UNDERTAKING J2.7

Undertaking

WITH REFERENCE TO D2-02-SEC-094, TO PROVIDE A SPREADSHEET CLARIFYING THE FIGURES IN THE BUSINESS CASE SUMMARIES

Response

See Chart 1 for information regarding the net present value ("NPV") figures in the D2O Storage Project business case summaries at Ex. D2-2-10, Attachments 2m – 2q. OPG was unable to locate the NPV calculations for the 2006 Developmental Release BCS for the operational improvement project (Ex. D2-2-10, Attachment 2k) or for the 2011 Draft Developmental BCS (Ex. D2-2-10, Attachment 2l) that was not approved.

Chart 1: D2O Storage Project BCS and NPV Data

BCS	NPV	NPV and Assumptions	NPV Analysis	Notes
2012 Full Release Definition BCS	N/A	N/A	N/A	1
2012 Partial Release Execution BCS	$67.1M	Exhibit D2-2-10, Attachments 2n, pp. 7, 16 and 2o, pp. 10, 18	Attachment 1	2, 3
2013 Full Release Execution BCS				
2015 Superseding Release Execution BCS	$73M	Exhibit D2-2-10, Attachment 2p, pp. 10, 21	Attachment 2*	
2018 Superseding Release Execution BCS	N/A	N/A	N/A	4

* This Attachment is marked commercially sensitive but OPG has determined it is non-confidential in its entirety.

Notes:

1. As stated in Ex. D2-2-10, Attachment 2m, p. 8, per OPG's Type 3 business case form, OPG did not calculate the NPV at the time of the 2012 Full Release Definition BCS because there was no feasible alternative that would meet the needs of refurbishment, TRF operational improvements, and TRF life extension, and therefore no financial evaluation of alternatives was completed.

2. The NPV stated in Ex. D2-2-10, Attachments 2n, p. 7 and 2o, p. 10 are for the Heavy Water Management Operational Improvements scope of work. The NPV for the refurbishment scope is included in the overall Darlington Refurbishment Program ("DRP") NPV because the D2O Storage Project is a DRP Facilities and Infrastructure Project that is mandatory to support core scope in order to execute and achieve the benefits of the DRP.

3. The 2012 Partial Release Execution BCS and the 2013 Full Release Execution BCS show the same NPV of $67.1M, the derivation of which is shown in Attachment 1. OPG did not re-calculate the NPV when completing the 2013 Full Release Execution

Release BCS because the project estimate was only approximately $2M greater than the previous project estimate and there would not have been a material change in the NPV.

4. As stated in Ex. D2-2-10, Attachment 2q, p. 5, OPG did not calculate the NPV in the 2018 Superseding Release Execution BCS because the alternative options analysis and NPV calculations were completed in the previous 2015 Superseding Release Execution BCS where all options were based on the completion of the facility and would have similar impacts to NPV.

Attachments 1 and 2 are provided in Excel format on RESS titled as ‘OPG_J2.07_Attachment 1’ and ‘OPG_J2.07_Attachment 2’ respectively.