Board Staff Interrogatory #159

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 10 / p. 106

Preamble:

OPG stated that early estimates of project cost and schedule were understated.

Question(s):

a) Please confirm how over-schedule the D2O Storage Project was at completion?

b) In OPG's analysis, did the project take more time and money to complete than it would have otherwise taken if the full scope of the project was reflected in early estimates, such as in the Developmental Release? If so, by how much? if not, why not?

Response

a) As further explained in part b, OPG agrees that the schedule underpinning the Bates White estimate, six years, is realistic. The project took about a year and half longer than this estimate.

b) OPG cannot say definitively what would have happened had it been possible to begin the D2O Storage Project after engineering was complete. We believe that the Bates White estimate prepared with "perfect knowledge" provides a realistic approximation of the cost and schedule to complete the project had the full scope been known at the outset. Bates White's estimated schedule would have had the project being completed about a year and half earlier. Bates White's estimated cost is comparable to the amount that OPG is seeking in this application. The explanation for how the two schedules could diverge, while the costs remained comparable is found in the target price/maximum price contract that OPG negotiated with CanAtom. Under this contract, CanAtom incurred additional costs that OPG did not pay.