

1    Q.    **Section E – Multi-Year Projects**

2            Section E, multi-year project refers to P.U. 38(2010) for approval of a number of  
3            projects. Please outline the relevant sections of P.U. 38(2010) which are relied on  
4            by Hydro to state that these projects were approved as multi-year projects.

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7    A.    The Board approves the total annual and multi-year project budget subject to its  
8            guidelines. In support of this, The Board of Commissioners of Public Utilities Capital  
9            Budget Application Guidelines, policy number 1900.6, revision October 2007 states:

10            "Each year of an expenditure will be considered in the initial year of  
11            application. Where a utility shows in each subsequent year of a multi-  
12            year expenditure that the scope, nature and amount of the capital  
13            expenditures are consistent with the original approval, further  
14            approval is not required."

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16            Expenditures in subsequent years will be subject to further review if there is a  
17            material change in the scope, nature or forecast cost of the expenditure. A change  
18            will be considered material if the nature or scope of the expenditure changes such  
19            that that original rationale provided is no longer applicable or where the revised  
20            forecast expenditure exceeds the approved amount by 10% or more"

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22            Therefore, in capital budget 2012 any capital multi-year projects approved in P.U.  
23            38(2010) that shows in each subsequent capital budget year of a multi-year  
24            expenditure that the scope, nature and amount of the capital expenditures are  
25            consistent with the original approval, further approval is not required.

- 1 The multi-year projects for 2012 are set out in Section E of Hydro's 2012 Capital
- 2 Budget Application. These projects have expenditures shown in the "Expended to
- 3 2011" column and each multi-year project is discussed in that section.