UNDERTAKING JT2.1

Undertaking

TO CONFIRM THAT THE DATA IN THE STAFF 113 IS ACCURATE AND PROVIDE ANY CORRECTIONS AS REQUIRED.

Response

OPG confirms that the data provided by OEB in the spreadsheet titled "OPG_Panel_2_Nuclear_Capital_Projects_Summary_Staff113" is correct with the exception of the "Average Variance (%)" calculated by OEB Staff in cell 'F90'. The OEB Staff calculation of this value did not capture the value in cell 'G08'. When included, the value is 48.99, and not 49.97 as indicated in the spreadsheet.

OPG does not agree that the Average Variance or Average Variance on Aggregate calculations presented by the OEB staff represent meaningful estimates of the variance in the project portfolio. The calculation of Average Variance is mathematically invalid for the portfolio as it does not appropriately account for the size of each project. In addition, the calculations of Average Variance and Average Variance on Aggregate do not take into consideration the class of the estimate, which should carry significant weighting when evaluating the effectiveness of the project portfolio's cost management. It is also necessary to consider the cause of each project's variance when assessing project performance. Additional information regarding project variances is provided in Ex. D2-1-3, Tables 1a-1d, while Ex. D2-1-3, Section 3.6, pp. 24-42, provide individual project variance explanations.