

UNDERTAKING J6.1

Undertaking

To produce the business case summaries for the nuclear capital projects listed in Exhibit D2, Tab 1, Schedule 2, Table 1, and the Nuclear OM&A Projects that have total costs greater than \$10 M.

Response

Table 1 below provides a list of the nuclear capital projects greater than \$10M as listed in Ex. D2-T1-S2, table 1, and the nuclear OM&A projects greater than \$10 M as listed at Ex. F2-T3-S3 page 3. Approved business case summaries (BCSs) for the projects listed in Table 1 are attached.

The projects in Table 1 are subdivided into four groups. Tab A lists the six large capital projects that come into service during the test period for which Mr. Rupert requested additional information (Transcript Volume 6, June 2, 2008, page 93, lines 4-26). Tab B lists the remainder of the capital projects greater than \$10M that come into service during the test period. Tab C lists the capital projects greater than \$10M that are expected to be in-service beyond the test period and therefore do not impact revenue requirement. Tab D lists the OM&A projects that are over \$10M and that have expenditures during the test period.

Please note the following exceptions and constraints with regard to the attached approved BCSs:

- To be consistent with the information provided in Undertaking J6.5, the list in Table 1 below includes a copy of the approved business case summary for Project 31718 – Darlington New Change Room Facility, which is now forecast to exceed \$10M.
- For Project 38296 – Darlington Boiler Primary Side Cleaning, listed in Table 1 below, a BCS is not included. The planned test period expenditures for this OM&A project have not yet been released and a BCS for this work has yet to be completed.
- The attached BCSs contain redactions of commercially sensitive information. Specifically, project resource cost estimates (particularly costs for materials and external purchased contract services) and project contingencies are considered commercially sensitive. Their disclosure may unfavourably impact the vendor quotes OPG receives in the future. In addition, commercial information related to OPG non-energy customers and OPG margins on external business (e.g., Project 31555 – Darlington D2O Storage Facility) has also been selectively redacted due to its competitive commercial nature.
- OPG is required to restrict access to certain nuclear facility information by Regulations under the Nuclear Safety Control Act. As a result of these

requirements, business case summaries for security projects are not attached.
The following information applies to approval of security projects:

- For security-related and other regulatory projects, net present value or other cost/benefit analyses are generally not performed in preparation of the business case summary since the projects are required for continued station operation. Instead, the objective is delivering the required regulatory results at the lowest life cycle cost.
- In order to ensure greatest value/lowest viable cost for security projects, OPG therefore:
 - works closely with CNSC staff (directly, or via participation in industry associations) to clearly understand the intent of specific regulations, and constructively influence the resulting requirements to minimize cost of implementation;
 - generates alternatives to meet the resulting regulatory requirements;
 - seeks information as to how and at what cost other utilities have met these requirements; and,
 - competitively bids material and service contracts wherever possible.

This approach was followed for the security projects listed in the attached Table 1.

Table 1 – Projects > \$10 Million with Expenditures in the Test Period

Tab A: Capital Projects Coming In-service During the Test Period (Board Panel Identified Projects)		
25609 ¹	Nuclear Programs and Training	Security Fence Project
25905 ¹	Nuclear Programs and Training	Security Monitoring Room
28452	Darlington	Second Darlington Full Scope Simulator Project
33925 ²	Darlington	Used Fuel Dry Storage Facility Project
34000	Darlington	Auxiliary Heating System – Phase 1 & 2
46537	Pickering A	Calandria Vault Inspection
Tab B: Capital Projects Coming In-service During the Test Period (Balance of Projects)		
25901 ¹	Nuclear Programs and Training	Security Hardening Project
25902 ¹	Nuclear Programs and Training	Controlled Area Improvements
25908 ¹	Nuclear Programs and Training	Security Doors Upgrade
31718	Darlington	Construction Change Room
33293	Darlington	Main Control Room HVAC
33631	Darlington	Chiller Replacement to Reduce CFC Emissions
33815	Darlington	FH Computer Replacement
33977	Darlington	DCC Replacement
34008	Darlington	Feeder Replacement 'ALARA' Optimization
40543	Pickering B	CFC Chillers Replacement Project
49104	Pickering B	Auxiliary Power System for PB
49109	Pickering B	Standby Generator Governor Upgrades
62558 ¹	Nuclear Programs and Training	Security Optimization
62567	Engineering & Modifications	Additional Feeder Cut and Weld Tooling
79016	Darlington	Fire Protection Upgrade Program Phase 2
79147	Pickering B	Chemistry Standards (CH-002) at PB
79148	Darlington	Fire Protection Upgrade Program Phase 3
Tab C: Capital Projects Coming In-service Beyond the Test Period		
31555	Darlington	D20 Storage and Drum Handling Project
31717	Darlington	Maintenance Facility
33955	Darlington	SDS Aging Management
33973	Darlington	Standby Generator Controls Retrofit
49251	Pickering A	D ₂ O Storage and Drum Cleaning Facility
49266	Pickering A	Switchyard Relay Building Replacement
Tab D: OM&A Projects (Expenditures During Test Period)		
38296 ³	Darlington	Boiler Primary Side Cleaning
38457	Darlington	Environmentally Qualified Component Replacements
49201	Pickering A	Unit 4 Boiler Chemical Clean
49204	Pickering A	Unit 4 Boiler Flushing
49248	Pickering A	Units 1&4 -Replace Boiler Divider Plate Locking Tabs
40641	Pickering B	P7 and P8 Tab and Divider Plate Repair
40645	Pickering B	Boiler Water Lancing
62553	Engineering & Modifications	Digital Control Computer Aging Management

Note 1: Business Case Summaries for Security projects have not been provided.

Note 2: Full Release BCS (December 2007) is provided – covering both capital expenditures, and those funded by ONFA funds. Partial Release BCS (July 06) is also included for additional background information.

Note 3: Test period work will be approved under a new project number. A BCS for the test period work is under development, but not yet completed.