Board Staff Interrogatory #128

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 2 / p. 2
Exhibit D2 / Tab 2 / Schedule 7 / Attachment 1 / Appendix 2
Exhibit D2 / Tab 2 / Schedule 9 / Table 2 / Column G
Exhibit B3 / Tab 3 / Schedule 1 / Table 2 / Line 2 / Column C

Preamble:

In the first reference, OPG noted that relative to the OEB-approved amount of $5,177.4 million for the refurbishment of Unit 2 (including the Definition Phase), Early-In-Service projects, Facilities and Infrastructure Projects (F&IP) and Safety Improvement Opportunities (SIO), there is a forecast variance of $132.7 million.

The second reference provides a four-unit cost summary and states that Unit 2 cost $3,417 and that "Pre-Reqs (Unit 0/D/F&S)" cost $2,764 million for an apparent total of $6,181 million.

The third reference suggests the refurbishment of Unit 2 cost at least $4,761.8 million (row 5) or $6,006.4 million (row 18).

Question(s):

a) Please clarify what it cost to refurbish Unit 2 and reconcile with the Unit 2 refurbishment costs cited in the first three references noted above.

b) Please explain the difference between the $132.7 million cited in the first reference and the $134.6 million adjustment to DRP-related gross plant at the fourth reference.

Response

a) The cost to refurbish Unit 2 itself (i.e. excluding the Definition Phase) was $3,417M as provided in Ex. D2-2-2, p.2, line 8. This number includes both capital and OM&A.

In the first reference, Ex. D2-2-2, p.2, line 1, the $5,177.4M refers to the EB-2016-0152 approved capital in-service amounts of $4,800.2M for Unit 2, including the Definition Phase, and $377.2M for Early-In-Service projects, Facilities and Infrastructure Projects ("F&IP") and Safety Improvement Opportunities ("SIO").

More detail is provided in Ex. D2-2-2, p. 11, line 17 to p.12 line 8. For clarity, the components of the forecast variance of $132.7M mentioned in Ex. D2-2-2, p.11, line 21, are summarized in the following table:

Description	OEB Approved Amount ($M)	Actual In-Service Amount ($M)	Variance ($M)
Unit 2, Including Definition Phase	4,800.2	4,761.8	-38.5
Early-In-Service, F&IP, SIO	377.2	548.4	171.2
Total	5,177.4	5,310.2	132.7

The second reference, Ex. D2-2-7, Attachment 1, Appendix 2, is a four-unit cost summary. The cost of refurbishing Unit 2 itself (i.e. excluding the Definition Phase) of $3,417M, matches the Unit 2 cost provided above. However, these numbers cannot be compared to the OEB approved capital in-service amounts in the first reference of $5,177.4M, because they:

1. Include actual OM&A spends on Unit 2 and Pre-Requisites. Pre-requisites refers to work that is common to all or a pair of units (Unit 0), Definition Phase work (UD) and Early-in-Service projects, F&IP and SIO (UF&S).
2. Include capital amounts which have been expended, but were not in the EB-2016-0152 OEB approved amounts (i.e., the D2O Storage Project).
3. Include capital and OM&A amounts approved by the OEB and expended prior to 2016, which would not be included in the $5,177.4M in the first reference.

The third reference, Ex. D2-2-9, Table 2, Column G, lists the total capital in-service amounts for only those projects within the Darlington Refurbishment Program which have an in-service amount greater than $20M:

1. As noted above the $4,761.8M (row 5) is the total capital in-service amount for Unit 2, including the Definition Phase.
2. The total of $6,006.4 (row 18) is a capital in-service amount only for those projects with an in-service amount greater than $20M and cannot be compared against the $6,181M in reference 2, because it contains no OM&A amounts or amounts for projects less than $20M.

b) The difference between the $132.7 million cited in the first reference and the $134.6 million adjustment to DRP-related gross plant at the fourth reference is a $1.9M Early-in-Service project for Unit 3, forecasted to go into service in 2021, for which approval was not sought in EB-2016-0152. See Ex. D2-2-9, p. 6, line 20, and footnote 9.