

1 Q. Has Hydro considered what other temporary solutions might be available to
2 support possible increased demand until the permanent installation of T2 could
3 occur? If so, please provide details (including the estimated cost) of such possible
4 temporary measures.

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7 A. As indicated in Section 3.3 of Hydro's Application, five other temporary solutions
8 where considered and screened out because they were too costly or could not be
9 completed in the time required:

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11 **1.) Status Quo:** This option is not viable because the existing substation has
12 insufficient transformation capacity to support the demand expected for the
13 winter of 2014/2015.

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15 **2.) Rehabilitating T5:** This alternative is a technically viable option for the
16 upcoming winter period. In the spring of 2014, there was an attempt to put T5
17 (spare) back into service because of the increase in the load forecast. In
18 preparation, the transformer oil was tested and was found to have
19 unacceptable moisture levels, which also correlates with moisture in the
20 transformer's insulation. Rehabilitating T5 would seem to be a feasible option.
21 However, the extent of the work that needs to be carried out, the time it would
22 take, how much it would cost, and whether T5 is in fact repairable has not yet
23 been determined (please see Hydro's response to CA-NLH-5).

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25 It should also be noted that this alternative would only provide enough
26 transformation capacity for one peak season. Installing QZT-T2 would provide
27 enough transformation capacity to meet expected demand for the foreseeable

future and give Hydro additional time to determine the best long-term solution for Wabush.

3.) The procurement of a new transformer: A new transformer would require between one and two years to source and install. Due to the long lead time and the requirement for a solution to be in place by the winter of 2014/2015, this alternative was not considered a viable alternative. Therefore an estimate was not developed.

4.) Mobile diesel generation: Mobile generation was considered to offset the expected demand in Wabush, but based on the cost of the black start diesel installation at Holyrood (Winter 2013/2014), the high operating and fuel costs, space considerations and environmental concerns; it was screened out as a viable alternative. As a result, Hydro did not perform a detailed cost estimate for a short-term solution using mobile diesel generation.

5.) Conservation and Demand Management (CDM) Program: This option would not be practical because it would not show any significant results prior to the next winter peak period.