

1 Q. CA-NLH-006 In reference to the Happy Valley Interconnection and the cost  
2 thereof:

3 (a) Should this \$19,978,500 cost be a part of the Muskrat Falls project?

4 (b) As to the labour component of \$2,694,000, please provide details in  
5 reference to this component? Why is the component not a part of the  
6 \$11,632,600 contract work?

7 (c) Why is the contingency \$3,215,600 so high? This is approximately 16% of  
8 the total project cost of \$19,978,500.

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11 A. (a) Please see Hydro's response to CA-NLH-004.

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13 (b) This project involves a significant amount of internal labour required to  
14 execute and manage this contract work. Internal engineering and project  
15 management will be required to prepare, tender and manage multiple contracts  
16 with support from groups such as environmental coordinators, planners, and  
17 drafting. Internal trades people will be required to act as Permit Holders and  
18 Construction Management Representatives for the entire duration of all contract  
19 work at multiple work sites. Internal trades people will also be required to perform  
20 normal duties including isolations and switching. All of these internal labour costs  
21 are included in the \$2,694,000.

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23 (c) Similar to all capital budget applications, Hydro's standard contingency rate  
24 (20%) was used in the preparation of this project proposal to determine the  
25 \$2,860,600 contingency figure.