**UNDETAUKING J15.1**

**Undertaking**

To provide HST returns filed from July 2010 onward, with allocation factor for regulated and unregulated components.

**Response**

OPG understands that this undertaking was modified in an exchange between Mr. Millar and Mr. Heard at Tr. Vol. 15, pages 84 - 85 such that the actual HST returns filed by OPG as a legal entity would not be required.

Mr. Heard specifically noted on pg. 84, lines 22 - 28:

> As I am thinking about it, I’m reminded by Mr. Barrett that the HST returns that you would see would be for the company as a whole, and therefore they probably wouldn’t be very meaningful, in the sense that our head office building, for example, is covered by employees working in the regulated business and the unregulated business.

Mr. Heard further noted on pg. 85, lines 3 - 5 that the previous estimates of HST savings provided as part of this proceeding included the use of allocations to arrive at the regulated portion of the savings.

Mr. Millar agreed that the allocated amount pertaining to the regulated operations was more meaningful than the company-wide HST returns in the following exchange at lines 6 - 13 on page 85:

> MR. MILLAR: Could you perform a similar allocation for August and September?
> MR. HEARD: Yes, we could.
> MR. MILLAR: Okay. So could I include that as part of the undertaking?
> MR. HEARD: Yes. That would probably be more meaningful than showing you the actual returns.
> MR. MILLAR: Yes, I agree. We will call that Undertaking J15.1.

Given this modification, OPG is providing an estimate of its net HST savings for August and September 2010 pertaining to the regulated operations using an allocation approach.

The estimated net HST savings for August and September 2010 were $484,000 and $476,000, respectively. These monthly amounts are consistent with the $6M annualized estimate of net HST savings previously provided in Ex. JT1.9.