

1 Q. **Reference: 2016 - 2020 Capital Plan, Volume I, Appendix B, Page B5** *"Given the*
2 *synergies between the execution of the TL 267 Project and the Lower Churchill*
3 *Project, the Lower Churchill Management Corporation will provide all project*
4 *management, engineering and construction management services for this Project."*

5 What is the estimated cost to Hydro of having the Lower Churchill Management
6 Corporation provide all project management, engineering and construction
7 management services for this project?

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10 A. The Board of Commissioners of the Public Utilities in Board Order No. P.U. 53(2014)
11 approved a total capital expenditure of \$291.7 million for the TL267 Project.
12 Included in this approval, Project management, engineering and construction
13 management costs for TL267 by the Lower Churchill Management Corporation were
14 budgeted at \$23 million. Costs incurred by the Lower Churchill Management
15 Corporation on the project and charged to Hydro will comply with the Hydro
16 Intercompany Transaction Costing Guidelines.