Board Staff Interrogatory #126

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 1 / p. 1
Exhibit D2 / Tab 2 / Schedule 9 / Tables 5a-5b
Exhibit F2 / Tab 7 / Schedule 1 / Table 1

Preamble:

OPG referenced a four-unit, program-level control budget of $12,800 million for the DRP.

On the basis of Tables 5a and 5b at Exhibit D2 / Tab 2 / Schedule 9, OEB staff calculates that the total actual and proposed DRP-related in-service additions for the 2016-2026 period are $12,249.4 million. On the basis of Table 1 at Exhibit F2 / Tab 7 / Schedule 1, OEB staff calculates that the total actual and proposed DRP-related OM&A costs for the 2016-2026 period are $241.0 million. Therefore, the total DRP cost (both capital and OM&A) for the 2016-2026 period is $12,490.4 million.

Question(s):

a) Please complete the following table with actual and planned / projected DRP costs. An "other" category is provided if needed to capture cost types not already captured in previous categories. If the "other" category is used, please provide explanatory notes.

		a	b	c	d	f
	($M)	**2016 and prior**	**2017-2021**	**2026-2026**	**2027 and later**	**Total** (a + b + c + d)
1	**OM&A**					
2	**In-Service Capital**					
3	**Other / TBD cost**					
4	**Total** (1 + 2 + 3)					

b) Please comment on how the total actual and projected costs in the table above compare against the DRP's $12,800 million four-unit, program-level control budget and OEB staff's calculation set out in the preamble.
c) Please complete the following table with OEB-approved DRP costs.

		a	b	c
	($M)	**2016 and prior**	**2017-2021**	**Total**
1	**OM&A**			
2	**In-Service Capital**			
3	**Total** (1 + 2)			

d) Please complete the following table to summarize any variance between actual DRP costs and OEB-approved DRP costs.

		a	b	c
	($M)	**2016 and prior** (Actual minus OEB-approved)	**2017-2021** (Actual minus OEB-approved)	**Total** (a + b)
1	**OM&A**			
2	**In-Service Capital**			
3	**Total** (1 + 2)			

Response

Please note that there is an error in the preamble. Based on Table 1 of Ex. F2-7-1, the total actual and proposed DRP-related OM&A costs for the 2016-2026 period is $238.0M instead of $241.0M.

a) The actual and projected DRP costs are provided in Chart 1 below. The header in column (c) was corrected from 2026-2026 to 2022-2026.

Chart 1: Actual and Projected DRP Costs[1]

		a	b	c	d	f
		2016 and prior ($M)	**2017-2021 ($M)**	**2022-2026 ($M)**	**2027 and later ($M)**	**Total** (a+b+c+d) **($M)**
1	**OM&A**	21.0	124.3	110.5	N/A	255.9
2	**In-Service Capital**	619.2	5,482.4	6,442.6	N/A	12,544.1
3	**Other / TBD cost**	N/A	N/A	N/A	N/A	N/A
4	**Total** (1+2+3)	640.2	5,606.7	6,553.1	N/A	12,800.0

Note 1: Consistent with EB-2020-0290 pre-filed evidence

b) As shown in part a), OPG's assessment of the total actual and projected capital and OM&A costs for the DRP sum to $12.8B.

c) The requested information is provided in Chart 2.

Chart 2: Actual Costs to 2012 and OEB Approved DRP Costs from EB-2013-0321 and EB-2016-0152 for 2013 onwards

		a	b	c
		2016 and prior ($M)	**2017-2021 ($M)**	**Total ($M)**
1	**OM&A**	48.0	126.9	174.9
2	**In-Service Capital**	621.7	4,827.1	5,448.7
3	**Total** (1 + 2)	669.7	4,954.0	5,623.7

For Chart 2, OPG used:

1. Actual costs for 2012 and prior years
2. OEB approved costs for 2014-2015 and the budget for 2013 as submitted to the OEB in EB-2013-0321
3. OEB approved costs for 2017-2021 and the budget for 2016 as submitted to the OEB in EB-2016-0152

d) The requested table is provided below in Chart 3.

Chart 3: Comparison of DRP Actual/Projected Costs (Chart 1) to DRP Actuals to 2012 and OEB Approved from 2013-2021 (Chart 2)

		a	b	c
		2016 and prior ($M)	**2017-2021 ($M)**	**Total ($M)**
1	**OM&A**	(27.0)	(2.6)	(29.6)
2	**In-Service Capital**	(2.5)	655.3	652.8
3	**Total** (1 + 2)	(29.5)	652.8	623.2

For Chart 3:

- The total in-service capital variance of $652.8M is comprised of:
  1. $494.7M in- for the D2O Project placed into service over the period 2016-2021, but not included in prior OEB approvals;
  2. A projected $132.7M difference between OEB approved amounts in EB-2016-0152, which is discussed in detail in OPG pre-filed evidence (see especially Ex. D2-2-9, Section 4);
  3. A projected $1.9M in in-service capital in 2021 related to an Early-in-Service project for Unit 3 which was not included in the OEB approved amounts in EB-2016-0152; and
  4. Prior period capital variances totalling $23.5M which were explained in proceedings prior to EB-2016-0152.
- The net underspend in OM&A prior to 2017 of $27M were also explained in proceedings prior to EB-2016-0152.