

1 Q. Reference: Construct Second Distribution Feeder Nain, Volume II, Tab 25,  
2 Page 29  
3 *“Although a voltage regulator is a technically viable alternative to eliminate the*  
4 *low voltage issue in Nain, it would not be a practical option. In the event of a*  
5 *regulator failure, the necessary heavy equipment to perform a voltage regulator*  
6 *replacement is not available in Nain. As well, access by sea may not be available*  
7 *for up to nine months depending on ice conditions. As a result, this alternative*  
8 *was not considered and was screened out prior to the economic analysis.”*

9 Please indicate how Hydro considered the rural deficit in its decision-making  
10 associated with this project.  
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13 A. If the system is not upgraded, voltage levels at customer premises on the Nain  
14 distribution system will begin to go outside of established criteria during peak  
15 demand periods. This project is being completed to ensure this does not occur.  
16 Status quo is not an alternative.

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18 When requesting approval to carry out capital upgrades, Hydro examines  
19 alternatives and chooses the least cost, technically feasible, alternative. This  
20 approach leads to the least increase in the rural deficit while maintaining reliable  
21 service.