

TFO CAPITAL COST ESTIMATE

September 21, 2018

RE: Cover memo to the Cost Estimate for the Mount Allan 115S Substation Upgrade in the Kananaskis Village Area (the “Project”)

Currently, the AltaLink Management Ltd (AltaLink) *2019-2021 General Tariff Application (GTA)* is before the Alberta Utilities Commission¹. AltaLink’s GTA proposes a Capital Maintenance Program, which includes the forecast replacement of the Mount Allan 115S substation transformer T1. The replacement of the Mount Allan 115S substation transformer T1 is also included in the scope of the Proposed Transmission Development for the Project.

AltaLink has advised that if the Mount Allan substation transformer T1 is replaced due to operating risk, or as part of its planned maintenance program, within the in-service date requested by FortisAlberta Inc. as part of its request for system access service, then the cost estimate for the Project may be adjusted. The cost of replacing the Mount Allan 115S substation transformer T1 may be removed from the Project’s cost estimate.

¹ AltaLink’s 2019-2021 General Tariff Application was registered with the Alberta Utilities Commission on August 23, 2018 in Proceeding 23848

Project Name & No.	Fortis Alberta Kananaskis Area Reliability P2023/D.0711			TRANSMISSION PROJECT ESTIMATE SUMMARY	Capital Maintenance (if applicable)
Prepared by:	AltaLink Management Ltd.				
AACE Class: (future use)	3	Estimate Basis	NID		
High Range	30%	Low Range	-30%		
Date of Estimate:	08-Aug-18	Base Year Used	2018		
In Service Date:	01-Nov-19				
	SYSTEM	CUSTOMER	TOTAL	ASSUMPTIONS	
TRANSMISSION LINE					
Material	\$ -	\$ -	\$ -		\$ -
Labour	\$ -	\$ -	\$ -		\$ -
Supply & Install	\$ -	\$ -	\$ -		\$ -
TOTAL TRANSMISSION LINE	\$ -	\$ -	\$ -		\$ -
SUBSTATION					
Material	\$ -	\$ 1,568,280	\$ 1,568,280		\$ -
Labour	\$ -	\$ 1,476,493	\$ 1,476,493		\$ -
Supply & Install	\$ -	\$ -	\$ -		\$ -
TOTAL SUBSTATION	\$ -	\$ 3,044,773	\$ 3,044,773		\$ -
TELECOMMUNICATION					
Material	\$ -	\$ -	\$ -		\$ -
Labour	\$ -	\$ -	\$ -		\$ -
Supply & Install	\$ -	\$ -	\$ -		\$ -
TOTAL TELECOMMUNICATIONS	\$ -	\$ -	\$ -		\$ -
OWNERS					
Pre-SP cost	\$ -	\$ 109,314	\$ 109,314		\$ -
Proposal to Provide Service	\$ -	\$ 41,825	\$ 41,825		\$ -
Facility Applications	\$ -	\$ 149,018	\$ 149,018		\$ -
Regulatory & Compliance	\$ -	\$ -	\$ -		\$ -
Land Rights - Easements	\$ -	\$ 3,541	\$ 3,541		\$ -
Land - Damage Claims	\$ -	\$ -	\$ -		\$ -
Land - Acquisitions	\$ -	\$ -	\$ -		\$ -
Other	\$ -	\$ -	\$ -		\$ -
TOTAL OWNERS COST	\$ -	\$ 303,698	\$ 303,698		\$ -
DISTRIBUTED					
Procurement Management	\$ -	\$ 33,148	\$ 33,148		\$ -
Project Management	\$ -	\$ 458,742	\$ 458,742		\$ -
Construction Management	\$ -	\$ 172,015	\$ 172,015		\$ -
Contingency	\$ -	\$ 272,500	\$ 272,500		\$ -
Escalation	\$ -	\$ 73,391	\$ 73,391		\$ -
TOTAL DISTRIBUTED	\$ -	\$ 1,009,796	\$ 1,009,796		\$ -
SALVAGE					
Transmission Line Labour	\$ -	\$ -	\$ -		\$ -
Substation Labour	\$ -	\$ 209,500	\$ 209,500		\$ -
Telecom Labour	\$ -	\$ -	\$ -		\$ -
Land Remediation and Reclamation	\$ -	\$ 7,500	\$ 7,500		\$ -
TOTAL SALVAGE	\$ -	\$ 217,000	\$ 217,000		\$ -
OTHER COSTS					
AFUDC	\$ -	\$ 32,783	\$ 32,783		\$ -
E&S/Overhead	\$ -	\$ 448,019	\$ 448,019		\$ -
TOTAL OTHER	\$ -	\$ 480,802	\$ 480,802		\$ -
TOTAL PROJECT	\$ -	\$ 5,056,070	\$ 5,056,070		\$ -