

1     Q.     The Corporate Overview evidence identified several initiatives Hydro has  
2           undertaken to reduce the rural deficit (page 26, line 1 to 17). Please quantify  
3           the 2004 test year savings resulting from each initiative.  
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5     A.     As per the Corporate Overview: Evidence, page 26, several isolated  
6           systems, including the Great Northern Peninsula, have been interconnected  
7           with the main grid since 1992. Reports have been filed previously on all  
8           these interconnections demonstrating their cost effectiveness. However, it is  
9           not possible to quantify the 2004 test year savings for these interconnections.  
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11           In 1995, Hydro contracted with Hydro-Quebec for the purchase of secondary  
12           energy on the system from L'Anse au Loup to Red Bay. Estimated savings  
13           for the 2004 test year as a result of this contract are approximately \$1.4  
14           million.  
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16           For the impact of the reduction in the number of operating and support  
17           personnel and the multi-skilling of plant operators on the 2004 test year  
18           revenue requirement, please refer to the Transmission & Rural Operations:  
19           Evidence, Section 3, pages 9-10, and Revised Schedule V.  
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21           For an estimate of the savings to be realized as a result of adopting the  
22           Reliability Centered Maintenance practices, please refer to the response to  
23           CA-113 NLH. Additional commentary is contained in the Transmission &  
24           Rural Operations: Evidence, Section 3, pages 6-7.  
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26           For information on initiatives targeted at small, high cost diesel systems for  
27           electricity conservation, please refer to the response to CA-23 NLH. No  
28           specific savings related to these initiatives are reflected in the 2004 test year  
29           revenue requirement.