

In reference to Schedule “B”, page 13 of 82 – the Pen Stock Replacement at the Lockston Hydro-Electric Plant – at a project cost of \$1,520,000:

Q. Please provide specifics of the project cost, including material supply, labour, engineering, project management, and any other costs used to justify the expenditure of \$1,520,000.

A. Newfoundland Power’s labour component of this project is estimated at \$70,000 and includes engineering and supervision only. All other labour and materials necessary for completion of this project will be supplied by contractors. The estimated cost of this portion of the project is \$1,450,000 and is based on historical labour and material contracts for penstock projects.