

1 **UNDERTAKING J10.6**

2
3 **Undertaking**

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5 To provide amount of write-down for heavy water, and when write-down occurred.
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8 **Response**

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10 Since its inception, OPG has not written down any heavy water assets. OPG is aware
11 that the former Ontario Hydro wrote down its heavy water assets in 1996 by \$1,203M.
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13 OPG commenced operations on April 1, 1999 upon purchasing certain assets and
14 assuming certain rights and obligations of the electricity generation business of the
15 former Ontario Hydro. The purchase price of these assets, rights and obligations was
16 determined in aggregate based on the present value of estimated future operating
17 results and cash flows of the acquired business. As such, it is not possible or meaningful
18 to compare the assigned value of any individual assets acquired by OPG as part of the
19 purchase of the business to the book value of these assets at which they may have been
20 recorded by the former Ontario Hydro.
21

22 OPG also notes that the debt assumed by the Ontario Electricity Financial Corporation
23 ("OEFC") as part of the reorganization of former Ontario Hydro was not in relation to
24 individual assets. As such, it is not possible or meaningful to attempt to assign any
25 portion of former Ontario Hydro's debt assumed by the OEFC to the difference between
26 the values assigned by OPG to individual assets as part of the valuation of the
27 purchased business and the book values at which these assets may have been
28 recorded by the former Ontario Hydro.
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30 As noted in the evidence at Ex. G2-T1-S1, page 4, surplus heavy water is not in the
31 prescribed facilities rate base and has not been in the prescribed facility rate base since
32 regulation of the prescribed facilities commenced on April 1, 2005.