

1 Q. Please provide all analysis, reports or evaluations that serve to update CA-36
2 from the 2003 GRA. Given the conclusions in that report to proceed with
3 Island Pond for a 2003 in-service, please provide all analysis or reports
4 prepared by Hydro to calculate the costs and benefits of deferring this project
5 for more than a decade.

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8 A. The question and answer in CA-36 from the 2003 GRA reads as follows:

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10 Q. a) *What alternatives to the new sources of supply were considered by*
11 *NLH?*
12 b) *Were any of those alternatives more cost-effective?*
13 c) *Please provide benefit-cost or similar studies dealing with these new*
14 *sources of supply and with any alternatives that may have been*
15 *considered.*

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18 A. *With respect to the Granite Canal project, see attached report entitled*
19 *“Generation Expansion Study of Near Term Options for Meeting*
20 *Newfoundland’s Load Growth”, November 1999.*

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22 *The issue of cost-effectiveness of power purchase arrangements that*
23 *Hydro has entered into with Corner Brook Pulp and Paper Limited and*
24 *with the Exploits River Hydro Partnership, and of the recovery of those*
25 *costs by Hydro through its rates, are the subject matter of Exemption*
26 *Orders from the Lieutenant-Governor in Council issued under the*
27 *Public Utilities Act and the Electric Power Control Act. The information*
28 *requested about these matters is not required for a full understanding*
29 *of the issues to be considered by the Board in this hearing.*

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32 Please see IC 53 NLH that presents Hydro’s current generation expansion
33 plan. Island Pond is now proposed to be built in 2014. A primary reason for
34 this is the shutdown of the ACI Stephenville newsprint mill and the delay in
35 the requirement for additional generation sources. In addition, Hydro entered

1 into power purchase agreements with Corner Brook Pulp and Paper and the
2 Exploits River Hydro Partnership in 2003. Hydro has recently committed to a
3 25 MW wind power development on the Burin Peninsula and has initiated a
4 request for a second block of 25 MW. Both are expected to be in service in
5 late 2008.