

1 Q. **Tab E, 2014 Capital Projects \$50,000 and over but less than \$200,000:**

2 **Explanations – Construct Storage Facility, p. E-139**

3 This project ranks 43 out of 46 projects. Please explain how this project came to be
4 ranked so low in priority in Hydro’s project ranking scheme.

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7 A. The project prioritization method used by Hydro in its capital budget process is a
8 screening tool, used to determine which projects are required to ensure that Hydro
9 provides reasonable, reliable and adequate service. Projects that are chosen for
10 inclusion in a capital budget are only those projects that meet these standards and
11 criteria. A project’s ranking relative to other projects in the capital budget cannot
12 be considered an assessment of its relative value or the need to do that project.

13 Below is a sample of the scoring of the above project on six criteria used to rank
14 projects in the capital budget. These scores are relatively low which caused the
15 above project to be ranked 43 out of 46.

16 Safety: scored 200 out of a possible 500;

17 Can continue service to customers: scored 60 out of a possible 210;

18 Number of customers impacted: scored 60 out of 350;

19 System impact critical to plant: scored 70 out of a possible 270; and

20 Loss type - facility: scored 50 out of a possible 270.