

1 Q. **Replace Roof on Services Building, Volume I, Section C, Page C-79**

2 Paragraph V. A. 2. C. i. of the *Capital Budget Application Guidelines* (the  
3 “Guidelines”) defines Clustered Expenditures as those which would logically be  
4 undertaken together. The Guidelines require that clustered expenditures are to be  
5 divided between items that are “inter-dependent” and those which are “related”.  
6 With respect to the *Replace Roof on Services Building* project, and the *Upgrade*  
7 *Office Facilities and Control Buildings* project found at Volume I, Section C, page C-  
8 71, please indicate whether these projects may be defined as “clustered  
9 expenditures” within the meaning of the Guidelines. If so, which items are “inter-  
10 dependent” and which are related only? If not, why not?

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13 A. Hydro has filed the “Replace Roof on Services Building” and “Upgrade Office  
14 Facilities and Control Buildings” project separately since they will not be undertaken  
15 together and in Hydro’s view, do not necessarily meet the “clustered expenditures”  
16 meaning within the Guidelines.

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18 The “Replace Roof on Services Building” and “Upgrade Office Facilities and Control  
19 Buildings” projects do not have scopes that are “interdependent”. The work on the  
20 roof does not have to be undertaken due to the work as part of the facilities  
21 upgrade, and the facilities upgrade is not required to be undertaken as a result of  
22 the roof work. Further, the projects are not “related”. For example, the timing of  
23 the projects is not required to coincide, in addition to the fact that there is no  
24 significant benefit to scheduling these projects to occur concurrently.

25  
26 Hydro will consider all circumstances where projects can be “clustered”.