Board Staff Interrogatory #267

Interrogatory

Reference:
Exhibit F3 / Tab 2 / Schedule 1 / Table 2

Question(s):

a) For each year during the 2017-2021 period, please provide the percentage of the total asset costs that was recovered through asset services fees from the nuclear business on an actual and planned basis.

b) For each year during the 2022-2026 period, please provide the percentage of the total asset cost that is proposed to be recovered through asset service fees from the nuclear business.

c) Please update Table 2 at Exhibit F3 / Tab 2 / Schedule 1 to include a line item for the asset service fee charged to Laurentis Energy Partners (Laurentis) for the use of Darlington reactors to produce Molybdenum-99.

d) Please advise whether any of OPG's subsidiaries other than Laurentis use OPG's regulated nuclear assets to generate revenues (or otherwise support the businesses).

e) Please advise whether OPG could have produced Molydebenum-99 through the regulated business (similar to Cobalt 60 production) and generated other revenues to the benefit of ratepayers. Please discuss why OPG decided to undertake this activity through a subsidiary.

Response

a) and b)

See Attachment 1.

c) The requested version of Ex. F3-2-1, Table 2, which includes all asset service fees is provided in Attachment 2. For clarity, Ex. F3-2-1, Table 2, in the pre-filed evidence provides asset service fees charged to the regulated nuclear operations, and the asset service fee charged to Laurentis Energy Partners is reduced from line 9 of Ex. F1-1-1 Table 1, as described in note 1 therein.

d) None of OPG's other unregulated subsidiaries make use of OPG's nuclear regulated assets to generate revenues or otherwise support their businesses.

e) The level of risk associated with the Molybdenum-99 ("Mo-99") project made it more suitable for the Mo-99 Project to be undertaken through Laurentis Energy Partners. The Mo-99 project will utilize a first of a kind technique to produce Mo-99 from Molybdenum-98 on a mass scale in a commercial reactor. This comes with significant technical risk due to the complexity of the irradiation methods. At the time the project was identified, BWXT (Laurentis' partner on this project) had not conclusively proven the viability of the Technetium-99 generator technology that will allow for the production of Mo-99 at Darlington. Laurentis bears the risks associated with this project, including the risk that the Mo-99 produced at Darlington will not pass the necessary regulatory reviews with Health Canada and the United States Food and Drug Administration to commercialize the product.