

1 **Q. (Reference 2024 Capital Expenditure Report) It is indicated (page 11 of 17)**
2 **that expenditure on the LED Street Lighting Replacement project was**
3 **\$404,000 higher than the Capital Budget amount. What is the reason for this**
4 **higher cost?**

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6 **A.** In 2024, capital expenditure for the *LED Street Lighting Replacement* project was
7 \$5.9 million, which was \$0.4 million (7.3%), higher than the approved budget of
8 \$5.5 million. The variance is primarily due to increased labour requirements to complete
9 the work.

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11 The *LED Street Lighting Replacement* project involves replacing existing High-Pressure
12 Sodium ("HPS") street light fixtures with energy-efficient Light Emitting Diode ("LED")
13 fixtures. Factors that contribute to variability in capital costs include: (i) the level of
14 geographic density, or concentration, of the lights being replaced, which can influence
15 travel time; and (ii) locations requiring traffic control, which can increase the per unit
16 cost of specific fixtures.