

1 Q. Please provide a detailed cost breakdown of the budget estimate including any  
2 work to be completed by ABB free of charge.

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5 A. The budget estimate is provided in the following table:

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<b>Project Cost:(\$ x1,000)</b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>Beyond</u></b>	<b><u>Total</u></b>
Material Supply	0.0	0.0	0.0	0.0
Labour	132.6	0.0	0.0	132.6
Consultant	14.8	0.0	0.0	0.0
Contract Work	266.3	0.0	0.0	266.3
Other Direct Costs	1.6	0.0	0.0	1.6
Interest and Escalation	1.7	0.0	0.0	1.7
Contingency	83.1	0.0	0.0	83.1
<b>TOTAL</b>	<b>500.1</b>	<b>0.0</b>	<b>0.0</b>	<b>500.1</b>

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8 The "Labour" portion of the budget consists of costs associated with project  
9 management (\$39.6k), engineering (\$47.4k), and labour costs associated with field  
10 work (on-site contractor safety representative, permit holder, isolation and  
11 reinstallation of the transformer) (\$45.6k).

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13 The "Consultant" portion of the budget consists of costs associated with the use of  
14 an independent consultant to review the transformer test results.

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16 The "Contract Work" portion of the budget consists of costs associated with work  
17 to be completed by the OEM. This work consists of draining the transformer oil into  
18 a clean on-site tanker, performing an internal inspection/assessment, the  
19 completion of repairs to the transformer (if possible), refilling the transformer with  
20 oil under vacuum, performing oil samples, and the completion of electrical tests

after filling. Please refer to V-NLH-003 for a breakdown of this portion of the budget.

The "Other Direct Costs" portion of this budget is associated with the use of internal equipment (fleet vehicles) to perform site visits during the execution of the project.

The "Interest and Escalation" portion of this budget consists of costs associated with the financing required to complete the project.

The "Contingency" portion of this budget is 20% of the direct costs associated with this project.

ABB has indicated that they will provide, at no cost, a factory representative to be present during the internal assessment of the transformer. They will also provide recommendations for the next steps required to safely restore the transformer to service based upon the results of the internal assessment. As this work is provided free of charge, no costs are included within the budget for this portion of the work.