

1 **Q. According to the report entitled “Rattling Brook Fisheries Compensation”, Tab 1.2,**
2 **pg. D-2, at least one number included in the estimate for the operating costs of the**
3 **upgraded Rattling Brook system has been taken from a report that was prepared in**
4 **2009. Have the numbers included in this report been revised to reflect forecast**
5 **operating costs for 2012 and for future years? If so, what are the forecast costs?**
6

7 A. The report at Tab 1.2, titled *Rattling Brook Fisheries Compensation*, includes an
8 economic feasibility analysis which examines the future viability of generation at
9 Newfoundland Power’s Rattling Brook hydroelectric development. The 2012
10 construction of structures to allow fish passage to the Rattling Lake Reservoir is required
11 by the Department of Fisheries and Oceans and will therefore be part of the continued
12 long-term operation of the Rattling Brook hydroelectric development. The feasibility
13 analysis includes all costs and benefits for the next 50 years to determine the levelized
14 cost of energy from the plant.
15

16 For the purpose of the feasibility analysis, all operating costs, including the additional
17 costs associated with operation of the fish passage, have been inflated annually over the
18 life of the facility.¹
19

20 The additional operating cost associated with operation of the fish passage is estimated to
21 be \$64,000 per year.² This estimate is taken directly from the report *A Report on the*
22 *Preliminary Engineering Assessment of a Proposal to Reintroduce Salmon to Rattling Brook*
23 *prepared in December 2009.*³ The estimate was based on the conceptual design for the
24 fish passage which represents the best available information for the project. The detailed
25 design phase of the project in 2012 will enable further refinement of operating cost
26 forecasts. Due to the engineering and biological complexity of this project, the estimate
27 of the operating cost impact continues to be subject to a degree of variability.

¹ Please see Appendix D: Feasibility Analysis, Attachment C - Calculation of Levelized Cost of Energy, at Tab 1.2, *Rattling Brook Fisheries Compensation* for details of the escalation of annual operating costs.

² Please see page D-2, Section 3.0 of Appendix D: Feasibility Analysis, at Tab 1.2, *Rattling Brook Fisheries Compensation*.

³ Please see Appendix B: A Report on the Preliminary Engineering Assessment of a Proposal to Reintroduce Salmon to Rattling Brook, at Tab 1.2, *Rattling Brook Fisheries Compensation*.