

- 1 Q. **Ref: NLH Mobile Radio System Summary of Findings, p. 15, Section 4.3**
2 **& 4.4.** Please explain how the capital and operating costs were derived.
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- 5 A. Capital costs were derived through a detailed analysis of the proposals
6 received. Hydro's consultant and Hydro personnel reviewed the estimates
7 for accuracy and completeness, and adjustments were made where
8 warranted based on estimates for similar work and previous experience.
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- 10 Operating costs were derived through the combined experience of Hydro and
11 Consultant personnel. Cost categories (e.g. maintenance, circuit leasing,
12 etc.) were agreed on and estimated costs were prepared based on known
13 current costs or recent estimates.