

1 Q. (Appendix CI to report entitled Upgrade Transmission Line Corridor - Bay d'Espoir to  
2 Western Avalon) Please provide a table including a detailed comparison of the cost  
3 estimate submitted in this application to that submitted to the Board in September  
4 2011.

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7 A. Please refer to the following table and explanations regarding the variances.

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	2011	2014	Variance
Material	\$48,076.80	\$27,260.70	(\$20,816.10)
Labour	\$12,135.10	\$20,397.00	\$8,261.90
Consultant	\$490.40	\$3,482.00	\$2,991.60
Contract	\$79,399.10	\$135,814.00	\$56,414.90
Other Direct Costs	\$1,164.40	\$4,040.50	\$2,876.10
Interest and Escalation	\$53,984.00	\$62,464.90	\$8,480.90
Contingency	\$14,126.50	\$38,198.90	\$24,072.40
<b>Total</b>	<b>\$209,376.30</b>	<b>\$291,658.00</b>	<b>\$82,281.70</b>

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10 The overall increase is \$82M.

11 There are two main drivers for the overall increase:

12 Contingency + 24M – Contingency has been increased from 10% to 20%. The  
13 estimate completed in 2011 carried only a 10% contingency. Since  
14 2012, all projects submitted to the Board have carried a 20%  
15 contingency

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17 Contract Cost + 56M – This increase is a result of an increased demand for contract  
18 labour which is being felt throughout the industry. Due to the  
19 demand for contract labour to complete large scale projects, the unit

1 pricing has increased as the local market has been influenced by  
2 competing project labour agreements already in place.

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4 Other Costs

5 Materials - 20M – Material costs have decreased as amount of work currently  
6 on-going has opened up international markets due to the large  
7 quantities of equipment required for other current projects.

8 Labour + 8M – Increased project management costs which are expected  
9 given the increase in contract value.

10 Consultant + 3M – Increased to accommodate design and installation work  
11 around the stations expected to be carried out by external  
12 consultants.