

1 Q. **Unit 1 Stack Breaching:** With reference to Hydro's response to CA-NLH-4 and CA-  
2 NLH-5 in the 2011 Capital Budget Application, this Project (or a Project substantially  
3 similar) was ranked 43<sup>rd</sup> out of 53 ranked projects. What is the relative rank of this  
4 Project, in relation to the Projects recently filed in the 2012 Capital Budget  
5 Application?

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8 A. The prioritization process used by Hydro is a screening tool to gauge the various  
9 project requests across the organization. It is difficult to compare on a year-to-year  
10 basis as the quantum of projects and the assignment of attributes vary due to  
11 various factors, relative risk, economics, new information and so on. As well, there  
12 are meetings between Operation and Engineering to review the process and  
13 ranking and merits of each project.

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15 When comparing different years, new information as well as the number and cost  
16 of overall program, can affect the ranking. This is not unusual as each year brings  
17 new information and adjustments are part of the process used to arrive at a  
18 proposed capital program which is targeted to balance all drivers in the interest of  
19 safety, environment, reliability and cost.

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21 In 2011, the breaching project was ranked 43<sup>rd</sup> out of the 53 rankings. There are in  
22 fact 83 projects that were categorized to 53 rankings as indicated in CA-NLH-5  
23 (2011).

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25 The breaching project filed as part of the 2012 Capital Budget Application filed on  
26 August 3, 2011, was ranked as 25<sup>th</sup> of 33 rankings. In this case, there were a total of  
27 59 ranked projects eventually included in the application.