

ED Interrogatory #014

Ref: Appendix A of *The Darlington Re-Build Consumer Protection Plan* (attached)

Issue Number: 4.12

Issue: Does OPG's nuclear refurbishment process align appropriately with the principles stated in the Government of Ontario's Long Term Energy Plan issued on December 2, 2013?

Interrogatory

Appendix A of *The Darlington Re-Build Consumer Protection Plan* (attached) provides the original cost forecasts and the actual costs of Ontario's nuclear projects. Does OPG dispute the accuracy of any of the facts provided in this Appendix? If "yes", please state the facts that OPG disputes and provide OPG's opinion as to the correct value(s).

Response

In response to EB-2013-0321, Decision and Order on Motions, dated May 16, 2014, OPG was asked to respond to the question "Does OPG have any basis/evidence to dispute the information contained in the Clean Air Alliance Report, Appendix A page 17, with respect to cost overruns?"

OPG has done a partial validation of the references cited in Appendix A, page 17, of the Clean Air Alliance Report. While OPG believes that the references are correctly cited, to the extent of its review, it is OPG's opinion that in certain cases, the report fails to provide certain critical information that properly sets the context of the cost increases.

As an example, the report cites that in 1999 OPG estimated the total cost of returning the shutdown Pickering A Unit 1 to service would be \$213 million. The reference further cites that the actual cost was 4.8 times higher at \$1.016 billion. The reference fails to recognize that 1) the original estimate was made prior to detailed planning and completion of engineering, and 2) the project was approved by OPG's Board of Director's in July 2004 with a project estimate of \$900 Million. The actual cost of the project was \$1,016 Million, a 12.9% cost growth including project demobilization based on a decision not to restart Units 3 and 4.