

1 Q. For the budget items identified below, answer the following questions:

| <i>Budget Item</i> | <i>Amount</i> | <i>Description</i>                  |
|--------------------|---------------|-------------------------------------|
| B-57               | \$515,000     | Upgrade Diesel Plant - Harbour Deep |

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3 Further to NP-111, has the diesel plant building been inadequate since the  
4 date of initial installation? If no, at what point did the building become  
5 inadequate, and for what reason?

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7 A. In the Fall of 1981, the diesel plant was relocated to the current site to  
8 address the community's concern with respect to the noise and potential fire  
9 hazard of the previous plant which was operating in close proximity to the  
10 school and private residences.

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12 This relocation resulted in improvements when compared to the original  
13 facility but still was not considered as being fully to Hydro's standards.  
14 Subsequent installation of larger engines and aging of the plant has  
15 contributed to the operational and maintenance problems being now  
16 experienced.

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18 With the continuing debate regarding potential relocation of the residents of  
19 Harbour Deep, this project has been deferred on a number of occasions.  
20 However, with no resolution of this issue combined with ongoing operational,  
21 maintenance and environmental concerns with the plant, the current  
22 recommendation is being made to proceed with the proposed upgrade. In  
23 addition, Hydro is continuing to review various alternatives to address the  
24 problems with the plant at Harbour Deep, including the potential for  
25 containerizing the units. This would facilitate use of the diesel units and  
26 switchgear at another location if they were not required in Harbour Deep at  
27 some future date.