SEC Interrogatory #138

Interrogatory

Reference: F4-1-1, Attachment 1, p.17

Please provide a table showing all "existing Darlington assets with remaining lives shorter than the 30-year post refurbishment life assumption for the reactors", together with the unamortized values of those assets, their remaining lives as currently assumed, and OPG's current expectation as to when, if at all, they will be replaced prior to the EOL of the refurbished Darlington units.

Response

Please see Attachment 1 for information on assets tied to Darlington with remaining lives, by asset class, shorter than the 30-year post refurbishment life assumption for the station's reactors.

As noted at Ex. L-F4-01-Staff-269, Attachment 1, OPG intends to review, through future DRC processes, the service life assumptions for any significant existing Darlington asset categories with remaining service lives shorter than the 30-year post-refurbishment life assumption, as part of ongoing due diligence over depreciation expense. In doing so, the DRC process will be informed by ongoing plant condition information and asset management processes. The purpose of this analysis is not to assign an expectation of when each specific asset will be replaced but to broadly assess for changes in service life assumptions in view of 'second life' operations. OPG does not expect the analysis to result in material changes in depreciation expense.

As described in Ex. L-D2-01-AMPCO-41, part c), decisions to replace specific Darlington assets are based on various considerations, including underlying plant condition. Asset management processes and related risk assessments underpinning such decisions are described further in Ex. D2-1-1, Section 3. The Darlington assets identified for replacement during the IR term are listed as candidate projects at Ex. D2-1-3, Table 5a. The need for asset replacements beyond the IR term will be evaluated as candidate projects through future condition assessments and ongoing asset management processes.