Board Staff Interrogatory #140

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 7 / Chart 1
Exhibit D2 / Tab 2 / Schedule 6 / p. 6

Preamble:

Chart 1 at Exhibit D2 / Tab 2 / Schedule 7 shows an RQE contingency estimate of $2,006 million. OPG stated that the Remaining Units' unspent contingency amount of $647 million is 49% of the $1,312 million that was initially allocated to Units 3, 1, and 4 at RQE.

a) How much of the $2,006 million contingency from RQE was utilized on Unit 2?

b) Does the $647 million contingency estimate in U3EE represent the remainder of the $2,006 million not spent on Unit 2, or does it reflect an updated view of the program and its risks?

Response

a) $677M of contingency was utilized on Unit 2. This is the amount of contingency included in the Unit 2 Execution Estimate for Unit 2, including the Definition Phase (see EB-2016-0152, Ex. L4.3-1 Staff-055, Attachment 1).

b) The $647M contingency estimate in the U3EE reflects an updated view of the required contingency for the Remaining Units of the DRP, given an updated view of risks and uncertainties. See Ex. D2-2-6, Section 3.1 for a discussion of how base or "point" estimates are expected to evolve as a mega-program such as the DRP proceeds, as well as a discussion of how cost and schedule uncertainties, and discrete risks are expected to decrease.