

1 Q. Further to the response to PUB-NLH-021 which outlines action Hydro has taken to
2 improve the accuracy of capital budget project cost estimates and its ability to
3 complete capital projects on schedule, explain in detail any additional action Hydro
4 intends to take given the percent complete decreased in 2012 (response to NP-NLH-
5 016) and the variance from budget increased (2012 Annual Financial Review by
6 Grant Thornton, page 64-65).

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9 A. To improve the variance from budget, Hydro continues to:

- 10 • increase the amount of front end engineering completed for projects; and
11 • review the packaging of projects to encourage competitive bids and to
12 attract additional bidders.

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14 To improve the completion rate, Hydro continues to:

- 15 • improve its project planning and tracking by coordinating the Operations
16 resource planning and system outage planning processes;
17 • work to fill all vacant positions within the engineering and operations areas;
18 and
19 • increase the number of multi-year projects to allow adequate lead time for
20 material delivery and added flexibility in installation timing, especially for
21 those installations which are dependent on outages to major equipment.