

1 Q. Provide a list of all operating projects proposed for the 2007 test year which  
2 contain contingency allowances, identifying the contingency allowances  
3 associated with the individual projects. (Financial Consultant's Report – 2006  
4 GRA, page 25, lines 24-25)  
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7 A. Operating projects do not contain contingency funds. The \$130,000  
8 'contingency' amount referred to in the Grant Thornton report is Hydro's  
9 estimate, based on past experience, of the magnitude of costs that will be  
10 incurred related to items which will be identified during the overhaul process.  
11 The \$230,000 'contingency fund for unforeseen repairs' is Hydro's estimate,  
12 based on past experience, of the magnitude of corrective maintenance that  
13 will arise over the course of the year - the particulars of which are not known  
14 during the budgeting cycle. These amounts would be better described as  
15 corrective maintenance figures based on past history.