

1 Q. **Reference: RFI NP-NLH-091 - Asset Retirement Obligations Reference: Exhibit 14,**  
2 **Holyrood Thermal Generating Station Decommissioning Study**

3 The introduction of the report on page 1.1 states that the consultant was to identify  
4 the station components that would have to be decommissioned in order to comply  
5 with environmental regulations and those that would be part of Hydro's long term  
6 operational strategy. Please indicate what portion of the estimated \$32.1 million  
7 cost is to satisfy regulatory requirements.  
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10 A. The Holyrood Thermal Generating Station Decommissioning Study was a Class 4  
11 opinion of probable cost (OPC), as defined by AACE, which is consistent with  
12 industry practice for projects at this stage of development. It was comprised of  
13 components of the station that will have to be decommissioned and demolished in  
14 light of current environmental regulatory requirements and Hydro's long-term  
15 operational strategy which was referred to as the 'base case'. The total obligation of  
16 the 'base case' was \$32.1 million and was not segregated by regulatory and long-  
17 term operational strategy. The estimate is conservative and is not based on detailed  
18 asset or site evaluations, but rather is a conceptual estimate. When the  
19 decommissioning scope and environmental conditions of the site become more  
20 clearly defined, and the requirements of the environmental regulators are known,  
21 the OPC will be further refined.