

1 Q. Hydro's Application at paragraph 7 states that the relocation and installation of the  
2 transformer along with the required substation modifications is the least cost  
3 option over the long term. In the absence of any information about the cost to  
4 repair T5, how is this statement supportable?

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7 A. Section 3.3 of Hydro's Application summarizes the alternatives that were  
8 considered and indicates why they were deemed viable or not viable. At this time,  
9 rehabilitating T5 was not considered a viable option by Hydro. The extent of the  
10 work that needs to be carried out, the time it would take, how much it would cost,  
11 and whether T5 is in fact repairable has not yet been determined (please refer to  
12 Hydro's response to CA-NLH-5). As Hydro cannot be assured that T5 can be made  
13 available for this winter and since a solution is required for this winter, it was  
14 deemed prudent to have an alternative in place that could be executed within these  
15 time constraints. Therefore, it was determined that, of the viable options, the  
16 relocation and installation of the transformer (QZT-T2) along with the required  
17 substation modifications is the least cost option over the long term.

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19 It is expected that even with T5 back in-service, the expected demand will exceed  
20 the transformation capacity by the winter of 2015/2016. Therefore, rehabilitating  
21 transformer T5 will only provide a benefit for one peak season (Winter 2014/2015).  
22 The relocation of QZT-T2 to the Wabush Substation will provide enough  
23 transformation capacity to meet the expect demand for the foreseeable future.