Re: Page B-122, Increase Generation Capacity, $18,200 (2008), $576,500 (2009)

Q. Please provide a copy of the detailed cost benefit analysis used to evaluate any options considered in dealing with the replacement of these two units and the increasing load.

A. A detailed cost benefit analysis was not performed at the time.

A high level cost comparison indicated that significant savings could be achieved by replacing two gensets with a single larger genset rather than a single replacement followed by a second replacement with increased capacity.

The following scenarios were considered:

Scenario 1: $817,000

Replace 204 with a 250 kW unit in 08/09 followed by replacement of 2019 with a 450kW unit in 09/10.

- Replace a 250kW unit with a new 250 kW unit in 2008/09: $361,000
- Replace a 250kW unit with a new 450kW unit in 2008/09: $468,000

Total $829,000

Scenario 2: $819,000

Replace 204 with a 450kW unit in 08/089 followed by replacement of 2019 with a 250kW unit in 09/10

- Replace a 250kW unit with a new 450kW unit in 2009/10: $456,000
- Replace a 250kW unit with a new 250kw unit in 2009/10: $351,000

Total $807,000

Scenario 3: $580,000

Replace unit 204 and 2019 at the same time with a single 725kW unit

- Replace both gensets with a single 725kW unit in 2008/09: $580,000