

1 **UNDERTAKING J13.6**

2  
3 **Undertaking**

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5 Update Table 1 and 1a to reflect a lower Unfunded Nuclear Liability compared to the  
6 unamortized ARC.

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8 **Response**

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10 Board Staff provided a revised Unfunded Nuclear Liability amount in its compendium, at  
11 Ex. K13.1 page 66 which reflects the application of the Due to the Province amount as  
12 funds available to reduce the Unfunded Nuclear Liability. The Due to the Province  
13 amount cannot be used in this manner because OPG does not have the right or access  
14 to this amount, as explained in Ex. J11.8. However, as requested for illustrative  
15 purposes, OPG has provided as Attachment 1 the following:

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17 1) A hypothetical version of Ex. C2-1-1 Table 2. For simplicity, the 2013 earnings at  
18 line 15 have been increased from \$326.5M to \$1,181.9M by applying an  
19 allocation ratio of 53% for the prescribed facilities (suggested by Board Staff at  
20 TR, Vol. 13, Page 78) to the Due to the Province for the combined Used Fuel  
21 Fund and Decommissioning Fund amount of \$1,614M reflected in OPG's audited  
22 consolidated financial statements as at December 31, 2013;
- 23 2) A hypothetical version of Ex. C2-1-1 Table 1a) using the lesser of average  
24 unamortized Asset Retirement Costs and average Unfunded Nuclear Liability  
25 approach approved by the Board in EB-2007-0905 and EB-2010-0008 and  
26 applying the lower average Unfunded Nuclear Liability amounts for 2013, 2014  
27 and 2015 from the hypothetical Ex. C2-1-1 Table 2 above; and
- 28 3) A hypothetical version of Ex. C2-1-1 Table 1 summarizing the revenue  
29 requirement impacts for 2013 to 2015 as calculated in hypothetical Ex. C2-1-1  
30 Table 1a) above.

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32 As can be seen from the hypothetical Ex. C2-1-1 Table 1, the revenue requirement  
33 impact for 2014 and 2015 at line 8 would be \$240.1M and \$237.5M, respectively, which  
34 is higher than the revenue requirement impact of \$229.4M and \$226.6M shown at line 8  
35 for the corresponding years in the pre-filed Ex. C2-1-1 Table 1.<sup>1</sup>

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<sup>1</sup> Due to the illustrative nature of the calculations, the 2014 and 2015 revenue requirement impacts are based on ROE rates from the pre-filed evidence and do not reflect the update to those rates at Ex. N2-1-1.