

1     Q.     Re: IC-53: Hydro now indicates that newest new hydro is planned to be in-  
2           service for 2014 (Island Pond) compared to 2011 under the “base case”  
3           planning sequence in Exhibit RDG-2. Please provide the rationale for delay is  
4           bringing new hydro generation into service, particularly given the current oil  
5           price forecast and forecast generation at Holyrood (over 1500 GW.h for each  
6           year of the 20 year forecast provided).

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9     A.     As noted in IC 60 NLH and IC 170 NLH, the major reason for the difference  
10           between the “base case” planning sequence in Exhibit RDG-2 and the  
11           current long-term expansion plan is the load forecast. Exhibit RDG-2 used  
12           the 2005 Provincial Load Forecast (PLF), which assumed the ACI newsprint  
13           mill at Stephenville was operating. The current long-term expansion plan  
14           uses the 2006 PLF, which takes into account the closing of the Stephenville  
15           mill. The other assumptions between the two scenarios, besides some  
16           changes in inputs (IC 170 NLH) remain basically the same.

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18           In 2006, Hydro commissioned a “final feasibility” study on Island Pond, the  
19           next expected hydro generation source to be constructed. This study is  
20           scheduled to be completed by year’s end. Once the results of the study are  
21           known, Hydro will decide if it is feasible to construct Island Pond before being  
22           required to do so under its previously established generation planning criteria  
23           (see Regulated Activities: Evidence page 28, lines 15 – 26).