

1     **Q.     Page E-9, New 25 kV Terminal Station – Labrador City, \$3,507,000**

2             Given the time that has elapsed since the original budget was prepared and the  
3             issues that have arisen in obtaining tenders, please provide a revised budget based  
4             on the most recent best available information.

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7     **A.**     As indicated, the budget for this multi-year project was prepared in 2008. The work  
8             was approved and began in 2009 and is scheduled to be completed in 2012. A  
9             significant amount of the work to be completed in 2011/2012 is contract work  
10            related to the construction of the terminal stations and the installation of  
11            equipment.

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13            Hydro has recently completed the tender phase and has recognized a variance  
14            between the 2008 estimates and the 2011 tender responses.

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16            The table below provides a summary of the approved budget, the amount spent to  
17            date, and projections of the additional expenses to the end of the project.

Approved Budget:	\$9,900,000
Spent to Date (Sept 2011):	\$3,400,000
Budget for the Remainder of 2011:	\$5,500,000
Projection for 2012:	\$3,750,000
Final Forecasted Expenses:	\$12,650,000
Variance:	\$2,750,000