

1 Q. Please provide a reconciliation of Kleinschmidt's cost estimate, the contractor's proposal,
2 Hydro's Revised Budget and Hydro's budget filed in the original application in December 2022.

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5 A. Table 1 summarizes the project budget as presented in the Bay d'Espoir Penstock 1 Section
6 Replacement and Weld Refurbishment application.¹

Table 1: Project Budget (\$000)

Project Cost	Total
Material Supply	70.0
Labour	2,538.1
Consultant	3,123.0
Contract Work	36,747.5
Other Direct Costs	168.8
Interest and Escalation	3,749.4
Contingency	4,209.9
Total	50,606.7

7 Upon obtaining approval of the application,² Newfoundland and Labrador Hydro ("Hydro")
8 further refined the Work Breakdown Structure for the project and proceeded to allocate the
9 budget presented in Table 1 to the revised structure in Table 2.³ A comparison of the allocation
10 of funds within the defined Work Breakdown Structure to the other budget estimates is
11 provided in Table 2.

¹ "Penstock 1 Section Replacement and Weld Refurbishment – Bay d'Espoir Hydroelectric Generating Facility," Newfoundland and Labrador Hydro, December 7, 2022.

² Board Order No. P.U. 6(2023).

³ The Work Breakdown Structure is established to enable effective contract management and often is influenced by the Schedule of Prices and associated payment terms in agreements. It therefore often deviates from the structure used to set up the original cost estimate.

Table 2: Cost Estimate Reconciliation (\$000)⁴

	Hydro's Original Budget	Kleinschmidt's Revised Class 3 Estimate⁵	Hydro's Revised Class 3 Estimate	Hydro's Revised Class 3 Estimate (Incorporating Proponent #1 Proposal)
FEED ⁶	551.1			
Project Management ⁷	928.4			
Internal Engineering	1,529.1			
EPCM ⁸	1,599.2			
Internal Construction	530.2			
Mobilization	5,085.4			
Penstock Replacement	22,935.0			
Penstock Rehabilitation	12,268.0			
Bonding	162.8			
Other ⁹	3,314.1			
Subtotal	48,903.2			
IDC ¹⁰	1,703.5			
Total	50,606.7			

⁴ Numbers may not add due to rounding.

⁵ Items labelled 'N/A' were not included under Kleinschmidt’s scope of work.

⁶ Front-End Engineering and Design (“FEED”).

⁷ Project Management also includes Project Support Services such as project controls, document control, contract management, etc.

⁸ Engineering, Procurement, and Construction Management (“EPCM”).

⁹ ‘Other’ includes costs related to the acquisition of materials and anticipated construction oversight, in addition to the EPCM services, such as third-party quality control and inspection services.

¹⁰ Interest During Construction (“IDC”).