

UNDERTAKING J14.5

Undertaking

To calculate what the nuclear liability deferral account balance would be applying the flow-through method rather than the rate base method.

Response

Using the “flow-through method”, the nuclear liability deferral account as of December 31, 2007 is \$118.6M and is made up of the following items¹:

	M\$
Accretion	63.8
Depreciation	53.7
Capital Tax	3.1
Fuel Expense	(5.2)
Interest	3.2
Total	118.6

Under the rate base method the nuclear liability deferral account as of December 31, 2007 was \$130.5M as noted in Chart 2 in Ex. J1-T1-S1 page 12.

¹ There was no segregated fund contribution in 2007 associated with the Dec 31 2006 1,386 M\$ ARO adjustment so there are no associated segregated funds earnings