

1 **Re: 2009 Capital Budgets: Multi-Year Projects p. B-40 - Happy Valley Offices**  
2 **and Line Depot**

3 Q. a) What is the reason for the delay(s) in this project?

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5 b) Why have Site Development Costs associated with the Happy Valley  
6 facility increased from \$108,000.00 to \$208,000.00, as indicated at page B-  
7 40?

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9 c) Why have In-House Engineering and Project Management Costs  
10 associated with the Happy Valley facility increased from \$97,000.00 to  
11 \$159,000.00, as indicated at page B-40?

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13 d) (i) What is encompassed by the term 'Corporate Overheads', and;

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15 (ii) Why has this item increased from \$88,000.00 to \$133,000.00, as  
16 indicated at page B-41?

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18 e) What portion of the additional costs has arisen by virtue of the delay in  
19 completing this project?

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22 A. a) This project was approved in the 2008 capital budget submission. When  
23 design work started on the project, it became evident that there was a large  
24 increase in prices associated with the building construction. Additionally, the  
25 building was required to meet the Leadership in Energy and Environmental  
26 Design (LEED) subsequent to approval of the capital budget. This  
27 necessitated delaying progress on the project to redesign the building to  
28 LEED standards and reevaluate it against other viable options.

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b) Site development costs have increased by approximately \$100,000 due to drainage, landscaping, paving and security fence requirements costing more than originally anticipated.

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c) In-house engineering and project management costs generally increased due to the higher cost of the building. Additionally, the incorporation of the LEED standard requires more in-depth engineering and project management effort.

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d) Please refer to response IC37-NLH.

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e) Additional costs due to the delay include escalation and a minor increase in AFUDC due to a change in the cash flow.

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