

1 Q. Re 2011 Capital Plan Section, pages 22 -23, "Holyrood Projects in a No Infeed
2 Scenario:

3 With reference to the two projects referenced at p. 9 causing significant peaks,
4 what projects were removed from the Plan or reduced in scope as a result of the
5 two major projects being added? How were these projects chosen for cancellation,
6 deferral or reduction and what were the consequences to the system?

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9 A. One of the projects referred to on p. 9 is the Labrador City Voltage Conversion
10 project which was approved as a three-year project in the 2010 CBA. This project
11 had no incremental effect on the 2011 submission since its costs remained virtually
12 unchanged. The other project, New Diesel Plant at Charlottetown was originally
13 scheduled to begin in 2011 as indicated in the 2010 CBA. However, Hydro decided
14 that since the full scope of the project was not definable, due to potential load
15 requirements of a general service customer, the project should be deferred.

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17 At the beginning of the capital budget process, more projects are proposed than
18 can be submitted in the CBA, due to the constraints identified in the response to
19 CA-NLH-5. A prioritization process of the 2011 projects identified the projects for
20 the first year of the five-year plan. Remaining projects were deferred to future
21 years and will be prioritized in future Applications. The process is iterative and it is
22 not possible to identify which projects were affected by the addition of the two
23 projects mentioned on p. 9. Projects that receive a low ranking are deferred for
24 future consideration.