

COMPARISON OF PROJECT OM&A - REGULATED HYDROELECTRIC

1.0 PURPOSE

This evidence presents period-over-period comparisons of project OM&A for Niagara Plant Group and R.H. Saunders GS, and the newly regulated hydroelectric facilities.

2.0 PERIOD-OVER-PERIOD CHANGES

Year-over-year variances are presented by plant group in Ex. F1-3-2 Table 1 and by project category in Ex. F1-3-2 Table 2 and are explained here.

3.0 PERIOD-OVER-PERIOD CHANGES – TEST PERIOD

2015 Plan versus 2014 Plan

From 2014 - 2015, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures are expected to increase by \$4.5M to a total plan of \$17.9M. For the newly regulated hydroelectric, OM&A project expenditures are expected to increase by \$7.6M to a total plan of \$32.1M.

Niagara Plant Group

In 2015, Niagara Plant Group OM&A project expenditures are expected to increase by \$1.7M to \$11.0M due to planned expenditures for DeCew Falls II GS West Approach Bridge and Sir Adam Beck I GS Screenhouse Roof projects. These expenditures are partly offset by the completion of Sir Adam Beck I GS Elevator #1 Shaft and Exit Gallery project in 2014.

R.H. Saunders Generating Station

In 2015, R.H. Saunders GS OM&A project expenditures are expected to increase by \$2.8M to \$7.0M due to planned expenditures for various smaller projects and the Administration Building Envelope Rehabilitation. The Administration Building Envelope work consists of replacing the deteriorating east brick wall including windows and flashing. These incremental costs are partly offset by the completion of the Barnhardt Island Bridge (NYPA joint works) project in 2014.

Ottawa-St. Lawrence Plant Group

In 2015, Ottawa St. Lawrence Plant Group OM&A project expenditures are expected to increase by \$10M to \$19.0M due to planned expenditures on the Otto Holden GS Unit Overhauls, Calabogie GS Upstream Waterline Erosion Repair, Stewartville GS Tailrace Deck Repair projects, as well as a number of other smaller projects.

Central Hydro Plant Group

At Central Hydro Plant Group, project expenditures are \$0.2M less in 2015 than 2014. The small decrease is due to a number of projects completing in 2014, including the Ranney Falls Bridge/Intake Structure and the South Falls G2 Turbine and Generator Replacement projects.

Northeast Plant Group

In 2015, Northeast Plant Group OM&A project expenditures are expected to decrease by \$1.8M to \$6.0M. This decrease is primarily due to the completion of geotechnical repairs (downstream slope stabilization) at the Frederick House Lake Control Dam upstream of Abitibi Canyon GS and Otter Rapids GS in 2014.

Northwest Plant Group

At Northwest Plant Group, project expenditures decrease by \$0.4M to \$3.2M in 2015 primarily due to the completion of the Whitedog Falls GS Headworks Concrete Rehabilitation in 2014.

Projects by Category

Regulatory projects planned for R.H. Saunders in 2015 decrease by \$1.4M versus 2014 primarily as a result of the completion of the painting of the Barnhart Island Bridge (NYPA contractual) in 2014. Sustaining projects for R.H. Saunders increase by \$4.1M in 2015 primarily due to the Administration Building Envelope Rehabilitation. In the Niagara Plant Group regulatory spending is expected to decrease \$0.7M to zero while sustaining project expenditures will increase by \$2.4M. The increase in sustaining project expenditures is

1 mainly attributed to the Sir Adam Beck I Screenhouse Roof and the DeCew Falls II West
2 Approach Bridge.

3
4 For the newly regulated hydroelectric, planned expenditures for regulatory projects increase
5 by \$2.0M to \$2.2M and planned expenditures for sustaining projects increase by \$5.6M to
6 \$29.9M in 2015. The increase in regulatory project spending is due to the start of the
7 Northwest Plant Group Station Access Security Upgrade (public safety) and the Calabogie
8 Upstream Waterline Erosion Repair (environmental). The increase in sustaining project
9 spending is due to the start of the Lower Notch GS G2 Unit Overhaul in 2015.

10
11 **2014 Plan versus 2013 Budget**

12 From 2013 to 2014, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures
13 are expected to increase by \$0.5M to a total of \$13.5M. For the newly regulated hydro,
14 OM&A project expenditures are expected to increase by \$8.6M to a total plan of \$24.5M.

15
16 **Niagara Plant Group**

17 In 2014, Niagara Plant Group OM&A project expenditures are expected to decrease by
18 \$0.4M to \$9.3M. This decrease is primarily due to the completion of the Waterworks Canal
19 Levee Remediation and Sir Adam Beck I Powerhouse Roof Replacement projects. These
20 decreases are partly offset by planned expenditures on Sir Adam Beck Pump Generating
21 Station Units 1 – 5 Overhauls, and Sir Adam Beck I Elevator #1 Shaft and Exit Gallery
22 project which is starting execution in 2014.

23
24 **R.H. Saunders Generating Station**

25 At R.H. Saunders, project expenditures increase by \$0.9M to \$4.2M in 2014. The small
26 increase is due to a number of projects starting in 2014 and many continuing from 2013. The
27 Barnhardt Island Bridge continues into 2014 with an increased scope of work. Also, in 2014,
28 the R.H. Saunders GS Long Sault Dam North and South Gantry Crane painting project
29 begins.

1 Ottawa-St. Lawrence Plant Group

2 In 2014, Ottawa St. Lawrence Plant Group OM&A project expenditures are expected to
3 slightly increase by \$0.9M to \$9.0M due to timing of planned expenditures on a number of
4 projects. The Des Joachims GS Elevator Replacement and the Otto Holden GS Unit
5 Overhauls projects also begin in 2014.

6
7 Central Hydro Plant Group

8 In 2014, Central Hydro Plant Group OM&A project expenditures are expected to increase by
9 \$2.1M to \$4.2M due to planned expenditures on the Ranney Falls GS Bridge/Intake
10 Structures, South Falls GS G2 Turbine and Generator Replacement, and Lakefield GS and
11 Tretheway Falls GS Turbine Overhauls projects.

12
13 Northeast Plant Group

14 In 2014, Northeast Plant Group OM&A project expenditures are expected to increase by
15 \$4.8M to \$7.8M due to increased planned expenditures on the Lower Notch GS G1 Unit
16 Overhaul project.

17
18 Northwest Plant Group

19 In 2014, Northwest Plant Group OM&A project expenditures are expected to slightly increase
20 by \$0.8M to \$3.5M due to planned expenditures on the Whitedog Falls GS Headworks
21 Concrete Rehabilitation project.

22
23 Projects by Category

24 Regulatory projects planned for R.H. Saunders increase slightly by \$0.7M in 2014 versus
25 2013 which is a result of timing for NYPA (contractual) related projects including the painting
26 of the Barnhart Island Bridge. Sustaining projects for R.H. Saunders increase by \$0.2M in
27 2014 primarily as a result of ongoing minor project work. In the Niagara Plant Group,
28 regulatory spending is expected to increase \$0.5M while sustaining project expenditures will
29 decrease by \$1.0M. The regulatory increase is largely due to the advancement of the Sir
30 Adam Beck Pump Generating Station Site Drainage Repairs (dam safety) in 2014. The

1 decrease in sustaining project expenditures is mainly attributed to the completion of the
2 DeCew Falls GS Waterworks Canal Levee Remediation project in 2013.

3
4 For the newly regulated hydroelectric, planned expenditures for regulatory projects decrease
5 by \$0.8M to \$0.2M and planned expenditures for sustaining projects increase by \$9.4M to
6 \$24.3M in 2014. The decrease in regulatory project spending is primarily due to the
7 completion of the Abitibi Canyon GS Breaker Demerger Project (contractual) in 2013. The
8 increase in sustaining project spending is due to the start of the Lower Notch GS G1 Unit
9 Overhaul and the Frederickhouse Lake Dam Downstream Slope Stability projects in 2014.

10 11 **4.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEAR**

12 **2013 Budget versus 2012 Actual**

13 From 2012 - 2013, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures
14 are expected to decrease by \$0.6M to a total budget of \$13.0M. For the newly regulated
15 hydro, OM&A project expenditures are expected to decrease by \$4.4M to a total budget of
16 \$16.0M.

17 18 Niagara Plant Group

19 In 2013, Niagara Plant Group OM&A project expenditures are expected to decrease by
20 \$2.7M to \$9.7M due to lower planned expenditures on Sir Adam Beck II GS Headworks Deck
21 Rehabilitation and Sir Adam Beck I GS Powerhouse Roof Replacement projects, and the
22 completion of the Sir Adam Beck Switchyard Vehicle Bridge in 2012. These decreases are
23 partly offset by Sir Adam Beck Pump Generating Station Units 1 – 5 Overhaul which is
24 starting execution in 2013.

25 26 R.H. Saunders Generating Station

27 In 2013, R.H. Saunders planned increase for OM&A projects of \$2.1M to \$3.3M covers a
28 number of civil and mechanical repair projects. The largest project is the start of the
29 Barnhardt Island Bridge Painting by NYPA with \$2.2M of costs planned for 2013.

1 Ottawa-St. Lawrence Plant Group

2 In 2013, Ottawa St. Lawrence Plant Group OM&A project expenditures are expected to
3 decrease by \$3.9M to \$8.1M due to a significant reduction in the number of small projects in
4 2013 (approximately 10) compared to 2012 (approximately 40).

5
6 Central Hydro Plant Group

7 In 2013, Central Hydro Plant Group OM&A project expenditures are expected to increase by
8 \$1.0M to \$2.1M due to planned expenditures on the Crystal Falls GS Concrete Rehabilitation
9 project.

10
11 Northeast Plant Group

12 In 2013, Northeast Plant Group OM&A project expenditures are expected to increase by
13 \$1.0M to \$3.0M due to planned expenditures on the Indian Chute GS Concrete and Grout
14 Repairs project.

15
16 Northwest Plant Group

17 In 2013, Northwest Plant Group OM&A project expenditures are expected to decrease by
18 \$2.5M to \$2.8M due to the completion of the Pine Portage GS Sluiceway Automation project
19 and the \$1.0M addition to the First Nation provision for the Whitesands Erosion project in
20 2012.

21
22 Projects by Category

23 Expenditures by project category show a \$2.2M increase in 2013 for R.H. Saunders for
24 regulatory projects due to the Barnhardt Island Bridge painting (NYPA contractual).
25 Sustaining projects for R.H. Saunders decrease in 2013 by \$0.1M primarily as a result of
26 several smaller projects. In the Niagara Plant Group, regulatory spending is expected to
27 decrease by \$0.7M, while sustaining project expenditures will decrease by \$2.0M. These
28 decreases are largely due to the reduced expenditures for projects at the Sir Adam Beck
29 stations as described above.

For the newly regulated hydroelectric, planned expenditures for regulatory projects decrease by \$0.7M to \$1.0M and planned expenditures for sustaining projects decrease by \$3.7M to \$15.0M in 2013. The decrease in regulatory project spending was primarily due to the transfer of the Whitesand First Nation Erosion Repairs (environmental/contractual) project in 2012 from a OM&A project to a Provision funded project. The decrease in sustaining project spending was due to the completion of the Matabichuan GS Concrete Repairs and Mountain Chute GS Overhauls projects in 2012.

5.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL PERIOD

2012 Actual versus 2012 Board Approved

In 2012, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures were \$13.6M, or \$3.6M above the plan approved by the OEB in EB-2010-0008. For the newly regulated hydroelectric, OM&A project expenditures were \$20.3M or \$0.3M below the approved budget.

Niagara Plant Group

OM&A project spending for the Niagara Plant Group in 2012 was \$12.4M, or \$6.4M above the OEB approved plan of \$6.0M. The increase in expenditures primarily results from the advancement of the Sir Adam Beck II GS Headworks Deck Rehabilitation and the Sir Adam Beck I GS Powerhouse Roof Replacement projects due to poor asset condition. In addition, new projects were identified after the completion of the previous rate application, including the Waterworks Canal Levee Remediation at DeCew Falls GS and the Switchyard Vehicle Bridge Overhaul at the Sir Adam Beck station, which contributed to the above plan spending. These increases were partially offset by the deferral of the major unit overhaul at the Sir Adam Beck Pump Generating Station, which is now planned to start in 2013.

R.H. Saunders Generating Station

The R.H. Saunders 2012 actual OM&A project spending was \$1.2M or \$2.8M below the OEB approved plan of \$4.0M. This is primarily a result of deferral by NYPA of the painting of the Barnhardt Island Bridge to 2013/2014 (\$3.4M), offset by the Oil Handling System removal being deferred from 2011 to 2012 at a revised cost of \$0.4M.

Ottawa-St. Lawrence Plant Group

OM&A project spending for the Ottawa St. Lawrence Plant Group in 2012 was \$12.0M, or \$0.3M below budget. The variance was due to spending changes on numerous small projects.

Central Hydro Plant Group

In 2012, Central Hydro Plant Group 2012 OM&A project spending was mostly on the \$1.2M budget. The Ragged Rapids GS G1 Overhaul actual project spending was more than planned due to a scope change which was partly offset by less than planned spending on the Coniston GS Turbine Overhaul concept study.

Northeast Plant Group

In 2012, Northeast Plant Group OM&A project spending was \$0.8M less than the 2012 budget of \$2.7M. The variance was due to the less than planned spending on concrete repairs at Matabitchuan GS, partly offset by the Indian Chute GS G2 Overhaul work which, due to construction delays, was carried over from a planned completion 2011 into 2012.

Northwest Plant Group

In 2012, Northwest OM&A project spending was \$0.8M more than the 2012 budget of \$4.5M. The addition of the \$1.0M First Nation provision for the Whitesand Erosion project was offset by the deferral of Alexander GS Spillwall Rehabilitation project.

Projects by Category

In the Niagara Plant Group spending on regulatory projects is expected to remain stable when compared to the plan presented in EB-2010-0008, while sustaining project spending increased by \$5.5M over the 2012 Plan largely due to the newly identified projects as described above. R.H Saunders spending on regulatory projects decreased by \$3.0M and increased for sustaining projects by \$0.6M in the 2012 budget versus the 2012 plan as a result of the two projects mentioned above.

1 For the newly regulated hydro, regulatory projects were \$1.3M over budget and sustaining
2 projects were \$1.5M under budget. The increase in regulatory project spending was primarily
3 due to the addition of the Northwest Plant Group First Nation provision changes as described
4 above. The decrease in sustaining project spending was due to the less than planned
5 spending on the Matabichuan GS Concrete Repairs and Des Joachims Turbine Overhauls.

6
7 **2012 Actual versus 2011 Actual**

8 From 2011 to 2012, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures
9 increased by \$7.0M to a total of \$13.6M. For the newly regulated hydro, OM&A project
10 expenditures decreased by \$1.3M to a total plan of \$20.3M.

11
12 Niagara Plant Group

13 In 2012, Niagara Plant Group OM&A project expenditures increased by \$6.2M to \$12.4M.
14 This increase is primarily due to the start of construction work on Sir Adam Beck I GS
15 powerhouse roof replacement, the rehabilitation of the headworks and tailrace decks at Sir
16 Adam Beck II, the remediation of the Waterworks Canal at DeCew Falls GS, and the
17 overhaul of the Sir Adam Beck switchyard vehicle bridge.

18
19 R.H. Saunders Generating Station

20 At R.H. Saunders, project expenditures increased by \$0.8M to \$1.2M more in 2012. The
21 increase is due to numerous projects with minor spending changes, and the addition of a
22 project for the removal of the old Oil Handling system in 2012.

23
24 Ottawa-St.Lawrence Plant Group

25 In 2012, Ottawa St. Lawrence Plant Group OM&A project expenditures increased by \$3.5M
26 to \$12.0M mainly due to the start of the Chat Falls GS Main Dam Concrete Restoration in
27 2012.

28
29 Central Hydro Plant Group

30 In 2012, Central Hydro Plant Group OM&A project expenditures decreased by \$3.0M to
31 \$1.2M due to completion of the Elliott Chute GS Intake Concrete Repairs, the Northbury and

Gravenhurst Service Centre Public Safety Upgrades, Seymour GS Turbine Overhauls, and significant completion of Trethewey GS Gain Replacement in 2011.

Northeast Plant Group

In 2012, Northeast Plant Group OM&A project expenditures decreased by \$0.7M to \$1.9M due to additional unplanned work in 2011 to repair cracks discovered on the Abitibi Canyon GS Unit 2 turbine runner.

Northwest Plant Group

In 2012, Northwest Plant Group OM&A project expenditures decreased by \$1.2M to \$5.3M, primarily due to the completion of the Manitou Falls GS Pier and Curtain Wall Repair project in 2011.

Projects by Category

In the Niagara Plant Group regulatory spending decreased from \$1.1M in 2011 to \$0.8M in 2012. This decrease is primarily due to the completion of the Niagara Queen II ice breaker overhaul in 2011. Sustaining expenditures increased from \$5.1M in 2011 to \$11.5M in 2012. This increase is due to increased spending on the powerhouse roof replacement at Sir Adam Beck I, rehabilitation of the headworks and tailrace decks and the switchyard bridge at Sir Adam Beck II and the remediation of the waterworks canal levee at DeCew Falls GS. R.H. Saunders expenditures by project category were relatively stable for regulatory (contractual) projects while sustaining projects show increased due to the Removal of Oil handling system and tanks project planned for 2012.

For the newly regulated hydro, regulatory projects decreased by \$2.2M to \$1.7M and sustaining projects increased by \$0.9M to \$18.7M in 2012. The decrease in regulatory project spending was primarily due to the completion of the Bark Lake Control Dam Concrete Rehabilitation in 2011. Sustaining projects were largely unchanged.

2011 Actual versus 2011 Board Approved

For 2011, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures were \$6.6M or \$3.1M below budget. For the newly regulated hydro, OM&A project expenditures were \$21.6M or \$5.7M under budget.

Niagara Plant Group

For the Niagara Plant Group, OM&A project costs were \$0.5M below budget. The variance was mainly due to the deferral of the tunnel intake gate overhaul (\$0.8M), definition phase work for the major unit overhauls at Sir Adam Beck PGS (\$0.4M), and the cancellation of trashrack overhauls at Sir Adam Beck II GS (\$0.6M) and main elevator assessment work at Sir Adam Beck I GS (\$0.7M). These reductions were offset by increased expenditures on other projects such as the concrete restoration work at Sir Adam Beck I screen house (\$0.3M), and new projects that were added to the work program such as Niagara Queen ice breaker regulatory overhaul (\$0.7M) and Sir Adam Beck II disconnect switch replacement (\$0.9M).

R.H. Saunders Generating Station

The R.H. Saunders 2011 actual spending was \$0.4M versus the Board approved plan of \$3.0M, or \$2.6M under budget. The less than planned spending was mainly due to deferral of the Ice Sluices and Steel Support Beams Repairs from 2011 to 2016, the Painting of the Long Sault Dam Cranes from 2011 to 2014 by NYPA, the start of the Barnhardt Island Bridge Painting project from 2011 to 2013 by NYPA, and the Main Dam Foundation Drainage Cleaning to 2016 as per the recommendations of a technical assessment.

Ottawa-St. Lawrence Plant Group

The Ottawa St. Lawrence 2011 actual spending was \$8.5M versus the budget of \$15.3M, or \$6.8M under budget. This was due to a number of projects being budgeted for but not started due to resourcing issues resulting in a delay of project releases. In particular, there was a scope change to the Chat Falls GS Main Dam Concrete Restoration and less than planned spending on the Bark Lake Control Dam Concrete Rehabilitation. The scope of work identified for the Chats Falls GS Main Dam Concrete Restoration was significantly more than estimated. As a result, more engineering was required and the project execution was deferred to 2012. The Bark Lake Control Dam Rehabilitation had less than plan spending in 2011 due to much less contingency required than planned.

1 Central Hydro Plant Group

2 For the Central Hydro Plant Group, OM&A project costs were \$0.6M over the 2011 budget of
3 \$3.5M. This is primarily due to unanticipated civil repairs at Tretheway Falls GS. This
4 discovery work was identified during the commissioning of the log lifter, and the repairs were
5 required to maintain reliable operation of flow control equipment.

6
7 Northeast Plant Group

8 For the Northeast Plant Group, OM&A project costs were \$0.7M over the 2011 budget of
9 \$1.8M. This increase was primarily due to the discovery of cracks on the Abitibi Canyon GS
10 Unit 2 turbine runner.

11
12 Northwest Plant Group

13 For the Northwest Plant Group, 2011 actual OM&A project costs were \$0.3M under the 2011
14 budget of \$6.7M which can be attributed to the reclassification of the Pine Portage GS Plant
15 Lighting Upgrade from an OM&A project to Capital. The largest project in 2011, the Manitou
16 Falls GS Headworks Concrete Repair at \$3.8M was delivered on budget.

17
18 Projects by Category

19 Niagara Plant Group regulatory expenditures were on budget at \$0.7M, while spending on
20 sustaining projects in 2011 were only \$0.5M below the budget of \$5.8M due to the deferral of
21 the overhauls projects described above. R.H. Saunders regulatory projects were below
22 budget due to the deferral of the two NYPA joint works painting projects described above.
23 Sustaining projects were below budget due the deferral of ice sluice and drainage cleaning
24 projects described above.

25
26 For the newly regulated hydro, regulatory projects were \$1.7M under budget and sustaining
27 projects were \$4.0M under budget. The decrease in regulatory project spending was
28 primarily due to less than planned spending on the Bark Lake Control Dam Concrete
29 Rehabilitation. The decrease in sustaining project spending was primarily due to a number of
30 projects being budgeted for but not started, and a scope change to the Chat Falls GS Main
31 Dam Concrete Restoration.

2011 Actual versus 2010 Actual

From 2010 to 2011, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures increased by \$1.3M to a total of \$6.6M. For the newly regulated hydro, OM&A project expenditures decreased by \$18.2M to a total plan of \$21.6M.

Niagara Plant Group

Niagara Plant Group's increase of \$1.3M to \$6.2M in 2011 was due to the start of construction for concrete restoration of the Sir Adam Beck I screenhouse.

R.H. Saunders Generating Station

There was no change in OM&A project spending of \$0.3M at R.H. Saunders from 2010 to 2011.

Ottawa-St. Lawrence Plant Group

In 2011, Ottawa St. Lawrence Plant Group OM&A project expenditures decreased by \$2.1M to \$8.5M. This decrease was primarily due to the completion of the Stewartville GS Main Dam Upper Deck Concrete Rehabilitation and the Otto Holden GS Window Replacement projects in 2010.

Central Hydro Plant Group

In 2011, Central Hydro Plant Group OM&A project expenditures increased by \$1.0M to \$4.1M. This increase was primarily due to the start of the Elliot Chute GS Intake Concrete Repairs project in 2011.

Northeast Plant Group

In 2011, Northeast Plant Group OM&A project expenditures decreased by \$8.3M to \$2.6M. This decrease was primarily due to the completion of the Abitibi Canyon GS Tailrace Pier Rehabilitation in 2010 and deferral of a unit overhaul at Lower Notch GS to allow for further testing to better determine the project scope.

1 Northwest Plant Group

2 From 2010 - 2011, Northwest Plant Group OM&A project expenditures decreased by \$8.8M
3 to \$6.5M due primarily to the First Nation provision changes in 2011 of \$4.0M compared to
4 2010 of \$11.3M. The balance can be attributed to completion of a number of concrete
5 restoration projects completed at Pine Portage, Ear Falls and Whitedog Falls GSs.

6
7 Projects by Category

8 Expenditures by project category show only a small increase in in sustaining projects due to
9 the Sir Adam Beck I screen house concrete restoration project described above. Niagara
10 Plant Group regulatory expenditures increased due to increased spending on the Niagara
11 Queen II icebreaker overhaul.

12
13 For the newly regulated hydro, regulatory projects decreased by \$9.4M to \$3.9M and
14 sustaining projects decreased by \$8.8M to \$17.7M in 2011. The decrease in regulatory
15 project spending was primarily due to the Northwest Plant Group's First Nation provision
16 changes as described above. The decrease in sustaining project spending was primarily due
17 to the completion of the Abitibi Canyon GS Tailrace Pier Rehabilitation project in 2010.

18
19 **2010 Actual versus 2010 Budget**

20 For 2010, Niagara Plant Group and R.H. Saunders GS OM&A project expenditures were
21 \$5.4M or \$0.1M higher than budget. For the newly regulated hydro, OM&A project
22 expenditures were \$39.8M or \$2.7M over budget.

23
24 Niagara Plant Group

25 Niagara Plant Group OM&A project spending in 2010 was \$0.9M higher than budget. This
26 higher than expected spending in 2010 resulted from increased spending on the powerhouse
27 concrete restoration (\$0.8M) and work on the main elevator (\$0.8M) at Sir Adam Beck I, dyke
28 protective measures at Sir Adam Beck PGS (\$0.3M) and a number of smaller projects.
29 These increases were partially offset by the deferral of road repairs at Sir Adam Beck I
30 (\$0.4M) and tunnel intake gate overhaul (\$0.3M) and through the cancellation of parkway
31 wall repairs at Sir Adam Beck I (\$0.5M) and trashrack repairs at Sir Adam Beck II (\$0.4M).

1
2 R.H. Saunders Generating Station

3 R.H. Saunders' OM&A project spending in 2010 was \$0.8M below budget as a result of the
4 lower than expected contingency required for the Underwater Dam Inspection at Long Sault
5 Dam (NYPA JW), the Uplift Pressure Cells Replacement on the Long Sault Dam was
6 deemed unnecessary by NYPA, and some other minor project cash flow changes on several
7 projects.

8
9 Ottawa-St. Lawrence Plant Group

10 The Ottawa St. Lawrence 2010 actual spending was \$10.6M versus the budget of \$12.7M, or
11 \$2.2M under budget. This is primarily due to less than planned spending on the Bark Lake
12 Control Dam Concrete Rehabilitation and Mountain Chute GS Unit Overhauls. A portion of
13 scope for the Bark Lake Control Dam Rehabilitation project was determined to be capital in
14 nature and was therefore reclassified as a capital project. Work originally planned for the
15 Mountain Chute GS, Unit 2 Overhaul was deferred to 2011 to reassess the execution
16 approach to line up with the Capital Rewind Project.

17
18 Central Hydro Plant Group

19 For the Central Hydro Plant Group, OM&A project costs were \$2.2M under the 2010 budget
20 of \$5.3M. This is primarily due to the deferral of the Ragged Rapids GS G1 Overhaul project
21 to allow further investigation of the project scope and cost to 2011.

22
23 Northeast Plant Group

24 For the Northeast Plant Group, OM&A project costs were \$0.1M under the 2010 budget of
25 \$10.9M. This is primarily due to less than planned spending on a number of small OM&A
26 projects. The Abitibi Canyon Tailrace Pier Rehabilitation project was valued at \$9.4M and
27 was completed on budget in 2010.

28
29 Northwest Plant Group

30 The Northwest Plant Group 2010 actual spending was \$15.2M versus the budget of \$8.2M,
31 or \$7.0M over budget. This increase was due primarily to the addition of \$7.5M First Nation

1 provision for the Whitesand and Gull Bay Erosion projects. The \$0.5M balance can be
2 attributed to the cancellation of the Pine Portage Tailrace Pier Repair project.

3
4 Projects by Category

5 For expenditures by project category, regulatory projects were \$0.6M below budget while
6 sustaining projects were \$0.7M above budget for 2010. Regulatory projects were below
7 budget due to the deferral or cancellation of a number of bridge repair projects in the Niagara
8 Plant Group. Sustaining project expenditures were \$0.8M over the budget of \$4.1M. This
9 variance is due to higher than expected spending on concrete restoration work on Sir Adam
10 Beck I powerhouse. For Project expenditures by category at R.H. Saunders, regulatory
11 projects were under spent by \$0.8M due to less spending by NYPA than planned.

12
13 For the newly regulated hydro, regulatory projects were \$6.7M above budget while sustaining
14 projects were \$4.1M below budget. The increase in regulatory project spending was primarily
15 due to the Northwest Plant Group's First Nation provision changes as described above. The
16 decrease in sustaining project spending was primarily due to lower than planned spending on
17 the Mountain Chute GS Unit Overhauls project as described above.