Comparison of Treatment of Nuclear Liability Costs

The table below presents a comparison of OPG's proposed rate base approach per Ex. H1-T1-S3, to the "flow-through" approach from interrogatory L-2-58 and Option 2 from the CIBC report (L-2-10 Attachment 1).

Rate Base Approach $ Millions	2008 (9 months)	2009	Test Period
Revenue requirement from H1-T1-S3 pg. 2	310.0	393.6	703.6

"Flow-through" Treatment from L-2-58 $ Millions	2008 (9 months)	2009	Test Period
Exclude asset retirement costs from rate base *	(148.0)	(186.3)	(334.3)
Include accretion cost	450.7	624.0	1074.7
Less: segregated fund earnings	(362.2)	(525.9)	(888.1)
Decrease in Revenue Requirement	(59.5)	(88.1)	(147.6)
Total Revenue Requirement	250.5	305.5	556.0

Option 2 from CIBC (L-2-10 Attach 1) $ Millions	2008 (9 months)	2009	Test Period
Average unfunded nuclear liability**	1231	878	
Exclude unfunded nuclear liability from rate base return *	(78.3)	(75.1)	(153.4)
Include accretion cost	450.7	624.0	1074.7
Less: segregated fund earnings	(362.2)	(525.9)	(888.1)
Increase in Revenue Requirement	10.1	23.0	33.2
Total Revenue Requirement	320.1	416.6	736.8

*includes similar treatment for Bruce assets

**based on liability and fund values per 2007 financial statements projected forward to the test period. The liability projection is provided in L-1-83 and fund value projection is consistent with the fund earnings forecast in L-2-58