

1 Q. (p.22, line 18) Regarding the Granite Canal hydroelectric project, provide
2 cost details and indicate the resulting cost of power relative to fuel costs at
3 Holyrood. Has a commercial feasibility of Granite Canal been completed? If
4 so, please provide it.

5
6 A. The capital cost of Granite Canal has been estimated at \$134,550,000. A
7 breakdown of this cost is as follows:

8	Generation Facilities	79,150,000
	Transmission Facilities	11,890,000
	Engineering and Project Management	15,990,000
	Environment	7,350,000
	Other Costs (Corp O/H, IDC, Contingency)	<u>20,170,000</u>
	Total	\$134,550,000

9
10 This results in a levelized cost of energy from Granite Canal of 54.2
11 mills/kWh.

12
13 The estimated fuel costs at Holyrood are;

14		Fuel at Holyrood
15		
16	<u>Year</u>	<u>Mills/kWh</u>
17	2002	46.6
18	2003	43.2
19	2004	38.5
20	2005	38.1
21	2006	39.3

1 The attached study upon which the decision to build Granite Canal was
2 based is entitled "Generation Expansion Study of Near Term Options for
3 Meeting Newfoundland's Load Growth", November 1999 . Note that certain
4 information (related to Hydro's new generation options) has been blocked out
5 for reasons of commercial confidentiality.