

1 Q. Outline the actual cost savings which have been achieved as a result of each
2 of the capital projects approved for 1999, 2000 and 2001 and the dollar
3 impact of each of those projects on operating and maintenance costs in
4 2000, 2001 and 2002.

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7 A. Many, in fact, most of the capital projects proposed in 1999-2001 were not
8 based on cost savings.

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10 Two projects that specifically anticipated savings over the status quo were:

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12 1. Water lance installation on Unit No. 3 in Holyrood in 2000 contributed
13 to maintaining firewall cleanliness and thus permitted better heat
14 transfer from the combustion process to the water/steam. In 2001,
15 Unit No. 3 rebuilder was retubed. These two projects along with a
16 major turbine overhaul are estimated to have improved the heat rate
17 for Unit No. 3 by 1%. Please refer to NP-89 and IC-252.

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19 2. The interconnection of LaPoile was justified on future cost savings. A
20 report has been filed previously demonstrating the cost-effectiveness
21 of this project.

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23 It is not possible to determine the impact of each of these projects on
24 operational and maintenance cost.