

1 Q. (Re: September 2014 Report submitted as part of Application, page 5, Table 1)
2 Table 1 shows a significant increase of about 75% in material supply costs from the
3 original budget amount. Please provide a complete breakdown of the material
4 supply costs comparing original budget amounts to current project cost estimates
5 along with an explanation of why the cost has increased.
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8 A. The most significant contribution to the increase in material supply costs is the
9 distribution transformers purchase. For the original project estimate, the quantity
10 of materials was significantly underestimated. Accordingly, the shipping cost for
11 more materials than was originally estimated is also contributing to the higher
12 material cost. Table 1 details the breakdown of material costs for the project,
13 including the revised project forecast.
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Table 1: Material Procurement Costs

Item	2009 Budget	Forecast
Transformers	\$2,054,000	\$3,174,500
Wood Products	\$225,000	\$377,000
Hardware	\$390,800	\$771,700
Major Equipment	\$155,000	\$273,200
Conductor	\$150,000	\$195,700
Miscellaneous	\$75,200	\$552,100
TOTAL	\$3,050,000	\$5,344,200