

Table 1
Prescribed Facilities - Asset Retirement Obligation, Nuclear Segregated Funds, and Asset Retirement Costs (\$M)
Years Ending December 31, 2008, 2009, 2010, 2011 and 2012

Line No.	Description	Note	2008 Actual ¹	2009 Actual	2010 Budget	2011 Plan	2012 Plan
			(a)	(b)	(c)	(d)	(e)
ASSET RETIREMENT OBLIGATION							
1	Opening Balance	2	5,921.0	6,151.2	6,391.2	7,136.8	7,432.8
2	Darlington Refurbishment Adjustment	3	0.0	0.0	497.4	0.0	0.0
3	Adjusted Opening Balance (line 1 + line 2)		5,921.0	6,151.2	6,888.6	7,136.8	7,432.8
4	Used Fuel Storage and Disposal Variable Expenses		19.0	19.2	23.0	26.6	28.5
5	Low & Intermediate Level Waste Management Variable Expenses		1.7	3.5	1.1	0.8	0.8
6	Accretion Expense		332.2	344.8	381.2	395.9	412.4
7	Expenditures for Used Fuel, Waste Management & Decommissioning	4	(122.6)	(129.3)	(157.1)	(127.3)	(126.6)
8	Consolidation Adjustment		0.0	1.7	0.0	0.0	0.0
9	Closing Balance (line 3 + line 4 + line 5 + line 6 + line 7 + line 8)		6,151.2	6,391.2	7,136.8	7,432.8	7,748.0
10	Average Asset Retirement Obligation ((line 3 + line 9)/2)		6,036.1	6,271.2	7,012.7	7,284.8	7,590.4
NUCLEAR SEGREGATED FUNDS BALANCE							
11	Opening Balance	2	4,853.0	4,584.2	5,058.7	5,399.6	5,778.5
12	Reallocation Adjustment	5	(23.1)	0.0	0.0	0.0	0.0
13	Adjusted Opening Balance (line 11 + line 12)		4,829.9	4,584.2	5,058.7	5,399.6	5,778.5
14	Earnings (Losses)		(242.1)	415.5	262.6	280.6	299.7
15	Contributions		58.9	124.7	150.2	145.0	140.4
16	Disbursements	4	(62.5)	(65.7)	(71.9)	(46.6)	(58.0)
17	Closing Balance (line 13 + line 14 + line 15 + line 16)		4,584.2	5,058.7	5,399.6	5,778.5	6,160.7
18	Average Nuclear Segregated Funds Balance ((line 13 + line 17)/2)		4,707.0	4,821.5	5,229.2	5,589.1	5,969.6
UNFUNDED NUCLEAR LIABILITY BALANCE (UNL)							
19	Opening Balance (line 3 - line 13)		1,091.1	1,567.0	1,829.9	1,737.2	1,654.3
20	Closing Balance (line 9 - line 17)		1,567.0	1,332.5	1,737.2	1,654.3	1,587.3
21	Average Unfunded Nuclear Liability Balance ((line 19 + line 20)/2)		1,329.1	1,449.7	1,783.5	1,695.7	1,620.8
ASSET RETIREMENT COSTS (ARC)							
22	Opening Balance	6	1,301.0	1,221.7	1,098.0	1,539.9	1,506.7
23	Darlington Refurbishment Adjustment	3	0.0	0.0	475.2	0.0	0.0
24	Reclassification Adjustment	7	44.7	0.0	0.0	0.0	0.0
25	Adjusted Opening Balance (line 22 + line 23 + line 24)		1,345.7	1,221.7	1,573.1	1,539.9	1,506.7
26	Depreciation Expense		(124.0)	(123.8)	(33.2)	(33.2)	(33.2)
27	Closing Balance (line 25 + line 26)		1,221.7	1,098.0	1,539.9	1,506.7	1,473.5
28	Average Asset Retirement Costs ((line 25 + line 27)/2)		1,283.7	1,159.8	1,556.5	1,523.3	1,490.1
29	LESSER OF AVERAGE UNL OR ARC (lesser of line 21 or line 28)		1,283.7	1,159.8	1,556.5	1,523.3	1,490.1

Notes:

- 2008 values are annual amounts.
- 2008 amount per EB-2007-0905 Payment Amounts Order, Appendix A Table 8.
- Adjustment recorded on January 1, 2010 associated with the changes to the end-of-life date assumptions underlying the ARO calculation, as a result of the approval of the definition phase of the Darlington Refurbishment project.
- Expenditures incurred by OPG relate to both short-term programs (Used Fuel Storage, L&ILW Storage) and long-term programs (Used Fuel Disposal, L&ILW Disposal and Decommissioning), whereas disbursements from Nuclear Segregated Funds cover long-term programs only.
- Adjustment in 2008 associated with refinement of attribution of Nuclear Segregated Funds balance to station level, consistent with the ONFA.
- 2008 amount per EB-2007-0905 Undertaking J15.1 Addendum #2, Pg. 1, line 26.
- Reclassification of amounts from non-ARC portion of PP&E to ARC. There is no impact on the payment amounts set in EB-2007-0905, as the reclassification would not have impacted the forecast depreciation expense for the prescribed facilities (the same service life applies to non-ARC PP&E and ARC) and cost of capital (forecast average UNL was lower than forecast average ARC) used to determine the payment amounts.

Table 2
Bruce Facilities - Asset Retirement Obligation, Nuclear Segregated Funds, and Asset Retirement Costs (\$M)
Years Ending December 31, 2008, 2009, 2010, 2011 and 2012

Line No.	Description	Note	2008 Actual ¹	2009 Actual	2010 Budget	2011 Plan	2012 Plan
			(a)	(b)	(c)	(d)	(e)
	ASSET RETIREMENT OBLIGATION						
1	Opening Balance	2	4,860.0	5,077.8	5,315.0	5,333.9	5,561.0
2	Darlington Refurbishment Adjustment	3	0.0	0.0	(204.4)	0.0	0.0
3	Adjustment to Remove Cobalt Waste Management Provision	4	(2.4)	0.0	0.0	0.0	0.0
4	Adjusted Opening Balance (line 1 + line 2 + line 3)		4,857.6	5,077.8	5,110.7	5,333.9	5,561.0
5	Used Fuel Storage and Disposal Variable Expenses		14.0	14.4	16.7	17.0	24.0
6	Low & Intermediate Level Waste Management Variable Expenses	5	11.2	4.4	0.9	0.8	0.7
7	Accretion Expense		267.4	279.3	282.4	294.5	307.2
8	Expenditures for Used Fuel, Waste Management & Decommissioning	6	(72.4)	(62.0)	(76.8)	(85.2)	(85.9)
9	Consolidation Adjustment		0.0	1.2	0.0	0.0	0.0
10	Closing Balance (line 4 + line 5 + line 6 + line 7 + line 8 + line 9)		5,077.8	5,315.0	5,333.9	5,561.0	5,807.0
11	Average Asset Retirement Obligation ((line 4 + line 10)/2)		4,967.7	5,196.4	5,222.3	5,447.4	5,684.0
	NUCLEAR SEGREGATED FUNDS BALANCE						
12	Opening Balance	2	4,410.0	4,625.1	5,187.2	5,522.6	5,879.9
13	Reallocation Adjustment	7	23.1	0.0	0.0	0.0	0.0
14	Adjusted Opening Balance (line 12 + line 13)		4,433.1	4,625.1	5,187.2	5,522.6	5,879.9
15	Earnings (Losses)		(183.9)	386.2	268.8	286.2	304.6
16	Contributions		395.0	214.1	113.9	105.5	99.7
17	Disbursements	6	(19.0)	(38.2)	(47.3)	(34.4)	(31.2)
18	Closing Balance (line 14 + line 15 + line 16 + line 17)		4,625.1	5,187.2	5,522.6	5,879.9	6,252.9
19	Average Nuclear Segregated Funds Balance ((line 14 + line 18)/2)		4,529.1	4,906.2	5,354.9	5,701.3	6,066.4
	ASSET RETIREMENT COSTS (ARC)						
20	Opening Balance	8	1,128.0	1,084.4	1,035.8	825.2	796.8
21	Darlington Refurbishment Adjustment	3	0.0	0.0	(182.1)	0.0	0.0
22	Reclassification Adjustment	9	5.0	0.0	0.0	0.0	0.0
23	Adjusted Opening Balance (line 20 + line 21 + line 22)		1,133.0	1,084.4	853.7	825.2	796.8
24	Depreciation Expense		(48.6)	(48.5)	(28.5)	(28.5)	(28.5)
25	Closing Balance (line 23 + line 24)		1,084.4	1,035.8	825.2	796.8	768.3
26	Average Asset Retirement Costs ((line 23 + line 25)/2)		1,108.7	1,060.1	839.5	811.0	782.6

Notes:

- 2008 values are annual amounts.
- 2008 amount per EB-2007-0905 Payment Amounts Order, Appendix A Table 8
- Adjustment recorded on January 1, 2010 associated with the changes to the end-of-life date assumptions underlying the ARO calculation, as a result of the approval of the definition phase of the Darlington Refurbishment project.
- Adjustment in 2008 is to remove the provision related to managing the production and disposal of Cobalt-60. The provision is not part of OPG's obligations for decommissioning, used fuel or low and intermediate-level waste management, and is not within the scope of the liability calculations for the purposes of the ONFA. The provision is not included in subsequent years.
- Amounts for 2008 and 2009 include expenses (\$7.4M in 2008 and \$1.3M in 2009) recognized as part of the ARO for processing refurbishment waste received from Bruce Power under a supplemental agreement, as discussed in Ex. G2-T2-S1. In Ex. G2-T2-S1, Table 5, associated payments under this agreement have been netted against these expenses to conform with the presentation in Payment Amounts Order EB-2007-0905 and OPG's external financial statements. The expenses must be shown on a gross basis for ARO continuity purposes, and to reflect appropriately the revenue requirement impact of the Nuclear Liabilities. Amounts for 2010-2012 do not include any expenses related to the supplemental agreement.
- Expenditures incurred by OPG relate to both short-term programs (Used Fuel Storage, L&ILW Storage) and long-term programs (Used Fuel Disposal, L&ILW Disposal and Decommissioning), whereas disbursements from Nuclear Segregated Funds cover long-term programs only.
- Adjustment in 2008 associated with refinement of attribution of Nuclear Segregated Funds balance to station level, consistent with the ONFA.
- 2008 amount per EB-2007-0905 Undertaking J15.1 Addendum #2, Pg. 1, line 26.
- Reclassification of amounts from non-ARC portion of PP&E to ARC. There is no impact on the payment amounts set in EB-2007-0905, as the reclassification would not have impacted the forecast depreciation expense for Bruce stations (the same service life applies to non-ARC PP&E and ARC) used to determine the payment amounts.

Numbers may not add due to rounding.

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 Table 3

Table 3
 Impact of Darlington Refurbishment Project - Assignment of ARO Adjustment and Allocation of ARC to Nuclear Stations (\$M)

Line No.	Description	Pickering A	Pickering B	Darlington	Prescribed Facilities Total	Bruce A	Bruce B	Bruce Facilities Total	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Decommissioning Program	41.8	1.7	(504.9)	(461.5)	0.8	1.5	2.3	(459.1)
2	Intermediate Level Waste Program	(66.3)	(73.2)	180.2	40.6	(1.9)	(14.4)	(16.3)	24.4
3	Low Level Waste Program	14.7	13.4	51.6	79.7	7.2	(4.8)	2.4	82.1
4	Used Fuel Disposal Program	(155.8)	(149.4)	1,108.4	803.2	(168.8)	(104.9)	(273.7)	529.5
5	Used Fuel Storage Program	0.8	4.0	30.4	35.3	74.1	6.8	81.0	116.2
6	ARO Adjustment Assignment to Station Level	(164.8)	(203.5)	865.7	497.4	(88.7)	(115.7)	(204.4)	293.0
7	Reallocation of Negative Net Book Value of Stations¹	(0.9)	0.6	(22.0)	(22.2)	(12.4)	34.7	22.2	0.0
8	Asset Retirement Cost Adjustment	(165.7)	(202.9)	843.7	475.2	(101.1)	(81.0)	(182.1)	293.0

1 Net Book Value of Bruce B at December 31, 2009 is \$81.0M. The value of Bruce B, after allocation of \$115.7M in negative ARC on January 1, 2010 would be negative \$34.7M. Per GAAP, the negative value is to be reallocated to other nuclear facilities. The basis of the reallocation was the proportionate net book value of the ARC by station as at January 1, 2010.

Numbers may not add due to rounding.

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Table 4
 Revenue Requirement Impact of Adjustment to Nuclear Liabilities Due To Darlington Refurbishment Project (\$M)
 Years Ending December 31, 2011 and 2012

Line No.	Description	Note or Reference (for Col. (a) and (b))	With Darlington		Note or Reference (for Col. (c) and (d))	Without Darlington		(a)-(c)+(b)-(d) Revenue Requirement Impact (e)
			2011 (a)	2012 (b)		2011 (c)	2012 (d)	
PRESCRIBED FACILITIES								
1	Depreciation of Asset Retirement Costs	Note 1, C2-T1-S2 Table 1	33.2	33.2	Note 1, C2-T1-S2 Table 1	123.8	123.8	(181.1)
2	Used Fuel Storage and Disposal Variable Expenses	C2-T1-S2 Table 1	26.6	28.5	Note 2	22.6	24.3	8.2
3	Low & Intermediate Level Waste Management Variable Expenses	C2-T1-S2 Table 1	0.8	0.8	Note 2	0.8	0.8	0.0
Return on ARC in Rate Base:								
4	Accretion Rate	C1-T1-S1 Tables 1 and 2	85.0	83.1	Note 2, 3	51.1	44.2	72.9
5	Weighted Average Cost of Capital	C2-T1-S2 Table 5	0.0	0.0	Note 3	0.0	0.0	0.0
6	Total Revenue Requirement Impact - Prescribed Facilities (line 1 + line 2 + line 3 + line 4 + line 5)		145.7	145.6		198.3	193.0	(100.0)
BRUCE FACILITIES								
7	Depreciation of Asset Retirement Costs	Note 1, C2-T1-S2 Table 2	28.5	28.5	Note 1, C2-T1-S2 Table 2	48.5	48.5	(40.2)
8	Used Fuel Storage and Disposal Variable Expenses	C2-T1-S2 Table 2	17.0	24.0	Note 2	15.1	21.6	4.2
9	Low & Intermediate Level Waste Management Variable Expenses	C2-T1-S1 Table 2	0.8	0.7	Note 2	0.8	0.7	0.0
10	Accretion	C2-T1-S2 Table 2	294.5	307.2	Note 2	303.8	316.2	(18.3)
11	Less: Segregated Fund Earnings (Losses)	C2-T1-S2 Table 2	286.2	304.6	C2-T1-S2 Table 2	286.2	304.6	0.0
12	Total Revenue Requirement Impact - Bruce Facilities (line 7 + line 8 + line 9 + line 10 - line 11)		54.5	55.8		82.1	82.5	(54.2)
13	Total Revenue Requirement Impact of Adjustment to Nuclear Liabilities Due to Darlington Refurbishment Project (col. (e): line 6 + line 12)							(154.2)

Notes:

1 The 2009 Depreciation Expense would remain unchanged for 2010 to 2012 in the absence of the changes associated with the Darlington Refurbishment Project.

Facilities	2009 (a)	2010 (b)	(b)-(a) Annual Impact (c)
Prescribed	123.8	33.2	(90.6)
Bruce	48.5	28.5	(20.1)

2 "Without Darlington" numbers are derived from a base case calculation of Asset Retirement Obligation (ARO) and Asset retirement Costs (ARC) before the Darlington ARO adjustment, and are presented for illustrative purposes.

3 Revenue Requirement impact of accretion rate without Darlington Refurbishment Project.
 If the forecast of unfunded nuclear liabilities (total ARO less segregated funds) is lower than the unamortized ARC, then that difference is assumed to be the funded portion of the unamortized ARC. The funded portion earns a return at the weighted average cost of capital (WACC). During the test period, the unamortized ARC is less than UNL, so none of the unamortized ARC earns the WACC.

Line No.	Description	(2010 amount from Ex. C2-T1-S2 Table 1, line 22, col. (g)) Asset Retirement Cost Opening Balance (a)	(Ex. C2-T1-S2 Table 1 line 26, col. (f)) Depreciation Expense (b)	(a)-(b) Closing Balance (c)	((a)+(c))/2 Gross Plant Rate Base Amount (d)	Average Accretion Rate (e)	(d) x (e) Pre-Tax Revenue Requirement (f)
2010 Budget:							
1	Adjustment for Lesser of UNL or ARC	1,098.0	123.8	974.2	1,036.1	5.60%	58.0
2011 Plan:							
2	Adjustment for Lesser of UNL or ARC	974.2	123.8	850.4	912.3	5.60%	51.1
2012 Plan:							
3	Adjustment for Lesser of UNL or ARC	850.4	123.8	726.6	788.5	5.60%	44.2

Numbers may not add due to rounding.

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 Table 5

Table 5
 Revenue Requirement Impact of OPG's Nuclear Liabilities (\$M)
 Years Ending December 31, 2008, 2009, 2010, 2011 and 2012

Line No.	Description	Note or Reference	2008 Actual	2009 Actual	2010 Budget	2011 Plan	2012 Plan
			(a)	(b)	(c)	(d)	(e)
	PRESCRIBED FACILITIES						
1	Depreciation of Asset Retirement Costs	C2-T1-S2 Table 1	124.0	123.8	33.2	33.2	33.2
2	Used Fuel Storage and Disposal Variable Expenses	C2-T1-S2 Table 1	19.0	19.2	23.0	26.6	28.5
3	Low & Intermediate Level Waste Management Variable Expenses	C2-T1-S2 Table 1	1.7	3.5	1.1	0.8	0.8
	Return on Rate Base:						
4	Accretion Rate	Note 1, C1-T1-S1 Tables 1-5	53.9	65.0	86.9	85.0	83.1
5	Weighted Average Cost of Capital	Note 3	17.8	0.0	0.0	0.0	0.0
6	Total Revenue Requirement Impact (line 1 + line 2 + line 3 + line 4 + line 5)		216.4	211.5	144.2	145.7	145.6
	BRUCE FACILITIES						
7	Depreciation of Asset Retirement Costs	C2-T1-S2 Table 2	48.6	48.5	28.5	28.5	28.5
8	Used Fuel Storage and Disposal Variable Expenses	C2-T1-S2 Table 2	14.0	14.4	16.7	17.0	24.0
9	Low & Intermediate Level Waste Management Variable Expenses	C2-T1-S2 Table 2	11.2	4.4	0.9	0.8	0.7
10	Accretion	Note 2, C2-T1-S2 Table 2	200.6	279.3	282.4	294.5	307.2
11	Less: Segregated Fund Earnings (Losses)	Note 2, C2-T1-S2 Table 2	(138.0)	386.2	268.8	286.2	304.6
12	Return on Rate Base	Note 4	15.4	0.0	0.0	0.0	0.0
13	Total Revenue Requirement Impact (line 7 + line 8 + line 9 + line 10 - line 11 + line 12)		427.6	(39.5)	59.6	54.5	55.8

Notes:

- Effective April 1, 2008: Lesser of ARC and UNL earns the weighted average accretion rate. Accretion Rate Prior to April 1, 2008 was not used to determine revenue requirement.
- Return on Rate Base, Accretion, and Segregated Fund Earnings for 2008 are prorated by 9/12 to remove pre-April 1, 2008 amounts.
- If UNL is less than ARC then the funded ARC earns WACC effective April 1, 2008.
 Prior to April 1, 2008 the entire ARC earned WACC. Before April 1, 2008 WACC of 5.55% (55% debt *6% + 45% equity *5%) applied to entire ARC.

Year	ARC (\$M) (from C2-T1-S2 Table 1)	UNL (\$M) (from C2-1-2 Table 1)	ARC-UNL (\$M) (a)-(b)	Annual WACC (d)	Return (\$M) (c)x(d)	WACC Reference
	(a)	(b)	(c)	(d)	(e)	
2008 Pre-April 1	1,283.7	n/a	1,283.7	5.55%	17.8	
2008 Post April 1	1,283.7	1,329.1	(45.3)	5.37%	0.0	Note 4
2009	1,159.8	1,449.7	(289.9)	7.19%	0.0	Note 4
2010	1,556.5	1,783.5	(227.0)	3.94%	0.0	C1-T1-S1 Table 3
2011	1,523.3	1,695.7	(172.4)	7.56%	0.0	C1-T1-S1 Table 2
2012	1,490.1	1,620.8	(130.7)	7.59%	0.0	C1-T1-S1 Table 1

* Return for the prescribed facilities for 2008 Pre-April 1 and for 2008 Post April 1 are prorated by 3/12 and 9/12 respectively.

- OPG was disallowed the opportunity to earn a return on these assets effective April 1, 2008. OPG earned 5.55% on its average unamortized ARC (per Ex. C2-T1-S2 Table 2) prior to April 1, 2008.