UNDERTAKING JT1.14

Undertaking

TO EXPLAIN THE VARIANCES FROM THE LAST BCS TO THE FINAL COST.

Response

See Chart 1 below.

Chart 1: Mapping of BCS and Explanation of Variances - 2018 Superseding Release Execution BCS Compared to Ex. D2-2-10 Chart 1

	a	b	c	d	e	
Cost Category	Ex. D2-2-10 Chart 1	2015 Superseding Release Execution BCS	2018 Superseding Release Execution BCS	2018 Superseding Release Execution BCS with Adjusted Mapping to Chart 1	Variance (a - d)	Variance Explanation
	($M)					
OPG Project Management	$ 21.9	$ 6.7	$ 12.4	$ 17.6	$ 4.34	$1M for additional OPG Senior PMT; $3.4M for extended duration of PMT
OPG Engineering	$ 13.3	$ 7.4	$ 16.3	$ 19.5	$ (6.23)	Less field engineering and TRF support required than estimated in the 2018 BCS
OPG Procured Materials	$ 20.4	$ 1.4	$ 10.3	$ 17.9	$ 2.51	Additional material purchased from 2018 onward beyond what was estimated in the 2018 BCS
B&M and Sub-Contractors	$ 83.8	$ -	$ -	$ 82.9	$ 0.83	Data cleanup of unallocated costs
AECON-SNC JV and Sub-Contractors	$ 252.3	$ -	$ -	$ 248.8	$ 3.57	Commissioning support provided beyond what was estimated in the 2018 BCS
Other Contractors	$ 72.1	$ -	$ -	$ 68.5	$ 3.53	$2.5M for extension of Kinetrics oversight services; $1.1M in additional scope not included in the 2018 BCS
Interest	$ 45.5	$ 20.0	$ 43.3	$ 43.3	$ 2.23	Longer timeline to final AFS than estimated in the 2018 BCS
OPG TRF	$ -	$ -	$ 3.0	$ -	$ -	Included in OPG Engineering line of Chart 1
OPG Other	$ -	$ 18.7	$ 22.6	$ -	$ -	Included in OPG Engineering, OPG Project Management, OPG Procurement Materials lines of Chart 1 based on WBS Structure
Design Contract(s)	$ -	$ 7.1	$ 14.3	$ -	$ -	Included in Other Contractors line of Chart 1
Construction Contract(s)	$ -	$ 40.8	$ 44.4	$ -	$ -	Included in Other Contractors line of Chart 1
EPC Contract(s)	$ -	$ 244.9	$ 331.6	$ -	$ -	Included in B&M and Sub-Contractors and AECON-SNC JV and Sub-Contractors lines of Chart 1
Consultants	$ -	$ 0.1	$ 0.2	$ -	$ -	Included in Other Contractors line of Chart 1
Other Contracts/Costs	$ -	$ 0.1	$ 0.1	$ -	$ -	Included in Other Contractors line of Chart 1
Contingency	$ -	$ 33.9	$ -	$ -	$ -	-
TOTAL	**$ 509.3**	**$ 381.1**	**$ 498.5**	**$ 498.5**	**$ 10.8**	

Note: Appendix A of each of the 2012 Full Release Definition BCS, 2012 Partial Release Execution BCS, and 2013 Full Release Execution BCS contain line items named “Permanent Materials” and “Design and Construction” which map to the B&M and Sub-Contractors line of Chart 1. These BCS otherwise map in alignment with the above information.