

1 **UNDERTAKING J22.2**

2  
3 **Undertaking**

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5 To calculate, making any appropriate assumptions, the total interest costs on amounts  
6 being deferred during this IR period.

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10 **Response**

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12 The total interest cost associated with the \$1,005M that OPG has proposed to defer in  
13 the 2017-2021 period is approximately \$470M over the life of the current rate smoothing  
14 proposal. OPG has applied a "first in, first out" approach to interest costs and has  
15 assumed that since the \$1,005M is the first amount to be deferred, it will also be the first  
16 amount to be recovered. Based on the projections of deferrals shown in N3-1-1,  
17 Attachment 2, Table 19, this calculation assumes that the \$1,005M deferred would be  
18 recovered by mid-2029.