SEC Interrogatory #53

Interrogatory

Reference: D2-1-1, p.7

OPG notes that "[t]he "Value Framework" provides quantitative means to evaluate each asset investment option's benefit and costs with reference to the ability to mitigate key risks":

a. Please provide any internal guide, rubric, or similar document that explains how the benefits, costs, and risk are to be calculated.
b. Please provide a list of investments that had a Value Framework option applied to and included in this application. For each investment, please provide all options (and note the selected option) and their individual net benefit, cost, and risk scores across each of the seven areas.
c. For all projects included in this application that the Value Framework was not used, please explain why not.
d. Is the Value Framework information included in the BCS? If not, please explain why not.

Response

a. Please see Attachment 1 for the Asset Management Value Framework Guide used within OPG Nuclear.

b. The investments that have had the Value Framework applied to each of their options and were included in this Application as candidate projects are shown in the Capital Project Listing - Nuclear Operations Portfolio Projects (Unallocated) at Ex. D2-1-3, Tables 5a and 5b and in the OM&A Project Listing – Nuclear Operations Portfolio Projects (Unallocated) at Ex. F2-3-3, Table 4. See Ex. L-D2-01-AMPCO-017 for a description of the candidate project prioritization process.

   Attachment 2 provides a list of investments, their options (selected option is denoted as the "Recommended Option") along with their individual asset investment net value (i.e., net benefit), cost, and mitigated risk scores across each of the applicable Value Framework areas for each candidate project greater than $20M.[1]

[1] Attachment 2 excludes the Turbine Lubricating Oil Cooler Replacement, Standby Generator (SG) Fuel Oil Storage Tank Bottom Replacement and Shutdown System 1 Rod Drive Capital Spares as each of these candidate projects is actually expected to cost less than $20M. Attachment 2 also excludes the Vault and Containment Vapour Recovery Systems Component Replacement as a BCS has been approved for this project and it is now an active project.

These candidate projects do not yet have an approved Business Case Summary ("BCS") and as such are not considered active projects.

c. The Value Framework is only used to assess and prioritize candidate nuclear asset investments before they become active projects, as described in Ex. L-D2-01-AMPCO-017 and the Value Framework is not used to assess projects once they are active.

d. The Value Framework information is not included as part of the BCS. As noted in OPG's response to part c), the Value Framework is only used to assess and prioritize candidate nuclear asset investments before they become active projects with a BCS. The BCS focuses on identified risks related to the active project such as schedule, resourcing, budget and vendor risks while the Value Framework is used to support investment prioritization through an asset-based risk evaluation.