Energy Probe Interrogatory #20

Interrogatory

Reference:
Exhibit D2, Tab 2, Schedule 4, Page 8

Preamble: "Specifically, if OPG's total Program costs through to the RTS of Unit 2 were less than $5,623M, CanAtom would have been entitled to 100% of the first $6M of such savings, and 50% of any of such savings above $6M ("Unit 2 Cost Incentive")."

a) Please explain how the $6 million amount was derived.

b) Has CanAtom paid OPG $6 million or is OPG just withholding $6 million in payment to CanAtom?

Response

a) The $6M is derived according to the terms of the Infrastructure Team Agreement for the Darlington Generating Station Refurbishment Program between CanAtom and OPG (the "ITA"), as stated in Ex. D2-2-4, Attachment 6, p. 2. The $6M is a negotiated outcome based on the maximum payable by OPG to CanAtom under the ITA for CanAtom's additionally appointed management team which provided dedicated support for CanAtom's work and the overall Darlington Refurbishment Program.

b) As stated in Ex. D2-2-4, p. 7, lines 10-17, OPG had paid the $6M cost to CanAtom. The current terms of the Retube and Feeder Replacement, Engineer, Procure, Construct ("RFR EPC") contract detailed at Ex. D2-2-4, p. 13. set out how CanAtom is to repay the $6M to OPG as a result of not having earned the Unit 2 Cost Incentive established by RFR EPC Amendment 9 (see Ex. D2-2-4, p. 7, lines 1-8).