

1 **Q. Additions to Real Property (Pooled)**

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3 **Schedule B, Page 66 of 97 states: "To ensure consistency from year to year,**
4 **expenditures related to large unplanned additions are excluded from the historical**
5 **average calculation." Please explain why the corporate security upgrades are**
6 **considered large unplanned additions and excluded from historical data considering**
7 **that approximately \$100,000 has been included in each Capital Budget since 2014.**
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9 A. The identified phrase refers to data presented in Table 2 on Page 66 of 97. Table 2 shows
10 the historical expenditures for the 2012 – 2016F period associated with upgrading,
11 refurbishment or replacement of equipment and facilities due to organizational changes,
12 damage, deterioration, corrosion and in-service failure. To show consistency, and to
13 determine the budget for this work, the table excludes larger projects that are not
14 typically undertaken on a routine basis.
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16 There were large, unplanned expenditures associated with parking lot resurfacing and
17 truck bay door replacements incurred in 2013. As similar expenditures were not incurred
18 in 2012, 2014, 2015, and 2016, these expenditures were excluded from the historical 5-
19 year data presented in Table 2.¹ Expenditures associated with corporate security
20 upgrades were not incurred in 2012 and 2013. As a result, these expenditures were also
21 excluded from the 5-year historical data presented in Table 2.
22

23 The \$100,000 budget proposed for corporate security upgrades in 2017 is based on an
24 engineering estimate and is consistent with 2014, 2015, and 2016F expenditures.

¹ The exclusion of the parking lot resurfacing (\$40,000) and Duffy Place truck bay door replacement (\$47,000) is detailed in footnote 1 to Table 2.