

1 **Q. Tab 18, Wood Pole Line Management, Various Sites**

2 Can Hydro indicate why it has been continuously over budget for this project given
3 its ongoing history and continued expense?

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6 **A.** The annual WPLM Budget depends heavily on the actual versus estimated
7 replacement quantities as well as annual fluctuations in contract labour and
8 material costs.

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10 The following table illustrates the budget versus the actual costs for the WPLM
11 program since 2005. With the exception of 2009, the program has been able to
12 stay within 10% of the budget estimate.

Year	Budget (\$000)	Actual (\$000)	Variance
2012	2,519	2,563	2%
2011	2,019	2,219	10%
2010	2,308	2,501	8%
2009	2,256	2,613	16%
2008	2,188	2,393	9%
2007	2,148	2,214	3%
2006	2,303	2,363	3%
2005	2,588	2,613	1%

13 During the 2009 inspection program on TL-201, 29 poles were found to be in poor
14 condition and were “Rated 5” for immediate replacement under the program. The
15 replacement of these additional poles resulted in a 16% cost overrun.