Board Staff Interrogatory #161

Interrogatory

Reference:
Exhibit D2 / Tab 2 / Schedule 10 / p. 110

Preamble:

OPG stated that as with the 2015 Superseding Release Execution BCS, the 2018 Superseding Release Execution BCS analyzed the variances that led to increased project costs. OPG mentioned "increased project scope" and "underestimation of cost" as being among the most important contributors to cost increases.

Question(s):

a) Please develop a table which compares the final D2O Storage Project cost with the Developmental Release estimate and that broadly summarizes the sources of cost increases between the two according to categories readily available to OPG based in its prior analysis of variances that led to increases in project costs (i.e. increased project scope, underestimation of cost, etc.). If OPG considers it more appropriate, please create a different version of the above table comparing the final D2O Storage Project cost with the Full Definition Release (i.e. instead of the Developmental Release).

Response

a) Please see Chart 1 below which broadly summarizes the cost increases as between the 2012 Full Definition BCS and the 2018 Superseding Execution Release BCS. Events listed in the 2018 Superseding Release Execution BCS (as well as other BCS) caused OPG to incur additional costs across numerous individual work packages. Because the project tracked costs at the work package level, and not by event, OPG is generally unable to attribute precise costs to events, beyond what is provided in Ex. L-D2-02-Staff-162 and in Ex. D2-2-10, Attachments 2m-2q.

Chart 1: Source of Cost Increases as Between the 2012 Full Definition BCS and the 2018 Superseding Execution Release Execution BCS

Sources of Cost Increase	Cost ($M) 2012 Full Definition BCS	Cost ($M) 2018 Superseding Execution Release Execution BCS
EPC Contracts	65.7	390.3
OPG Procured Materials	-	10.3
OPG Engineering	6.2	16.3
OPG Project Management	4	12.4
Interest	7.5	43.3