Q. **Reference: Refurbish Generation Unit – Snook's Arm, Volume I, Section D, Page D-51**

"There have been no replacements of major components on the generating unit. In 2006 the wooden stave penstock was replaced with a steel penstock, the total cost of the penstock replacement was $ 2.2 million dollars."

Using a net present value analysis, what was the levelized cost of energy (¢ per kWh basis) over a 50 year term for the life extension of Snook's Arm hydro plant brought about by the replacement of the penstock in 2006.

A. Please refer to Hydro's response to NP-NLH-020.

Also, as noted in Hydro's response to NP-NLH-018 Attachment 1 (*Report Addendum - Snook's Arm Wood Stave Penstock - Update of Economic Analysis - July 14 2005*) and NP-NLH-018 Attachment 2 (Snook's *Arm Wood Stave Penstock – Evaluation, Recommendation and Estimated Cost for Replacement – January 26 2004*), this project was not justified on the basis of comparisons of levelized cost of energy, but on the basis of cumulative present worth (CPW) analysis of alternatives.