

1 Q. Page 13, lines 4-9: Please confirm that the use of the contingency for this project
2 will be limited to additional components within the scope of items 1 – 3 listed on
3 page i and not for unrelated equipment or projects within the Holyrood Terminal
4 Station. Please provide examples of the type of replacements the contingency
5 would cover and detail the circumstances in which a separate supplemental capital
6 budget application would be filed.

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9 A. Hydro confirms that the use of contingency for this project will be limited to
10 additional components within the scope of items 1 – 3 listed on page i and not for
11 unrelated equipment or projects. Examples could include additional expansion joint
12 replacements on the boiler that would contribute to better air flow, valve or piping
13 replacements that are considered necessary for safe and reliable operation, or
14 turbine control replacements considered necessary for safe and reliable operation.
15 All additional work will be scrutinized internally to ensure that capitalization criteria
16 in accordance with the International Financial Reporting System (IFRS) are met.
17 Also, any additional replacements that fit the above criteria will be communicated
18 to the Board via the Year- end Capital Expenditures and Carry Over report. Separate
19 supplemental capital budget applications will be submitted for any other projects
20 that do not meet the above criteria.