AMPCO Interrogatory #148

Interrogatory

Reference: Ex F2 T2 S1 Table 3

a) Please explain how OPG derives the budget for the Tritium Removal Facility at Darlington NGS.

b) Please explain the forecast increase in costs from $16.5M in 2016 to $25M in 2025.

Response

a) OPG derives the budget for the Tritium Removal Facility ("TRF") at Darlington NGS annually through the business planning process. This includes costing of approved staff organization designs required for the safe operation and maintenance of the TRF. Budgets include labour, materials and other purchase services collectively needed to execute the preventive maintenance program, address known performance gaps, as well as planning and executing TRF outages. The TRF outage cycle includes a Cryogenic Refrigeration System ("CRS") outage every 2 years with a full TRF gas outage (which includes CRS) every 4 years.

b) The forecast increase in OM&A costs from $16.5M in 2016 to $25.0M in 2025 are primarily driven from the following:

1. $3.9M incremental costs associated with the planning and execution of a full TRF gas outage scheduled in 2025 relative to 2016, during which a full TRF gas outage was not undertaken;
2. $1.6M costs required to operate and maintain the new Heavy Water Management Building Annex (i.e. the D2O Storage Project) declared ready to accept heavy water in 2020; and
3. $3.0M higher escalation costs for labour, overtime, materials and other purchase service contracts.