Q. Re: 2013 Capital Projects Over 50,000 but less than 200,000: p. E-2 Install Automated Fuel Monitoring System (Upper Salmon):
Will labour cost decrease in the operating budget by reason of this new monitoring device? If so, by how much per year. Please explain. If labour requirements will not be reduced, please explain the basis of the cost benefit shown in E-8.

A. Labour costs will not decrease as a result of this new system. Hydro currently does monthly visits. The cost benefit analysis was done based on weekly visits which would comply with regulations. Compared with manual compliance (weekly site visits) with the regulations, an automated fuel monitoring system would eliminate 75 percent of visits.

The estimated annual savings are $23,680. This cost was determined using the labour rate of an operator of $2,200/week, one day per week. Monthly visits are made regardless, therefore 52 weeks minus 12 visits leaves 40 visits. 40 visits * $2,200/week * 1/5 week = $17,600. In the period of December through March, it is anticipated that two operators are required to travel over snow covered terrain by snowmobile. This constitutes an additional $5,280 (12 visits * $2,200/week * 1/5 week) for the second operator. An estimate of $20 of fuel per trip was used (40 * $20 = $800).