

APPROVALS

In this Application, OPG is seeking the following specific approvals:

- Approval to clear the approved balances in the following accounts as of December 31, 2012:
 - Ancillary Services Net Revenue Variance Account – Hydroelectric and Nuclear Sub-Accounts;
 - Income and Other Taxes Variance Account
 - Tax Loss Variance Account
 - Pension and OPEB Cost Variance Account
 - Impact for USGAAP Deferral Account
 - Hydroelectric Water Conditions Variance Account
 - Hydroelectric Deferral and Variance Over/Under Recovery Variance Account¹
 - Nuclear Liability Deferral Account
 - Nuclear Development Variance Account
 - Capacity Refurbishment Variance Account for Nuclear prescribed facilities²
 - Bruce Lease Net Revenues Variance Account
 - Nuclear Deferral and Variance Over/Under Recovery Variance Account³
- Approval to clear the approved balances in the above referenced accounts, except the Pension and OPEB Cost Variance Account and the Bruce Lease Variance Account, over two years (January 1, 2013 through December 31, 2014).
- Approval to clear the approved balances in the Pension and OPEB Cost Variance Account and the Bruce Lease Net Revenues Variance Account over four years (January 1, 2013 through December 31, 2016).

¹ In accordance with the EB-2010-0008 Payment Amounts Order, the balance in the account as at December 31, 2012 includes the remaining balance in the Hydroelectric Interim Period Shortfall (Rider D) Variance Account, which was terminated on December 31, 2012. As such the Hydroelectric Interim Period Shortfall (Rider D) Variance Account is not included in the list of the requested approvals.

² OPG is not proposing to clear the entries in this account related to Hydroelectric prescribed facilities because these entries are relatively small and are primarily attributable to the Niagara Tunnel Project.

³ In accordance with the EB-2010-0008 Payment Amounts Order, the balance in the account as at December 31, 2012 includes the remaining balance in the Pickering A Return To Service Deferral Account, which was terminated on December 31, 2011, and the remaining balances in the Transmission Outages and Restrictions Variance Account, the Nuclear Fuel Cost Variance Account, and the Nuclear Interim Period Shortfall (Rider B) Variance Account, which were terminated on December 31, 2012. As such, these terminated accounts are not included in the list of the requested approvals.

- 1 • Approval to continue posting entries into the Pension and OPEB Cost Variance Account
2 until the effective date of the next payment amounts order.
- 3 • Approval to adopt for regulatory purposes the Generally Accepted Accounting Principles
4 of the United States.
- 5 • Approval of the following payment riders for both 2013 and 2014: Hydroelectric
6 \$2.60/MWh and Nuclear \$8.34/MWh.

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8 In this Application, OPG also is seeking the following interim approvals:

- 9 • An order from the OEB to continue OPG's current nuclear payment rider on an interim
10 basis as of January 1, 2013, since the OEB's order will be based on audited account
11 balances that will not be available until February 2013. OPG is proposing that the current
12 hydroelectric rider be allowed to expire because it is negative and, thus, its continuation
13 would only increase the shortfall to be recovered.
- 14 • An order from the OEB approving interim period shortfall riders, since the OEB's order
15 will be based on audited account balances that will not be available until February 2013.
16 These interim period shortfall riders would expire on December 31, 2014.
- 17 • An order from the OEB authorizing OPG to continue posting entries into the Pension and
18 OPEB Cost Variance Account on an interim basis after December 31, 2012 until a
19 decision is issued on OPG's request to extend the duration of this account. This order is
20 necessary only if OPG's request to extend the account is not decided by December 31,
21 2012.