

1 Q. **Reference: Application, Attachment 1, Page 23, Section 4.2**

2 Compare the capital cost estimate from NP-NLH-043 above with the anticipated proceeds from
3 the insurance claim, explaining the difference between the 2 estimates.

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6 A. Newfoundland and Labrador Hydro's ("Hydro") insurance claim for the Charlottetown Diesel
7 Generating Station is currently being negotiated, with proceeds to be determined on the basis
8 of the direct replacement cost of the plant (as provided in Hydro's response to NP-NLH-041), net
9 of Hydro's deductible and any adjustments identified through negotiation. As these negotiations
10 are ongoing, Hydro is unable to provide a figure for the anticipated proceeds from the insurance
11 claim until such time that a settlement is reached.

12 Since the proceeds of Hydro's insurance claim to be applied against the capital costs of the
13 project will be the same regardless of which of the four alternatives is selected, the amount of
14 the insurance claim has no impact on the outcome of Hydro's analysis to determine the least-
15 cost solution.