

UNDERTAKING J3.5

Undertaking

To update SEC spreadsheet for each component excluding pension and OPEB costs.

Response

Please see attached table. An excel spreadsheet version has also been provided.

Values taken from Ex JT2.33 are sourced as indicated under the column heading "JT2.33 Line."

Pension and Other Post Employment Benefits (OPEB) current service costs are shown at additional lines for each component shown in SEC's spreadsheet. With the exception of 2013 actuals, values used are from Ex L-6.1-1 Staff 105. Values for 2013 actuals are from data underpinning Ex. JT2.33.

Lines have been added for each component showing the compensation cost resulting from the subtraction of the pension and OPEB current service costs from the relevant total compensation lines in the SEC spreadsheet. For brevity, compensation costs excluding pension and OPEB current service costs are referred to as "Normalized Compensation" in the line labels throughout the table.

OPG notes that the 2014 and 2015 information contained in Appendix 2K filed as Ex. F4-3-1, Attachment 6, related interrogatories, Ex. JT 2.33, Ex. K3.5, and the attachment to this undertaking is based on the 2013-2015 Business Plan, which was the basis for OPG's pre-filed evidence. Therefore, that information does not reflect the updated projection of pension and OPEB costs provided in Ex. N2-1-1. The current service cost component of pension and OPEB costs reflected in this updated projection are lower than amounts of such costs per the 2013-2015 Business Plan and are provided below (including allocations of corporate support services). These amounts represent the regulated portion of the OPG-wide current service cost amounts found at Ex. N2-1-1 Attachment 1, pages 9 and 10.

**Pension and OPEB Current Service Costs as per Ex. N2-1-1
(May 2014 Impact Statement)**

(\$millions)	2014	2015
Nuclear	236.2	242.0
Previously Regulated Hydroelectric	13.0	14.0
Newly Regulated Hydroelectric	24.4	25.5
Total	273.6	281.5

1 The attached table updating the SEC spreadsheet also addresses the Undertaking J3.6
2 question regarding the burden percentage related to pension and OPEB. Lines have
3 been added to the table for each component showing percentage of the relevant "Total
4 Compensation" line that the Pension and OPEB current service costs represent. These
5 percentages are shown at lines 19b, 29b, 35b, 38d, 41d and 44d.
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