

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

Q. Please provide the rationale for the addition of back up generation facilities in each of these areas.

A. Both the Old Perlican/New Chelsea and Port Aux Basques/Rose Blanche areas are now connected to the island electrical grid by way of radial transmission lines. Each area presently has some local generation, but not enough to meet the load requirements under many conditions. Increasing the capacity of backup generation in these areas is one alternative available for reducing the frequency and duration of outages to customers served by radial transmission lines. The proposed study will examine this and other alternatives for improving reliability in these areas and recommend the most cost effective solution that provides good service in each case.