

1 **UNDERTAKING JT1.12**

2
3 **Undertaking**

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5 To advise of OPG's position on producing documentation related to whether deferral or
6 extension of recovery periods for deferral and variance accounts would affect the
7 company's financial situation.

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10 **Response**

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12 OPG is not providing the requested documentation for the reasons set out in Ex. L-4-
13 001.

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15 However, OPG has provided below a summary of the information presented in those
16 documents on the impact on OPG's financial situation from the extension of the recovery
17 period for the Tax Loss Variance Account.

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19 The impacts are summarized as follows:

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- 21 • The changes in amortization expense and corresponding revenues are largely
22 offsetting. As such there are no significant impacts on net income resulting from the
23 change in the amortization period for the Tax Loss Variance Account.
 - 24
25 • Borrowing requirements increase by about \$240 million over 2011-2012 as a result of
26 extending the recovery of the Tax Loss Variance Account to 46 months, rather than
27 the 2 years assumed previously.