

BOMA INTERROGATORY #14

INTERROGATORY

Ref: Ibid, p3 of 5

- (a) Please provide more detail on the overspend for each of Items 6 and 7.
- (b) The overall project spend is \$90.1 million, which exceeds the project budget of \$70.1 million. Please provide a detailed explanation.

RESPONSE

- (a) Item #6

Storage was overspent by \$6.4 million, primarily based on two items.

One item related to required work on compressor foundations. The compressor foundations were not in the original storage budget plan presented in the Custom IR proceeding. During an engine overhaul in 2015, significant deterioration to the foundations was revealed, and as a result, the project was added to the 2016 capital portfolio resulting in the overspend as compared to budget.

The balance of the 2016 overspend resulted from delays in the construction of the new storage building to accommodate the administration office, control room, mechanical and instrumentation shops and warehouse. This project was scheduled for 2015, but was not completed until 2016. The cost of moving the control room was originally planned in 2015 but took place in 2016 due to the delay in the construction of the new building. Similarly, SCADA Alarm upgrades overspend was a result of the work that was originally planned in 2015 but which ultimately took place in 2016 due to the delays in the construction of the new building.

Item #7

Facilities and General Plant overspend of \$7.1 Million was a result of higher spend in Facilities associated with Building Improvements and Workspace Alterations. The main driver was the Victoria Park Annex renovation, for which the extent of the required renovation work was originally underestimated.

It was subsequently discovered that additional remediation of asbestos materials was required, related to the old structure which was being dismantled. This delayed the

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completion of the project, and added to the construction labour time and materials that were required to complete the remediation.

- (b) Please refer to the response to BOMA Interrogatory #12, found at Exhibit I.B.EGDI.BOMA.12.

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