

1    Q.    Is the transmission system between Churchill Falls and Happy Valley  
2           sufficient to ensure that current and anticipated peak demand in that area is  
3           met by hydro-electricity? If not, are there plans to upgrade the transmission  
4           system?

5  
6  
7    A.    There are plans to add additional transformer capacity at the Happy Valley  
8           Terminal Station in 2004. With this capacity addition the transmission system  
9           will be able to supply the projected load requirements for the area from  
10          Churchill Falls until the 2009/2010 timeframe. In 2010 a possible addition to  
11          the existing voltage compensation equipment at Happy Valley will increase  
12          capability to supply projected load to approximately 2014 at which time an  
13          additional transmission line from Churchill Falls will likely be required. This  
14          expansion schedule is based on the current load forecast for Happy Valley -  
15          Goose Bay and major changes in the forecast will impact the schedule.