UNDERTAKING J10.6

Undertaking

To provide amount of write-down for heavy water, and when write-down occurred.

Response

Since its inception, OPG has not written down any heavy water assets. OPG is aware that the former Ontario Hydro wrote down its heavy water assets in 1996 by $1,203M.

OPG commenced operations on April 1, 1999 upon purchasing certain assets and assuming certain rights and obligations of the electricity generation business of the former Ontario Hydro. The purchase price of these assets, rights and obligations was determined in aggregate based on the present value of estimated future operating results and cash flows of the acquired business. As such, it is not possible or meaningful to compare the assigned value of any individual assets acquired by OPG as part of the purchase of the business to the book value of these assets at which they may have been recorded by the former Ontario Hydro.

OPG also notes that the debt assumed by the Ontario Electricity Financial Corporation (“OEFC”) as part of the reorganization of former Ontario Hydro was not in relation to individual assets. As such, it is not possible or meaningful to attempt to assign any portion of former Ontario Hydro’s debt assumed by the OEFC to the difference between the values assigned by OPG to individual assets as part of the valuation of the purchased business and the book values at which these assets may have been recorded by the former Ontario Hydro.

As noted in the evidence at Ex. G2-T1-S1, page 4, surplus heavy water is not in the prescribed facilities rate base and has not been in the prescribed facility rate base since regulation of the prescribed facilities commenced on April 1, 2005.