

1 Q. **Reference: Remove Safety Hazards, Volume I, Section D**

2 Describe Hydro's methodology for providing a budget estimate for the Remove
3 Safety Hazards project on an annual basis?

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6 A. The Remove Safety Hazards project was developed to ensure that adequate capital
7 funding is available to quickly address safety hazards as they are identified. Often
8 mitigation of the safety concern can be accomplished through an operating or
9 procedural change, or as a communication or an operating budget item. When it is
10 concluded that a mitigation measure is a capital item, a cost estimate is completed
11 for the mitigation work which is submitted to Hydro's Project Execution and
12 Technical Services (PETS) department for consideration under the Remove Safety
13 Hazards category. These requests are reviewed, and if warranted, the funding is
14 approved by the Vice President of Hydro and the Vice President of PETS.

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16 Given the nature of the program it is difficult to forecast the scope of work and
17 generate a detailed estimate at the budget preparation stage. The proposal
18 estimate of \$257,800 considers the large quantity of assets owned by Hydro, in
19 conjunction with their widespread locations throughout the province. Due to the
20 uncertainty surrounding the type, magnitude and location of the work, the
21 potential for significant fluctuation in actual cost exists. The budget estimate for
22 this program is developed through a review of the actual program expenditures to
23 date, consideration as to the age and location of Hydro's assets and the application
24 of engineering judgement in an effort to forecast the project scope and
25 construction costs. It is Hydro's goal to ensure that the requested funding will
26 enable the successful elimination of safety hazards, for work approved under the
27 program, and provide a reasonable level of contingency to account for the logistical

1 issues, and subsequent cost increase, encountered at the many remote locations
2 serviced by Hydro.

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4 Since its inception in 2010, Hydro has sought annual funding for the amount of
5 approximately \$250,000 to remediate safety hazards. Hydro has consistently
6 worked within the approved budgetary constraints to successfully resolve the
7 numerous safety hazards addressed under this program.