Energy Probe Interrogatory #21

Interrogatory

Reference:
Exhibit D2, Tab 2, Schedule 6, Page 8 and Schedule 7, page 7

Please file a table showing the continuity of contingency, starting with contingency approved by the OEB in EB-2016-0152, showing the amounts of contingency used each year since the start of the DRP and the forecast of remaining contingency for each year of the DRP. For each year please explain why the contingency was used and what it was used for.

Response

The contingency included in the amount approved by the OEB in EB-2016-0152 for Unit 2, including the Definition Phase, was $694.1M. As discussed in Ex. D2-2-2, Section 2, in August 2016, OPG prepared the Unit 2 Execution Estimate ("U2EE") which was then used by OPG as the baseline against which the performance of Unit 2 was measured. The contingency included in the U2EE was $677.5M (see EB-2016-0152, Ex. L-4.3-1 Staff-055, Attachment 1). Therefore, OPG monitored contingency usage against the U2EE baseline amount of $677.5M.

Attachment 1 provides the derived contingency usage by year for the Unit 2 refurbishment. Attachment 1 also provides the major critical path activities which were underway in each period and the major contingency disbursements in each period. OPG's process for the control and approval of contingency is described in Ex. D2-2-6, Section 3.3, p. 9.

OPG cannot provide a forecast of usage of the remaining contingency, by year, until the end of the DRP. To do so would require perfect foreknowledge, both of when the risks OPG has used to develop the contingency requirement may arise, as well as the timing and impact of any unforeseen risks which may arise and, therefore, exactly how much contingency would be required to mitigate these risks.