

1 Q. With respect to Mr. Wells's comments at the October 9, 2003 transcript, page
2 160, lines 14-23, please indicate the timing assumed by Hydro with respect
3 to the PUB jurisdiction and role in planning the supply options shown in
4 Exhibit 6 of Exhibit RDG-2. Does Hydro's 2007 revenue requirement include
5 any forecast costs associated with potential PUB review in 2007 of Hydro's
6 integrated resource plan prior to the required commitments to wind
7 generation (in 2007, 2009 and 2010) or new hydro (for in-service as of 2011
8 and 2012).

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11 A. The expansion plan referenced in Exhibit 6 of Exhibit RDG-2 is not the
12 current expansion plan. The response to IC 53 NLH details Hydro's
13 expansion plan with 25 MW wind additions in each of 2008, 2011 and 2012
14 followed by the Island Pond Development in 2014. Hydro recently awarded a
15 25 MW wind project under a Request for Proposal (RFP) process and has
16 issued a RFP for an additional 25 MW. For the wind developments, Hydro
17 will enter into Power Purchase Agreements (PPA) with the private
18 developers. PPAs do not require pre-approval from the PUB, as they are
19 agreements to incur operating expense, which are addressed after the fact in
20 the current regulatory process. With respect to the 2014 Island Pond
21 addition it is assumed that Island Pond may have to compete with other
22 Hydro and private sector resources through a RFP process. As explained in
23 CA 42 NLH this process would require 60 months lead-time.

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25 Hydro has not included any specific forecast costs in its 2007 revenue
26 requirement related to the potential PUB review of an integrated resource
27 plan.