Energy Probe Interrogatory #35

Interrogatory

Reference:
Exhibit D2, Tab 2, Schedule 9, pages 4 and 5

a) Please confirm that the OEB approved scope for Unit 2 refurbishment was reduced by the removal of two projects from the scope: the $27.4 million Breathing Air Capacity Enhancement project and the $24.1 million Fuel Handling Power Track Refurbishment project.

b) Please confirm based on the OEB approved scope, Unit 2 refurbishment actually came in over the OEB approved budget.

c) Did OPG staff responsible for Unit 2 refurbishment earn an incentive payment for completing it "under budget"?

d) Please explain the reasons for each of "the higher than planned project spend on the Third Emergency Power Generator (+$35.0M), Containment Filtered Venting System (CFVS) modifications (+$29.4M) and Shield Tank Overpressure Protection (STOP) (+$21.3M)."

Response

a) Not confirmed. All of the scope included within the OEB's approval of $4,800.2M for the Unit Refurbishment – Unit 2 was completed.

b) OPG stated in evidence that compared to the U2EE, OPG completed the refurbishment of Unit 2 itself (i.e. excluding the definition phase) on budget at $3,417M. See Ex. D2-2-2, p. 2, lines 7-8.

   Relative to the EB-2016-0152 OEB approved amounts, OPG completed the OEB approved scope with a forecast variance of $132.7M, which is recorded in the Capacity Refurbishment Variance Account.

c) See part b) regarding OPG's total actual cost to complete the scope corresponding to EB-2016-0152 approved amounts. Incentive payments for all eligible Management employees are based on OPG's Stakeholder Return Program ("SRP") that ties to the company's annual Corporate Balanced Scorecard ("Scorecard"). DN Refurbishment cost is a key performance measure of the Scorecard, typically weighted at 10% each year. Any deviation from the target will

have an impact on the overall corporate score. Refer to L-F4-03-AMPCO-176 for a copy of OPG's Corporate Balanced Scorecards.

d) OPG declines to produce the requested information on the basis of relevance. The listed projects are included in the CRVA amounts related to DRP that OPG is not seeking to clear or include in rate base in this application. As such, the information requested is not relevant to any issue in this application.