

Facility Rehabilitation Thermal (Pooled), p. 13 of 96, \$150,000

Q. Why does NP anticipate that the projected expenditures for 2012-2014 will grow to \$1,902,000?

A. Table 1 shows a summary of Generation – Thermal projected expenditures over the period 2012 to 2014.

Table 1
Generation – Thermal Projected Expenditures
2012-2014

| | 2012 | 2013 | 2014 |
|--------------------------------|------------------|------------------|--------------------|
| Thermal Plant Upgrades | \$156,000 | \$159,000 | \$ 162,000 |
| PAB Diesel Plant Refurbishment | 275,000 | - | - |
| Gas Turbine Upgrades | - | - | 150,000 |
| Purchase Portable Generation | | | 1,000,000 |
| Total | \$431,000 | \$159,000 | \$1,312,000 |

Estimated expenditures for Thermal Plant Upgrades are based on historical pattern and are associated with the replacement or rehabilitation of deteriorated thermal plant components. In addition, three large initiatives are included in the forecast period.

In 2012, refurbishment of the 2.0 MW Port aux Basques diesel generator is anticipated, at an estimated cost of \$275,000.

In 2014, refurbishment of the mobile gas turbine is anticipated in order to extend the life of this unit, at an estimated cost of \$150,000. In 2014, purchase of a portable thermal generation unit at an estimated cost of \$1,000,000 is forecast.