

1 Q. It appears that the final cost of the new CT is about half the cost (on a \$/kw basis) of
2 the originally planned 60 MW unit; please explain this apparent discrepancy,
3 explaining all reasons for the lower cost/kw of the larger CT.

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6 A. The significant drivers for the lower cost/kW of the larger CT as compared to the
7 originally planned 60 MW unit are as follows:

8 1. A new, unused CT was purchased, whereas the originally planned unit was
9 to be a new purpose-built CT;

10 2. A new, unused generator step-up unit (GSU) transformer was purchased,
11 whereas the originally planned unit was to be a new purpose-built GSU
12 transformer;

13 3. The purchased CT does not provide synchronous condensing capability,
14 which would require a clutch and related controls, whereas the originally
15 planned unit was to have this capability;

16 4. The originally planned unit had expansion capability to 120 MW (e.g., larger
17 building and foundation, double-ended generator design, etc.);

18 5. The engineering-procurement-construction contractor employed non-union
19 labour, whereas the project estimate for the originally planned unit
20 assumed that unionized labour would be employed; and

21 6. Interest and escalation costs were lower due to a compressed project
22 schedule compared to the originally planned project.