M)	Lag Days	Lead Days	Days	(\$M)
		(a)	(b)	(c)	(d) = (b) - (c)	(e) = (a)*(d)/365
1	GRC	263.4	35.7	(1.1)	36.8	26.6
	OM&A - direct					
2	Labour	57.1	35.7	20.9	14.8	2.3
3	EPSCA Labour					
4	Consultants - Hydroelectric	15.6	35.7	66.0	(30.3)	(1.3)
5	Consultants - Corporate					
6	Outside Services - Corporate	9.4	35.7	6.2	29.5	0.8
7	All other cash expenses	(2.3)	35.7	79.1	(43.4)	0.3
	OM&A Centrally held Costs					
8	OPEB/Pensions	(1.0)	35.7	17.1	18.6	(0.1)
9	Incentives	1.9	35.7	240.0	(204.3)	(1.0)
10	Insurance	1.6	35.7	(103.7)	139.4	0.6
	Total OM&A					1.6
	Other Costs:					
11	property taxes	0.0	35.7	1.9	33.8	0.0
12	capital taxes	10.4	35.7	15.1	20.6	0.6
13	income tax	3.4	35.7	15.1	20.6	0.2
	Total Other Costs					0.8
	Total for Regulated Hydroelectric					28.9

5.0 OTHER REVENUE

Other Revenue consists of cobalt and tritium isotope sales and inspection and maintenance services as described in Ex G2-T1-S1.

The lead/lag days from the study presented in EB-2007-0905 have been applied to the appropriate 2009 expenses and Chart 5 summarizes the results.

Chart 5						
Cash Working Capital - Other Revenue						
2009						
		Expense				
		Amount	Revenue	Expense	Net Lead/Lag	CWC
Line		(\$M)	Lag Days	Lead Days	Days	(\$M)
No.	Expense Category	(a)	(b)	(c)	(d) = (b) - (c)	(e) = (a)*(d)/365
1	Labour	18.5	60.7	20.9	39.8	2.0
2	All other cash expenses	13.5	60.7	43.7	17.0	0.6
	Total Cash Working Capital					2.7

6.0 GOODS and SERVICES TAX/HARMONIZED SALES TAX³

OPG pays HST to suppliers for the purchase of goods and services and remits HST that is collected on revenue to the Federal Government. The HST lag is the time between the HST payment date (to the supplier or to the Receiver General) and the date the Federal Government either refunds the HST to OPG or when OPG receives the input tax credit. OPG also collects HST from the IESO before making the remittance to the Receiver General. OPG collects significantly more HST than it pays to suppliers. A HST cash working capital amount is calculated for each of the two types of revenue.

The calculation of HST is as follows:

- Collections: OPG remits HST after the IESO pays for the previous month's power. The remittance is made at the end of the next fiscal month. For example, if the IESO pays OPG HST for June's power production on July 17, OPG reports it on the July HST remittance, which is paid on September 5.
 - On average OPG retains the HST for a net period of 38.1 days.

³ For simplicity, the term HST will be used to refer to the goods and services tax whether it is GST up to July 1, 2010 or HST thereafter

- The amount of regulated HST = total HST collected from the IESO x the regulated station's share of total generation sales.
- Payments: OPG generally pays HST on all purchases and then claims an input tax credit on its monthly HST remittance. For example, the goods received in June are included in the June HST remittance paid on July 28.
 - On average, OPG paid HST 30 days before receiving the HST credits.

The 2009 GST cash working capital is calculated as shown in Chart 6:

Chart 6				
Cash Working Capital - GST (\$M)				
2009				
Line No.	Item	Regulated Hydroelectric	Nuclear	Total
		(a)	(b)	(c)
1	Generation Revenue	(4.6)	(17.4)	(22.0)
2	Other Revenue		5.4	5.4
3	Payments - Regulated	1.8	5.5	7.3
4	Total	(2.9)	(6.5)	(9.4)

Since there will be a significant increase with the move from the GST (5 per cent) in 2009 to the HST (13 per cent) in the test period, OPG applied a simple average to determine the annual cash working capital impacts. For example, 2011 was calculated as the 2009 amounts times 13 per cent divided by 5 per cent. Chart 7 provides the annual amounts:

Chart 7				
Cash Working Capital - GST/HST (\$M) by Year				
Line	Item	Regulated	Nuclear	Total
No.		Hydroelectric		
		(a)	(b)	(c)
1	2009	(2.9)	(6.5)	(9.4)
2	2010	(5.2)	(11.7)	(16.9)
3	2011	(7.4)	(16.9)	(24.3)
4	2012	(7.4)	(16.9)	(24.3)

Numbers may not add due to rounding.

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Tab 1

Schedule 1

Table 1

Table 1
Prescribed Facility Rate Base - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2007 to 2012

Line No.	Prescribed Facility	2007 Actual			2008 Actual		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
1	Niagara Plant Group	2,880.5	335.3	2,545.2	2,894.8	376.4	2,518.4
2	Saunders GS	1,516.0	172.5	1,343.5	1,522.1	193.1	1,329.0
3	Total	4,396.5	507.8	3,888.7	4,416.8	569.5	3,847.3

Line No.	Prescribed Facility	2009 Actual			2010 Budget		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
4	Niagara Plant Group	2,910.5	417.2	2,493.3	2,948.4	458.6	2,489.7
5	Saunders GS	1,528.1	214.0	1,314.1	1,536.7	235.0	1,301.7
6	Total	4,438.6	631.2	3,807.4	4,485.0	693.6	3,791.4

Line No.	Prescribed Facility	2011 Plan			2012 Plan		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
7	Niagara Plant Group	2,983.2	500.7	2,482.5	3,017.4	543.1	2,474.3
8	Saunders GS	1,554.8	256.0	1,298.8	1,568.1	277.1	1,291.0
9	Total	4,538.0	756.7	3,781.3	4,585.5	820.2	3,765.3

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Comparison of Prescribed Facility Rate Base - Regulated Hydroelectric (\$M)

[illegible]

Numbers may not add due to rounding.

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Table 1

Table 1
Continuity of Property, Plant and Equipment - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2007 to 2009

Line No.	Prescribed Facility	Gross Plant Opening Balance	In-Service Additions	Retirements, Transfers & Adjustments	(b)+(c) Net Change	(a)+(d) Closing Balance	(a+e)/2 Gross Plant Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2007 Actual:						
1	Niagara Plant Group	2,867.4	27.4	(1.2)	26.2	2,893.6	2,880.5
2	Saunders GS	1,515.4	1.5	(0.4)	1.1	1,516.5	1,516.0
3	Total	4,382.8	28.9	(1.6)	27.3	4,410.1	4,396.5
	2008 Actual:						
4	Niagara Plant Group	2,893.6	3.5	(1.2)	2.3	2,895.9	2,894.8
5	Saunders GS	1,516.5	11.6	(0.5)	11.1	1,527.6	1,522.1
6	Total	4,410.1	15.1	(1.7)	13.4	4,423.5	4,416.8
	2009 Actual:						
7	Niagara Plant Group	2,895.9	32.7	(3.6)	29.1	2,925.0	2,910.5
8	Saunders GS	1,527.6	1.1	(0.1)	1.0	1,528.6	1,528.1
9	Total	4,423.5	33.8	(3.7)	30.1	4,453.6	4,438.6

Numbers may not add due to rounding.

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Table 2
Continuity of Property, Plant and Equipment - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2010 to 2012

Line No.	Prescribed Facility	Gross Plant Opening Balance	In-Service Additions	Retirements, Transfers & Adjustments	(b)+(c) Net Change	(a)+(d) Closing Balance	(a+e)/2 Gross Plant Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2010 Budget:						
1	Niagara Plant Group	2,925.0	46.7	0.0	46.7	2,971.7	2,948.4
2	Saunders GS	1,528.6	16.1	0.0	16.1	1,544.7	1,536.7
3	Total	4,453.6	62.8	0.0	62.8	4,516.4	4,485.0
	2011 Plan:						
4	Niagara Plant Group	2,971.7	23.0	0.0	23.0	2,994.8	2,983.2
5	Saunders GS	1,544.7	20.1	0.0	20.1	1,564.8	1,554.8
6	Total	4,516.4	43.2	0.0	43.2	4,559.6	4,538.0
	2012 Plan:						
7	Niagara Plant Group	2,994.8	45.3	0.0	45.3	3,040.0	3,017.4
8	Saunders GS	1,564.8	6.5	0.0	6.5	1,571.3	1,568.1
9	Total	4,559.6	51.8	0.0	51.8	4,611.4	4,585.5

Numbers may not add due to rounding.

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Table 1

Table 1
Continuity of Accumulated Depreciation and Amortization - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2007 to 2009

Line No.	Prescribed Facility	Opening Balance	Depreciation and Amortization	Retirements, Transfers & Adjustments	(a)+(b)+(c) Closing Balance	(a+d)/2 Accumulated Depreciation and Amortization Rate Base Amount
		(a)	(b)	(c)	(d)	(e)
	2007 Actual:					
1	Niagara Plant Group	314.5	41.9	(0.3)	356.1	335.3
2	Saunders GS	162.3	20.8	(0.4)	182.7	172.5
3	Total	476.8	62.7	(0.7)	538.8	507.8
	2008 Actual:					
4	Niagara Plant Group	356.1	41.7	(1.1)	396.7	376.4
5	Saunders GS	182.7	21.0	(0.2)	203.5	193.1
6	Total	538.8	62.7	(1.3)	600.2	569.5
	2009 Actual:					
7	Niagara Plant Group	396.7	41.8	(0.8)	437.7	417.2
8	Saunders GS	203.5	21.1	(0.1)	224.5	214.0
9	Total	600.2	62.9	(0.9)	662.2	631.2

Numbers may not add due to rounding.

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Table 2
Continuity of Accumulated Depreciation and Amortization - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2010 to 2012

Line No.	Prescribed Facility	Opening Balance	Depreciation and Amortization on Opening Balance	Depreciation and Amortization on In-Service Additions	Retirements, Transfers & Adjustments	(a)+(b)+(c)+(d) Closing Balance	(a+e)/2 Accumulated Depreciation and Amortization Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2010 Budget:						
1	Niagara Plant Group	437.7	41.8	0.1	0.0	479.6	458.6
2	Saunders GS	224.5	21.0	0.0	0.0	245.5	235.0
3	Total	662.2	62.8	0.1	0.0	725.1	693.6
	2011 Plan:						
4	Niagara Plant Group	479.6	42.1	0.2	0.0	521.8	500.7
5	Saunders GS	245.5	20.8	0.1	0.0	266.5	256.0
6	Total	725.1	62.9	0.3	0.0	788.3	756.7
	2012 Plan:						
7	Niagara Plant Group	521.8	42.3	0.3	0.0	564.5	543.1
8	Saunders GS	266.5	21.1	0.0	0.0	287.7	277.1
9	Total	788.3	63.4	0.4	0.0	852.1	820.2

Numbers may not add due to rounding.

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Table 1
Working Capital Summary - Regulated Hydroelectric (\$M)
Calendar Years Ending December 31, 2007 to 2012

Line No.	Working Capital Item	Opening Balance	Closing Balance	(a+b)/2 Rate Base Value
		(a)	(b)	(c)
	2007 Actual:			
1	Cash Working Capital	N/A	N/A	21.8
2	Materials & Supplies	0.6	0.6	0.6
3	Total			22.4
	2008 Actual:			
4	Cash Working Capital	N/A	N/A	23.6
5	Materials & Supplies	0.6	0.6	0.6
6	Total			24.2
	2009 Actual:			
7	Cash Working Capital	N/A	N/A	26.0
8	Materials & Supplies	0.6	0.7	0.7
9	Total			26.7
	2010 Budget:			
10	Cash Working Capital	N/A	N/A	23.7
11	Materials & Supplies	0.7	0.6	0.7
12	Total			24.4
	2011 Plan:			
13	Cash Working Capital	N/A	N/A	21.5
14	Materials & Supplies	0.6	0.6	0.6
15	Total			22.1
	2012 Plan:			
16	Cash Working Capital	N/A	N/A	21.5
17	Materials & Supplies	0.6	0.6	0.6
18	Total			22.1

Numbers may not add due to rounding.

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Table 1
Prescribed Facility Rate Base - Nuclear (\$M)
Calendar Years Ending December 31, 2007 to 2012

Line No.	Prescribed Facility	2007 Actual			2008 Actual		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
1	Darlington NGS	1,795.8	657.4	1,138.4	1,845.4	765.8	1,079.6
2	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
3	Pickering NGS	2,049.9	538.3	1,511.6	2,137.5	677.9	1,459.7
4	Nuclear Support Divisions	388.3	217.2	171.1	417.8	247.1	170.7
5	IM&CS	87.1	33.2	53.9	98.3	42.3	56.0
6	Total	4,321.1	1,446.1	2,875.0	4,498.9	1,733.0	2,765.9

Line No.	Prescribed Facility	2009 Actual			2010 Budget		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
7	Darlington NGS	1,943.6	872.9	1,070.7	2,865.9	957.1	1,908.8
8	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
9	Pickering NGS	2,186.7	825.8	1,360.9	1,897.9	960.1	937.8
10	Nuclear Support Divisions	438.0	273.1	164.9	467.9	298.6	169.2
11	IM&CS	111.3	51.9	59.4	123.6	63.0	60.7
12	Total	4,679.5	2,023.7	2,655.8	5,355.3	2,278.8	3,076.5

Line No.	Prescribed Facility	2011 Plan			2012 Plan		
		Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant	Gross Plant at Cost	Less: Accumulated Depreciation and Amortization	Net Plant
		(a)	(b)	(c)	(d)	(e)	(f)
13	Darlington NGS	2,920.8	1,016.6	1,904.1	3,020.2	1,085.8	1,934.4
14	Darlington Refurbishment CWIP	125.5	0.0	125.5	306.0	0.0	306.0
15	Pickering NGS	1,954.5	1,075.0	879.5	1,972.7	1,194.1	778.6
16	Nuclear Support Divisions	538.6	333.2	205.4	605.9	376.9	229.1
17	IM&CS	133.3	75.6	57.7	142.9	88.7	54.2
18	Total	5,672.5	2,500.3	3,172.2	6,047.7	2,745.4	3,302.3

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Table 1
Continuity of Property, Plant and Equipment - Nuclear (\$M)
Calendar Years Ending December 31, 2007 to 2009

Line No.	Prescribed Facility	Gross Plant Opening Balance	In-Service Additions	Retirements, Transfers & Adjustments	(b)+(c) Net Change	(a)+(d) Closing Balance	(a+e)/2 Gross Plant Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2007 Actual:						
1	Darlington NGS	1,787.2	17.7	(0.5)	17.2	1,804.4	1,795.8
2	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
3	Pickering NGS	1,983.3	133.1	0.1	133.2	2,116.5	2,049.9
4	Nuclear Support Divisions	371.5	17.2	16.4	33.6	405.1	388.3
5	IM&CS	81.4	11.4	0.0	11.4	92.8	87.1
6	Total	4,223.4	179.4	16.0	195.4	4,418.8	4,321.1
	2008 Actual:						
7	Darlington NGS	1,804.4	68.7	13.2	81.9	1,886.3	1,845.4
8	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
9	Pickering NGS	2,116.5	71.3	(29.3)	42.0	2,158.5	2,137.5
10	Nuclear Support Divisions	405.1	18.9	6.4	25.3	430.4	417.8
11	IM&CS	92.8	12.6	(1.7)	10.9	103.7	98.3
12	Total	4,418.8	171.5	(11.4)	160.1	4,578.9	4,498.9
	2009 Actual:						
13	Darlington NGS	1,886.3	116.1	(1.6)	114.5	2,000.8	1,943.6
14	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
15	Pickering NGS	2,158.5	60.1	(3.8)	56.3	2,214.8	2,186.7
16	Nuclear Support Divisions	430.4	20.6	(5.4)	15.2	445.6	438.0
17	IM&CS	103.7	16.8	(1.7)	15.1	118.8	111.3
18	Total	4,578.9	203.8	(12.5)	201.1	4,780.0	4,679.5

Numbers may not add due to rounding.

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Table 2
Continuity of Property, Plant and Equipment - Nuclear (\$M)
Calendar Years Ending December 31, 2010 to 2012

Line No.	Prescribed Facility	Gross Plant Opening Balance	In-Service Additions	Retirements, Transfers & Adjustments	(b)+(c) Net Change	(a)+(d) Closing Balance	(a+e)/2 Gross Plant Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2010 Budget:						
1	Darlington NGS ¹	2,000.8	42.7	843.7	886.4	2,887.2	2,865.9
2	Darlington Refurbishment CWIP	0.0	0.0	0.0	0.0	0.0	0.0
3	Pickering NGS ¹	2,214.8	103.4	(368.6)	(265.2)	1,949.6	1,897.9
4	Nuclear Support Divisions	445.6	44.5	0.0	44.5	490.1	467.9
5	IM&CS	118.8	9.6	0.0	9.6	128.4	123.6
6	Total	4,780.0	200.2	475.2	675.4	5,455.4	5,355.3
	2011 Plan:						
7	Darlington NGS	2,887.2	67.1	0.0	67.1	2,954.3	2,920.8
8	Darlington Refurbishment CWIP	72.9	105.2	0.0	105.2	178.1	125.5
9	Pickering NGS	1,949.6	9.7	0.0	9.7	1,959.3	1,954.5
10	Nuclear Support Divisions	490.1	96.9	0.0	96.9	587.0	538.6
11	IM&CS	128.4	9.6	0.0	9.6	138.1	133.3
12	Total	5,528.2	288.6	0.0	288.6	5,816.9	5,672.5
	2012 Plan:						
13	Darlington NGS	2,954.3	131.8	0.0	131.8	3,086.1	3,020.2
14	Darlington Refurbishment CWIP	178.1	255.8	0.0	255.8	433.9	306.0
15	Pickering NGS	1,959.3	26.7	0.0	26.7	1,986.0	1,972.7
16	Nuclear Support Divisions	587.0	37.8	0.0	37.8	624.8	605.9
17	IM&CS	138.1	9.6	0.0	9.6	147.7	142.9
18	Total	5,816.9	461.7	0.0	461.7	6,278.6	6,047.7

Notes:

- Retirements, Transfers & Adjustments include changes in asset retirement costs (ARC) recorded on January 1, 2010 (from Ex. C2-T1-S2 Table 3). The Gross Plant Rate Base amount for 2010 includes the full-year impact of these changes to ARC.

Numbers may not add due to rounding.

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Table 1
Continuity of Accumulated Depreciation and Amortization - Nuclear (\$M)
Calendar Years Ending December 31, 2007 to 2009

Line No.	Prescribed Facility	Opening Balance	Depreciation and Amortization	Retirements, Transfers & Adjustments	(a)+(b)+(c) Closing Balance	(a+d)/2 Accumulated Depreciation and Amortization Rate Base Amount
		(a)	(b)	(c)	(d)	(e)
	2007 Actual:					
1	Darlington NGS	600.2	114.5	(0.1)	714.6	657.4
2	Pickering NGS	467.8	141.0	0.0	608.8	538.3
3	Nuclear Support Divisions	202.6	23.8	5.4	231.8	217.2
4	IM&CS	28.4	9.6	0.0	38.0	33.2
5	Total	1,299.0	288.9	5.3	1,593.2	1,446.1
	2008 Actual:					
6	Darlington NGS	714.6	101.3	1.0	816.9	765.8
7	Pickering NGS	608.8	155.9	(17.8)	746.9	677.9
8	Nuclear Support Divisions	231.8	25.9	4.7	262.4	247.1
9	IM&CS	38.0	10.3	(1.7)	46.6	42.3
10	Total	1,593.2	293.4	(13.8)	1,872.8	1,733.0
	2009 Actual:					
11	Darlington NGS	816.9	113.5	(1.5)	928.9	872.9
12	Pickering NGS	746.9	160.7	(2.9)	904.7	825.8
13	Nuclear Support Divisions	262.4	27.3	(5.9)	283.8	273.1
14	IM&CS	46.6	11.5	(1.0)	57.1	51.9
15	Total	1,872.8	304.6	(11.3)	2,174.5	2,023.7

Numbers may not add due to rounding.

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Exhibit B3
Tab 4
Schedule 1
Table 2

Table 2
Continuity of Accumulated Depreciation and Amortization - Nuclear (\$M)
Calendar Years Ending December 31, 2010 to 2012

Line No.	Prescribed Facility	Opening Balance	Depreciation and Amortization on Opening Balance	Depreciation and Amortization on In-Service Additions	Retirements, Transfers & Adjustments	(a)+(b)+(c)+(d) Closing Balance	(a+e)/2 Accumulated Depreciation and Amortization Rate Base Amount
		(a)	(b)	(c)	(d)	(e)	(f)
	2010 Budget:						
1	Darlington NGS ¹	928.9	32.0	4.3	20.1	985.2	957.1
2	Pickering NGS ¹	904.7	157.3	10.0	(56.5)	1,015.5	960.1
3	Nuclear Support Divisions	283.8	25.3	4.4	0.0	313.5	298.6
4	IM&CS	57.1	10.5	1.2	0.0	68.8	63.0
5	Total	2,174.5	225.0	19.9	(36.4)	2,383.1	2,278.8
	2011 Plan:						
6	Darlington NGS	985.2	58.5	4.3	0.0	1,048.0	1,016.6
7	Pickering NGS	1,015.5	117.6	1.2	0.0	1,134.4	1,075.0
8	Nuclear Support Divisions	313.5	30.9	8.4	0.0	352.8	333.2
9	IM&CS	68.8	11.9	1.6	0.0	82.3	75.6
10	Total	2,383.1	218.9	15.6	0.0	2,617.6	2,500.3
	2012 Plan:						
11	Darlington NGS	1,048.0	66.5	9.0	0.0	1,123.6	1,085.8
12	Pickering NGS	1,134.4	116.5	2.8	0.0	1,253.7	1,194.1
13	Nuclear Support Divisions	352.8	45.1	3.0	0.0	400.9	376.9
14	IM&CS	82.3	11.4	1.3	0.0	95.0	88.7
15	Total	2,617.6	239.5	16.1	0.0	2,873.2	2,745.4

Notes:

- 1 Retirements, Transfers & Adjustments include the depreciation expense impacts for 2010 resulting from the changes to asset retirement costs recorded on January 1, 2010, as noted in footnote 1 in Ex. B3-T3-S1, Table 2.

Numbers may not add due to rounding.

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Exhibit B3
Tab 5
Schedule 1
Table 1

Table 1
Working Capital Summary - Nuclear (\$M)
Calendar Years Ending December 31, 2007 to 2012

Line No.	Working Capital Item	Opening Balance	Closing Balance	(a+b)/2 Rate Base Value
		(a)	(b)	(c)
	2007 Actual:			
1	Cash Working Capital	N/A	N/A	16.0
2	Fuel Inventory	184.3	233.0	208.7
3	Materials & Supplies	382.4	418.4	400.4
4	Total			625.1
	2008 Actual:			
5	Cash Working Capital	N/A	N/A	15.9
6	Fuel Inventory	233.0	300.7	266.9
7	Materials & Supplies	418.4	412.8	415.6
8	Total			698.4
	2009 Actual:			
9	Cash Working Capital	N/A	N/A	14.3
10	Fuel Inventory	300.7	333.0	316.9
11	Materials & Supplies	412.8	456.0	434.4
12	Total			765.6
	2010 Budget:			
13	Cash Working Capital	N/A	N/A	9.2
14	Fuel Inventory	333.0	381.7	357.3
15	Materials & Supplies	456.0	481.9	468.9
16	Total			835.5
	2011 Plan:			
17	Cash Working Capital	N/A	N/A	4.0
18	Fuel Inventory	381.7	377.9	379.8
19	Materials & Supplies	481.9	488.7	485.3
20	Total			869.1
	2012 Plan:			
21	Cash Working Capital	N/A	N/A	4.0
22	Fuel Inventory	377.9	343.8	360.9
23	Materials & Supplies	488.7	478.6	483.7
24	Total			848.5