

**In reference to Schedule “B”, page 31 of 82 – Rebuild Transmission Lines – at a project cost of \$4,129,000:**

**Q. It is stated, “The project cost is based on a combination of historical cost and individual project estimates”. Please provide the justification for this statement and provide specific individual project estimates for each and every project.**

A. In preparing the costs estimates for each project the Company incorporates a combination of historical costs and characteristics unique to each project. Most of the Company’s transmission lines are of a standard configuration, therefore recent experience acquired rebuilding or upgrading transmission lines can be used to estimate the labour and non-labour requirements of individual projects. For example, by using this approach a cost per kilometre for various types of lines can be developed. Further, by comparing the unique characteristics of each project such as topography, ice and wind loadings, different cost factors can be applied to produce a more accurate project cost estimate.

Estimates for each project are contained in CA-28 (k).