CCC Interrogatory #33

Interrogatory

Reference: Exhibit D2/T2/S11/ Attachment 3, pp. 5, 44

This report presents our cost estimate for the engineering design, procurement, construction, and commissioning of the D2O Storage Project, as it would have been calculated before construction began. The cost estimate assumes what might be called "perfect knowledge" with respect to project scope, design requirements, and actual site conditions encountered. The estimate comprises the cost to pay a construction contractor to engineer, procure, and construct ("EPC") the D2O Storage Project, and OPG's in-house cost ("owner's cost") for contract administration, procurement support, and engineering oversight and approval through project turnover, commissioning, and contract close-out, but does not include any costs associated with post-commissioning operations and maintenance ("O&M").

a) Please confirm that Bates White Economic Consulting was provided with full details of OPG's actual costs to bring the D20 Storage Project into service and a full description of the issues experienced by OPG during the course of bringing the D20 Storage Project into service as a result of having received the 507 documents listed at Appendix B of its study prior to Bates White Economic Consulting developing its own cost estimate.
b) Please confirm that Bates White Economic Consulting was not asked to and did not consider alternatives to the D20 Storage Project in order to determine whether there were alternatives that, in light of Bates Economic Consulting's cost estimate of the D20 Storage Project, may have been preferable.
c) Please confirm that Bates White Economic Consulting's study does not purport to have examined OPG's or OPG's contractors' actual performance in bringing the D20 Storage Project into service.

Response

a) OPG is unable to confirm because the question is unclear in its use of the term "full details." The material that was provided to Bates White is listed in Ex. D2-2-11, Attachment 3, Appendix B. As this extensive list makes clear, the Bates White team asked for and received all the information they deemed necessary during the course of developing their independent estimate of the costs to construct the D2O Storage Project. Among these 507 documents are OPG's Business Case Summaries ("BCS") (see Ex. D2-2-10, Attachments 2k-2q). These BCS describe issues encountered during the project and request the funding necessary for the project.

b) – c)

The scope of Bates White's assignment is set out in paragraphs one and two of Ex. D2-2-11, Attachment 3, p. 5. OPG confirms that neither considering alternatives to the D2O Storage Project nor assessing contractor performance were included in this scope.