

1 Q. **Reference: Schedule 1 - Capital Expenditures Necessary to Address Supply in Charlottetown**
2 **and Pinsent's Arm, Labrador, Page 3, Footnote 14.**

3 Does Hydro anticipate any additional costs of providing N-2 redundancy beyond the costs
4 outlined in the Application? If so, please explain including potential cost impacts.

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7 A. In moving to a N-2 redundancy, Newfoundland and Labrador Hydro ("Hydro") would incur the
8 incremental cost of operating and maintaining a fourth genset, including planned maintenance
9 and corrective maintenance. There would also be an increase in the total station service energy
10 use as the new unit has electric heaters to keep the unit warm, similar to the other three units
11 on site. These expenses will be offset by operational efficiencies associated with the installation
12 of the new genset. Please refer to Hydro's response to PUB-NLH-004 for further detail.