

**In reference to Schedule “B”, page 33 of 82 and the transmission system engineering study at a project cost of \$500,000:**

**Q. Please explain in detail why additional work is being conducted in the Port aux Basques/Rose Blanche areas.**

**A.** The Company serves in excess of 5,000 customers in this area from its Doyles, Grand Bay, Port Aux Basques and Long Lake substations. The Company has an obligation to provide reliable electric service to customers throughout its service area.

Newfoundland and Labrador Hydro’s 138kV transmission lines TL214/TL215 deliver electricity to customers in this area. This 145km long radial transmission line is exposed to severe weather conditions, particularly extremely high winds in the Wreckhouse area. Although the Company maintains approximately 11 MW of thermal generation in the area in addition to the 6 MW Rose Blanche hydroelectric plant, this capacity is insufficient to backup the transmission line under many loading conditions. The total peak demand of customers in this area is approximately 26 MVA. Reliability statistics for the area provided in response to CA17(g) indicate that customer service in this area requires further attention in terms of reliability. Part of this study will explore the available alternatives for improving reliability in the Port Aux Basques/Rose Blanche areas. One possible conclusion of this study is that no cost-effective alternatives are available to accomplish this objective. In this event, no additional work will be conducted in this area.