Board Staff Interrogatory #227

Interrogatory

Reference:
Exhibit F2 / Tab 2 / Schedule 2 / pp. 3-4

Preamble:

OPG noted that a key driver of the decrease in base OM&A costs between 2023 and 2026 is the phased shutdown of Pickering NGS over the 2024-2025 period.

Question(s):

a) Please provide the monthly base OM&A costs for 2022-2026 attributable to Pickering NGS. Please explain how partial year impacts of the Pickering NGS shutdown have been reflected in the proposed base OM&A costs (as applicable).

Response

a) OPG's business planning process involves monthly OM&A detail being planned only for the first several years of a planning period. As such, Base OM&A costs have been planned on a monthly basis up until 2022 and therefore monthly detail is not available for 2023-2026. The monthly costs for the 2022 plan are provided in Chart 1 below:

Chart 1

Nuclear Base OM&A - Pickering NGS by Function ($M)

Function	Plan - Calendar Year Ending December 31, 2022												
	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Pickering													
Operations & Maintenance	**376.5**	37.0	29.5	29.7	36.4	29.1	28.9	35.3	28.4	28.9	36.0	29.0	28.2
- Operations	**111.8**	11.2	8.9	9.0	10.9	8.7	8.6	10.4	8.4	8.5	10.5	8.5	8.2
- Maintenance	**264.7**	25.8	20.6	20.7	25.5	20.5	20.3	24.9	20.1	20.4	25.4	20.5	20.0
Work Management	**17.9**	1.7	1.4	1.4	1.7	1.4	1.4	1.7	1.4	1.4	1.7	1.4	1.4
Site and Support Services	**69.4**	6.7	5.3	5.4	6.7	5.4	5.3	6.6	5.3	5.4	6.7	5.4	5.3
Total Pickering NGS	**463.8**	45.4	36.2	36.5	44.8	35.9	35.6	43.6	35.1	35.6	44.4	35.8	34.9

Note that OPG plans and internally reports costs by fiscal month, rather than by calendar month. In 2022, there are five fiscal weeks in January, April, July and October, while there are four fiscal weeks in the other fiscal months. As a result, there is variability in the monthly costs shown.

The following Chart summarizes annual Pickering NGS Base OM&A by function over 2023-2026 (see also Ex. F2-2-1, Tables 10-13).

Chart 2

Nuclear Base OM&A - Pickering NGS by Function ($M)

Function	Plan				
	2022	2023	2024	2025	2026
Pickering					
Operations & Maintenance	376.5	372.8	355.1	253.8	0.0
- Operations	111.8	108.1	103.8	59.9	0.0
- Maintenance	264.7	264.6	251.3	193.9	0.0
Work Management	17.9	16.0	13.3	7.4	0.0
Site and Support Services	69.4	71.2	68.3	58.0	0.0
Total Pickering NGS	463.8	460.0	436.7	319.1	0.0

As shown above, annual costs decrease across all functions between 2023 and 2026 due to the phased shutdown of Pickering NGS, as follows:

- 2023 to 2024 – Unit 1 shuts down at the end of September 2024
- 2024 to 2025 – Both Units 1 and 4 are shut down for all of 2025
- 2025 to 2026 – All Pickering units are shut down in 2026

The partial year impact of the Pickering NGS shutdown has been reflected in the 2024 base OM&A costs with an assumed $23.3M decrease from 2023.