Board Staff Interrogatory #139

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 7 / Chart 1

Preamble:

Chart 1 at Exhibit D2 / Tab 2 / Schedule 7 shows that between RQE and U3EE, OPG's cost estimate for Major Work Bundles has increased, its contingency cost estimate has decreased, and its Total High Confidence Estimate has not changed. Reasons include incorporation of lessons learned and reflecting contingency utilized on Unit 2 in base estimates.

Question(s):

a) Please comment on how OPG's lessons learned are translating to savings for ratepayers, given that the total DRP estimate does not change as lessons learned are incorporated.

Response

a) At the time of establishing the Release Quality Estimate (RQE) in 2015 of $12.8B for the DRP, OPG planned, through the incorporation of Lessons Learned (and Strategic Improvements), that the cost for each subsequent unit's refurbishment would be reduced as the work was replicated. The continued application of Lessons Learned into the Remaining Units' refurbishment outage planning and execution contributes to reduced cost and schedule uncertainties and the number of discrete risks associated with these units' refurbishments. Accordingly, there is an increased likelihood that the DRP will be completed within its Program estimate.

   OPG will continue to monitor, assess and explore potential efficiencies gained through the Lessons Learned program for the remainder of the DRP in an effort to complete the Program, inclusive of COVID-19 cost impacts, within the $12.8B budget. The Capacity Refurbishment Variance Account will record any differences, including savings, between the actual and forecast in-service amounts approved in this proceeding.