Board Staff Interrogatory #238

Interrogatory

Reference:
Exhibit F2 / Tab 4 / Schedule 1 / Tables 1, 2a-3c

Question(s):

a) Please provide the total actual and planned outage OM&A amounts by division for the entire 2017-2021 Custom IR term. Please discuss the largest driver(s) for the variance in aggregate for the entire 2017-2021 Custom IR term.

b) Please provide the variance between actual and planned outage OM&A by resource type for each year during the 2017-2021 Custom IR term. Please discuss any material variances on a resource type basis.

c) Please provide the total actual and planned outage OM&A amounts on a resource type basis for the entire 2017-2021 Custom IR term. Please discuss the largest driver(s) for the variance in aggregate for the entire 2017-2021 Custom IR term.

Response

a) Chart 1 shows total actual and planned outage OM&A amounts by division for the entire 2017-2021 Custom IR term:

Chart 1

Outage OM&A - Nuclear ($M)

Line No.	Division	2017-2020 Actual and 2021 Budget	2017-2021 OEB Approved	2017-2021 Variance
	Darlington Outages			
1	Darlington NGS	596.8	582.6	14.3
2	Operations and Project Support	90.1	114.8	(24.7)
3	**Total Darlington Outages**	686.9	697.4	(10.4)
	Pickering Outages			
4	Pickering NGS	555.0	672.3	(117.2)
5	Operations and Project Support	179.2	230.4	(51.1)
6	**Total Pickering Outages**	734.3	902.7	(168.4)
	CRVA Eligible Costs			
7	Fuel Channel Life Extension Ongoing	112.1	73.0	39.1
8	Pickering Extended Operations Enabling	117.0	233.6	(116.6)
9	Optimization of Pickering Shutdown Enabling	1.3	0.0	1.3
10	**Total CRVA Eligible Costs**	230.4	306.6	(76.2)
11	**Total Outage OM&A**	1,651.6	1,906.6	(255.0)

The largest drivers for the aggregate variance are as follows:

- Darlington planned outage related Operations and Project Support costs are lower primarily due to less inspection and maintenance support required.
- Pickering planned outage costs are lower primarily due to removing three regular planned outages in line with the 30-month outage cycle and moving the Pickering Vacuum Building Outage from 2021 to 2022.
- Fuel Channel Life Extension Ongoing planned outage costs are higher due to added scope for Single Fuel Channel Replacement, Waterlancing, Scrape Sample Analysis and inspection, reflecting additional work required to demonstrate continued major component fitness for service.
- Pickering Extended Operations Enabling planned outage costs are lower, primarily due to further definition of Pickering Extended Operations scope, resulting in a decrease in Outage OM&A offset in Base OM&A and Capital.

b) Chart 2 shows the variance between actual and planned outage OM&A by resource type for each year during the 2017-2021 Custom IR term:

Chart 2

Outage OM&A - Nuclear ($M)

Line No.	Resource Type	2017 Variance	2018 Variance	2019 Variance	2020 Variance	2021 Variance	2017-2021 Variance
1	Labour	(7.7)	(8.9)	(4.9)	2.3	10.0	(9.1)
2	Non-Regular Labour	(3.5)	(0.7)	(10.4)	6.0	33.5	24.9
3	Overtime	(10.6)	(9.2)	(14.7)	(0.1)	38.9	4.3
4	Augmented Staff	(15.3)	(17.5)	(9.0)	(9.4)	(0.2)	(51.3)
5	Materials	12.7	21.8	(11.0)	25.7	50.8	100.0
6	Other Purchased Services	(54.9)	(37.4)	(102.9)	(127.4)	(14.8)	(337.4)
7	Other	2.1	3.1	1.7	2.4	4.4	13.7
8	**Total Outage OM&A**	(77.1)	(48.9)	(151.0)	(100.6)	122.6	(255.0)

The 2021 resource type variances are due to moving the Darlington Unit 1 regular planned outage from 2020 to 2021 and adding a Darlington Unit 4 planned outage due to the adjustments to the Darlington Refurbishment Program ("DRP") schedule in response to COVID-19.

Beyond this, the annual material variances on a resource type basis as follows:

- Augmented Staff is lower due to inspection resources actually incurred as Other Purchased Services.
- Materials spending is higher in most years due to better definition of scope of work in outer years and unbudgeted planned outages, offset by discovery funding planned in Other Purchased Services.
- The balance of Other Purchased Services is lower primarily due to the shift of a regular planned outage from 2017 to 2018 and three fewer regular planned outages at Pickering in line with the 30-month outage cycle (in each of 2019 and 2021), moving the Pickering Vacuum Building Outage from 2021 to 2022, and further definition of Pickering Extended Operations scope resulting in a decrease in Outage OM&A offset in Base OM&A and Capital. In 2021, these drivers partly offset the Darlington Unit 1 and Unit 4 variances noted above.

c) Chart 3 shows total actual and planned outage OM&A amounts on a resource type basis for the entire 2017-2021 Custom IR term.

Chart 3

Outage OM&A - Nuclear ($M)

Line No.	Resource Type	2017-2020 Actual and 2021 Budget	2017-2021 OEB Approved	2017-2021 Variance
1	Labour	96.0	105.2	(9.1)
2	Non-Regular Labour	212.7	187.8	24.9
3	Overtime	222.5	218.2	4.3
4	Augmented Staff	18.0	69.3	(51.3)
5	Materials	290.4	190.4	100.0
6	Other Purchased Services	797.1	1,134.4	(337.4)
7	Other	15.0	1.3	13.7
8	**Total Outage OM&A**	1,651.6	1,906.6	(255.0)

The largest drivers for the aggregate variance are as follows:

- Non-Regular Labour is higher due to incremental resources required to support an additional planned outage due to the adjustments to the DRP schedule in response to COVID-19.
- Augmented Staff is lower due to inspection resources actually incurred as Other Purchased Services.
- Materials spending is higher due to better defined scope of work in the outer years and unbudgeted planned outages, offset by discovery funding planned in Other Purchased Services.
- The balance of Other Purchased Services is lower primarily due to three fewer regular planned outages at Pickering in line with the 30-month outage cycle, moving the Pickering Vacuum Building Outage from 2021 to 2022, and further definition of Pickering Extended Operations scope resulting in a decrease in Outage OM&A offset in Base OM&A and Capital.