

1 Q. **Project C-18, Overhaul Turbine/Generator Unit 2 - Holyrood**

2 On page 13 of the report filed at Volume I, Tab 7, Hydro states that the total
3 amount spent on the 2012 overhaul of Unit 1 was \$4.0 million, but advises that the
4 estimate for Unit 2 is greater than \$5 million due to a 20 percent contingency and
5 an increase in contract costs. Please provide all facts and assumptions considered
6 by Hydro to justify the increased contingency and contract costs.

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9 A. Within the cost estimates for the project the contingency has been set at 20%, in
10 keeping with Hydro's contingency guideline.

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12 The contract costs, including labour and materials, are estimated to increase from
13 the 2012 Unit 1 Turbine/Generator Overhaul which accounts for approximately
14 \$400,000 increase in costs.