
INTERROGATORIES

TO: MARITIME ELECTRIC COMPANY, LIMITED
FROM: SYNAPSE ENERGY ECONOMICS, INC.
DATE: OCTOBER 10, 2018
RE: CHARLOTTETOWN THERMAL GENERATING STATION DECOMMISSIONING STUDY
UE23001

IR-1

Page 15 of *Maritime Electric's 2014 Depreciation Study Application and Evidence* references a "2014 assessment" of CTGS, that was "completed by an independent consultant," in support of the determination that the CTGS equipment and components are nearing the end of their service lives and would require extensive rehabilitation to remain serviceable.

Please provide this study in full (and supporting documentation) along with any additional studies and associated analysis which support the determination that CTGS equipment and components are nearing the end of their service lives.

IR-2

Table 9.1 ("Detailed Class B Cost Estimate"), note b, of *Maritime Electric's 2018 Decommissioning Study* indicates:

"Risk Items not included in Cost Estimate. Several environmental and demolition options were identified as having a low probability of occurring based on professional judgment and information provided by MECL. However, several of these specific items would incur significant costs (or save costs) to the decommissioning project if they are required based on regulatory obligations or third-party agreements. The risk items are outlined in Section 5.2 with an estimated total contingency cost of \$3,050,775. The contingency costs for potential risk items have not been included in the Total Estimated Demolition, Decommissioning Cost provided above (Parts A+B+C+D)."

How was the set of potential risk items determined by MECL and/or GHD? What methodology or methodologies were used by MECL and/or GHD to evaluate the probability of occurrence for these individual risk items? Were any probabilistic techniques (e.g., simulations) used to assess the respective likelihoods of occurrence for these risk items, and/or to estimate costs for each? Were there risk items that were considered but ultimately not included in the estimated total contingency cost?

In addition to answering all of the questions in the preceding paragraph, please also provide all records, that were used by MECL and/or GHD to determine the set of risk items that would be considered, and to support the analysis of risk and cost for these risk items. Please also provide all records used by MECL and/or GHD that detail the procedure for conducting a "Class B" cost estimate.

IR-3

One of the risk items listed in Table 9.1 (“Detailed Class B Cost Estimate”), note b, of *Maritime Electric’s 2018 Decommissioning Study*, is the “Potential for Change in Land Use.”

On what basis was the determination made by MECL and/or GHD about which future utilization scenario for the decommissioned site was most probable, and relatedly, the scope of decommissioning and remediation that must be undertaken?

In addition to answering all of the questions in the preceding paragraph, please also provide any and all documentation that was used by MECL and/or GHD in evaluating potential future uses for the CTGS site following decommissioning of units 7-10 and in making a determination about the most likely future use for this site.

IR-4

Page IV of *Maritime Electric’s 2018 Decommissioning Study* indicates, “GHD developed a Class B Cost Estimate for Decommissioning of the CTGS. The Class B cost estimate as defined by the Association for the Advancement of Costing Engineering (AACE) International is suitable to be used for a study. The methodology used to develop this estimate is based on measured, priced, parameter quantities, where possible, and is considered to have an accuracy range of -20 to +30 percent when completed at the 20 to 30 percent project completion stage.”

Please indicate the percentage of the project that had been completed when this Class B Cost Estimate was developed, and the basis for this determination about the project stage at the time of development of this cost estimate.

IR-5

Page 2 of *Maritime Electric’s 2018 Decommissioning Study* indicates that MECL intends to use internal labor for the decommissioning. What is MECL’s basis for determining to use internal labor for this decommissioning rather than contracting out some or all of the manual components of the decommissioning to a third party?

In addition to answering the preceding question, please also provide any supporting documentation that was used by MECL in its determination to use internal labor for the decommissioning, including, but not limited to, quotes from third-party contractors.

IR-6

The decommissioning report that is published on MECL’s website¹ includes a seven-page letter addressed to MECL employee Mr. Kent Nicholson from GHD staff Troy Small and Michael Gallahue which is dated June 18, 2018 and discusses the preliminary analysis for the disposition of the CT3 unit building at CTGS. Page 1 of this letter indicates:

¹ Accessed on October 4, 2018 at: <https://www.maritimeelectric.com/media/1391/final-ctgs-commissioning-study-filed-june-28-2018.pdf>



“The Class 5 cost estimate for this Preliminary Options Analysis follows the cost classification system matrix adapted from Recommended Practice No 17R 97 and 18R 97 by the Association for the Advancement of Costing Engineering (AACE) International, which typically provides an accuracy range of +100% to -50%. Based on the findings of the Preliminary Options Analysis, MECL will select a preferred option, which will be carried forward for the Decommissioning Study Report preparation and a Class 3 cost estimate (+30% to -20%).

On what basis did MECL and/or GHD decide to develop a Class 5 estimate, rather than using a different class of estimate? In answering the preceding question, please address the fact that the margin for error for each of the estimated values is wider than difference between the two estimated values.

In addition to responding to the question in the preceding paragraph, please also provide all records used by MECL and/or GHD that detail the procedure for conducting a “Class 5” cost estimate.

IR-7: Additional Documentation Requested

To the extent possible, please provide documentation (complete and in digitized form) for each of the request below (a-d). If any of these requests cannot be satisfied, please provide a written explanation detailing why the requested records cannot be furnished.

- (a) Please provide all other decommissioning studies that were referenced by GHD in the course of completing the present study.
- (b) Please provide all other studies conducted by GHD (demolition studies, e.g.) that were referenced by GHD in the course of completing the present study.
- (c) Please provide all records, in possession of either GHD or MECL, of previous decommissioning completed on the CTGS site.
- (d) Please provide all financial records, in possession of either GHD or MECL, related to a prudence reserve account for CTGS decommissioning (future site removal).

Additional interrogatories may follow.

