COMPARISON OF PROJECT OM&A – NUCLEAR

1.0 PURPOSE
This evidence presents period-over-period comparisons of Nuclear project OM&A.

2.0 PERIOD-OVER-PERIOD CHANGES - TEST PERIOD
Year-over-year variances are presented in Ex. F2-T3-S2 Table 1c and are explained below.

2012 Plan versus 2011 Plan
Planned project OM&A spending decreases in 2012 (-$3.7M), reflecting a planned increase in the portfolio level (+$2.9M), offset by planned reductions in the Pickering B Continued Operations initiative and the Fuel Channel Life Cycle Management project.

2011 Plan versus 2010 Plan
The decrease in planned spending in 2011 (-$7.9M) reflects a reduction in the project OM&A portfolio (-$3.4M) due to a business planning decision to reduce the portfolio budget in favour of other higher priority OM&A activities. The balance of the decrease in 2011 is primarily due to the 2010 completion of the P2/P3 Isolation project (-$20.6M), partly offset by a planned increase in the Pickering B Continued Operations initiative (+$18.1M).

3.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEAR
Year-over-year variances are presented in Ex. F2-T3-S2 Table 1c, and explained below. More detailed project information is contained in Ex. F2-T3-S3.

2010 Plan versus 2009 Actual
There is no change in total project OM&A in this period. Project portfolio expenditure decreases are offset by the planned increase in spending for the start-up of the Fuel Channel Life Cycle Management project.
4.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL PERIOD

Year-over-year variances are presented in Ex. F2-T3-S2 Tables 1a and 1b and are explained below.

2009 Actual versus 2009 Budget

The total project OM&A expenditures in 2009 are over budget (+$6.6M), primarily due to greater than planned expenditures on the P2/P3 Isolation Project (+$8.4M) as a result of work previously scheduled for 2008 being deferred into 2009 due to regulatory delays, deferral of planned projects on hold (-$5.1M) pending the Pickering B Refurbishment decision, and expenditures to initiate the Pickering B Continued Operations initiative that were not in the plan for 2009.

2009 Actual versus 2008 Actual

The increase in total project OM&A costs (+$7.3M) is due to greater than planned effort on the P2/P3 Isolation Project in 2009 as noted above.

2008 Actual versus 2008 Budget

The under expenditure in 2008 (-$8.2M) is primarily due to greater than planned portfolio expenditures (+$5.0M) offset by delays in the P2/P3 Isolation Project as a continuing result of the Canadian Nuclear Safety Commission ("CNSC") requirement for an environmental assessment, as noted below (-$13.1M). The project OM&A portfolio variance consists of a large number of offsetting variances, with a key driver being the unplanned effort for the Pickering B Unit 7 Calandria Tube Replacement project (+$17.7M) which displaced planned steam generator maintenance work.

2008 Actual versus 2007 Actual

The increase in planned spending in 2008 (+$24.9M) reflects an increase in project OM&A portfolio spending (+$20.9M) and an increase in P2/P3 Isolation project effort (+$4.0M). The increased portfolio work effort is related to a number of OM&A projects, with the most significant increases associated with Pickering B boiler maintenance projects (locking tab repair and water lancing).
2007 Actual versus 2007 Budget

Project OM&A was under-spent in 2007 (-$25.8M), primarily due to delays in the P2/P3 Isolation project (-$17.5M). As noted in Ex. D2-T1-S1, P2/P3 Isolation project delays reflect the deferral of construction and maintenance ramp-up (to allow greater progress on engineering/assessment activities), and the new CNSC requirement for an environmental assessment for the project which caused a deferral of potentially-impacted activities. The balance of the variance (-$8.2M) reflects the net impact of positive and negative variances resulting from day-to-day decisions and execution challenges across the 124 OM&A projects that were managed in 2007.