

1 Q. With respect to section 4.2.3 on page 16 of Mr. Martin's evidence, please
2 provide more specific detail on Hydro's consideration of opportunities to
3 advance the Island Pond and Portland Creek generating stations. In
4 particular, please provide any capital cost and operating expense estimates
5 related to these facilities as well as their estimated capacity and energy
6 benefits. Please also indicate whether the advancement of these
7 hydroelectric generation projects is being considered in the context of the
8 concerns regarding air emissions from the Holyrood Thermal Generating
9 Station detailed on lines 16 through 25 on page 16 of Mr. Haynes' evidence
10 or the overall level of increase of fuel expense.

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13 A. As part of the 2006 approved capital program Hydro is completing
14 engineering feasibility updates for the Island Pond and Portland Creek
15 generation projects. The feasibility studies will be complete by year end at
16 which time Hydro will complete its assessment of the opportunities to
17 advance the construction of one or both of these developments. While the
18 reduction of air emissions at Holyrood is an important consideration, the cost
19 competitiveness of the energy from the hydroelectric projects to the
20 displaced fuel savings will be of primary significance in determining whether
21 these projects can be considered for advancement.