

1 Q. (Re: September 2014 Report submitted as part of Application, page 5, Table 1)
2 What was the basis for the \$768,000 contingency in the original budget, and what is
3 the basis for the \$335,200 contingency in the current project cost estimate?

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6 A. The \$768,000 contingency in the original budget was based on 10% of direct costs.
7 In 2014, Hydro tendered the remainder of the work to complete this project and
8 awarded the tender pending the Board's approval. Due to contractor labour cost
9 certainty, the current contingency budget has been reduced to \$335,200.