

1 Q. **Reference: Upgrade Distribution Systems, Volume I, Section C, Page C-36** Hydro's
2 2015 Capital Budget Application, Volume I, Section C, Page C-39 also included the
3 project *Upgrade Distribution Systems*. That project description included a 2016
4 budget estimate of \$818,800. Please explain why the 2016 budget estimate of
5 \$285,600 provided on page C-36 of the 2016 Capital Budget Application is different
6 from the 2016 budget estimate figure of \$818,800 provided in the 2015 Capital
7 Budget Application.

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10 A. In Hydro's 2015 Capital Budget Application, Volume I, Section C, Page C-39, the
11 project mentioned was *2015 Distribution System Upgrades* which included the
12 distribution upgrade work for a two year project, taking place in 2015 and 2016.
13 The \$818,800 requested in *2015 Distribution System Upgrades* was to complete the
14 second year scope of work in the two year project. The budget for this project has
15 been approved by the PUB.

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17 For the *2016 Distribution System Upgrades* report, the \$285,600 is the estimated
18 costs associated with the first year of a two year project, commencing in 2016 and
19 scheduled for completion in 2017. The scope of the project in the 2016 proposal is a
20 different scope than that which was in the 2015 application.