

Q. Please provide the latest information (projections) on the cost of overhauling the Company's gas turbines.

A. Due to the age of the Company's gas turbine systems at Wesleyville and Greenhill, a review is necessary to determine the long-term viability of continued investment in these assets.¹ Newfoundland Power has commenced a process to identify an engineering firm with expertise in thermal generation systems to review the engineering assessments completed in 2014 and assess the long-term viability of continued investment in the 2 systems.²

At this time, Newfoundland Power has no new information on the cost of overhauling the Company's gas turbines. The review is expected to be completed in the 3rd quarter of 2014. The results of any recommendations will be reflected in the 2016 Capital Plan, which will be filed with the Company's 2016 Capital Budget Application.

The Company is not seeking approval of any expenditure related to the overhaul of its gas turbines in this Application.

¹ The need for this review was noted in Newfoundland Power's recent application for approval of supplemental capital expenditures to refurbish thermal generation assets which was filed with the Board on June 16, 2014. The application was approved in Order No. P.U. 24 (2014).

² In May 2014, Newfoundland Power issued a request for proposals to various engineering consulting firms to identify a qualified consultant to assist in the review. Three proposals are currently under consideration.