

UNDERTAKING J5.12

Undertaking

For the Improve Maintenance Facilities at Darlington Project (31717), to reconcile from Exhibit D2, Tab 1, Schedule 2, Table 1b the amount proposed to close to rate base in 2012 with the year-over-year capital expenditures.

Response

The 2007-2012 actual, budget and plan amounts for Project 31717 total \$44.1M, while only \$39.9M is declared in-service in 2012 (Ex. D2-T1-S2 Table 1b, Line 3 Columns (g) to (l) and Column (f), respectively). This is due to the fact that the project forecast was updated in August 2009. While these updated forecasts were reflected in the \$44.1M referenced above, the 2012 'in-service forecast' of \$39.9M was not updated. This was simply an oversight on OPG's part.

In addition to the forecast of \$44.1M, OPG forecasts additional close-out costs of approximately \$0.4M for 2013, resulting in a total project forecast of approximately \$44.5M. This is well below the approved project estimate of \$57.7M provided in the Partial Release BCS (Ex. D2-T1-S2 Attachment 1, Tab 3) and shown at Ex. D2-T1-S2 Table 1a, Line 3, Column (g).