Board Staff Interrogatory #233

Interrogatory

Reference:
Exhibit F2 / Tab 3 / Schedule 2 / Tables 1a-1b

Question(s):

a) Provide the total actual (or estimated actual) and planned project OM&A amounts by business unit 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 below provides the total actual, planned and OEB-approved project OM&A amounts by business unit for the entire 2017-2021 IR term.[1]

[1] As OEB Approved adjustments are applied to Base OM&A in Ex. F2-2-2 Table 1a and Table 1b, the OEB-approved project OM&A amounts presented in Chart 1 are 2017 Plan - 2021 Plan (from EB-2016-0152, Ex. F2-3-2, Table 1).

Chart 1

Category	2017-2020 Actual and 2021 Budget	2017-2021 OEB Approved	2017-2021 Variance
Portfolio Projects (Allocated)			
Darlington NGS	102.0	55.5	46.5
Pickering NGS	36.0	22.2	13.8
Operations and Project Support	22.5	5.0	17.5
Subtotal Portfolio Projects (Allocated)	160.6	143.7	77.9
Infrastructure	261.9	179.8	82.1
Portfolio Projects (Unallocated)	10.8	170.2	(159.3)
Subtotal Project OM&A (Portfolio)	433.3	432.7	0.6
Non-Portfolio Projects			
Pickering Extended Operations	79.5	57.6	21.9
Pickering Optimization of Shutdown	2.3	0.0	2.3
Fuel Channel Life Cycle Mgmt Project	0.0	0.0	0.0
Fuel Channel Life Extension Project	28.1	13.0	15.1
Darlington Spacer Retrieval	1.9	6.8	(4.9)
Darlington Spacer Life Management	18.8	0.0	18.8
Darlington Unit 3 F/C Comp Retrieval	6.0	0.0	6.0
Total Project OM&A	569.9	510.1	59.8

With reference to the evidence provided in Ex. F2-3-2, the largest drivers for the aggregate 2017-2021 variance are as follows:

- Infrastructure costs increased due to unplanned write-off and removal costs and planned minor modifications spending.
- Pickering Extended Operations increased primarily due to reallocation of funding from outage OM&A; as inspection scope was completed, additional

required work was identified that was either completed through base, outage or project (OM&A and/or capital) cost.

- Fuel Channel Life Extension Project cost flows that are reflective of the updated 2016 BCS filed in EB-2016-0152 Ex. L-4.1-1 Staff-024, whereas the OEB-approved 2017-2021 forecast was based on a BCS from 2013.
- Elimination, as anticipated, of the Portfolio Projects (Unallocated) category for 2017-2020 and its reduction in the 2021 budget year. Project specific variances are provided in Ex. F2-3-2, p. 6 onwards which includes Darlington and Pickering specific highlights.