

1 Q. Re: 2013 Capital Plan, page 9/10 Rural Generation:  
2 Hydro outlines the possibility of interconnection among the three systems may yet  
3 be advisable to optimise generation needs in the areas of Port Hope Simpson,  
4 Charlottetown and Mary's Harbour. Hydro further outlines it will continue studies  
5 for a long term solution to the electrical supply needs of this area. Explain why  
6 these proposed projects for the new diesel plants should be implemented prior to  
7 an investigation into whether interconnection is a legitimate option, and given that  
8 Hydro plans to submit a recommended solution by the end of March, 2013,  
9 shouldn't these possibilities be explored first?

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12 A. The above excerpt does not refer to any project proposal in the 2013 Capital Budget  
13 Application. Rather, it discusses supply alternatives for three isolated systems in  
14 the southern Labrador area. Construction of a larger regional plant accompanied by  
15 an interconnection of Mary's Harbour, Port Hope Simpson, and Charlottetown is an  
16 alternative to the three systems remaining isolated from one another. Hydro will  
17 make a recommendation for the least cost, safe and reliable alternative at the  
18 appropriate time.