

**UNDERTAKING J11.9**

**Undertaking**

Advise the items for which OPG knows their current forecast is different from their application.

**Response**

This Undertaking sought to clarify whether OPG intended to file a new Impact Statement to update to its revenue requirement and proposed payment amounts to reflect the recent pension funding valuation report discussed in Undertaking J9.6.

OPG has determined that it will not be filing an additional Impact Statement as a result of the new Pension Funding Valuation Report as it does not believe that one is required in the current circumstances.

As noted in the transcript (TR Volume 11, page 117), OPG's application is based on its 2013-2015 Business Plan. In accordance with the Board's Rules of Practice and Procedure (s. 11.02) OPG has filed two Impacts Statements in this proceeding to provide information related to material changes to the evidence already before the Board. OPG's First Impact Statement reflected material changes resulting from the approval in November 2013 of OPG's 2014-2016 Business Plan (Ex. N1-1-1). The Second Impact Statement (Ex. N2-1-1) was filed just before the start of the Settlement Conference and it reflected material changes since the filing of the First Impact Statement.

At this stage of the proceeding, OPG is reluctant to further complicate the record with updated information unless there is a compelling need. In the case of the pension funding valuation report, OPG notes that the impact on the 2014 revenue requirement is only slightly more than \$10M and, although OPG calculated an estimate of the 2015 revenue requirement impact at Ex. J9.6 based on the estimated minimum contributions per the funding valuation report, the actual pension contribution for 2015 is not expected to be finalized until sometime in 2015 and, as such, the 2015 revenue requirement impact cannot be estimated with any precision

Accordingly, OPG believes that the financial impact of any variation arising from the recent pension funding valuation report should be recorded in the Pension and OPEB Cost Variance Account<sup>1</sup> rather than reflected in a new Impact Statement.

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<sup>1</sup> OPG expects the OEB would consider the increase in revenue requirement from the valuation report conclusion on contributions in setting revenue requirement in the event it does not accept: OPG's proposal to continue the Pension and OPEB Cost Variance Account.