

1 **Q. In reference to Note 6 – Rebuilding Substations, please advise as to why there was**
2 **not a detailed project engineering and design put forward prior to rebuilding the**
3 **Gander substation.**
4

5 A. Projects such as the reconstruction of the 12.5kV portion of the Gander substation are
6 evaluated and justified in preparation for the Company's Capital Budget Application on
7 the basis of preliminary design and engineering. Detailed project engineering and design
8 (which forms part of the project costs) typically occurs following Board approval of a
9 project.
10

11 Detailed design and engineering for capital projects is considered an integral part of the
12 project itself. The company is obligated to seek the approval of the Board prior to
13 commencing capital projects in excess of \$50,000.