Q. 1 With reference to the previous RFI IC-NLH -06 what is the estimated major capital 2 expenditure cost of mitigating the identified concern? 3 4 5 A. As noted in Hydro's response to IC-NLH-006, the system is found to be stable for a 6 230 kV three-phase fault at Bay d'Espoir over peak load conditions if all three high 7 inertia synchronous condensers are in operation at Soldiers Pond. A three phase 8 fault on the 230 kV bus at Bay d'Espoir is not a stability concern under light load 9 conditions with only two high inertia synchronous condensers in service at Soldiers

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Pond.

In order to mitigate the risk of instability for the three-phase fault at Bay d'Espoir over peak load conditions with one high inertia synchronous condenser out of service at Soldiers Pond, a fourth high inertia synchronous condenser would be required. Given that Hydro plans to maintain the Soldier's Pond synchronous condensers during the summer to have all three units available for service during the winter peak load period, and the low probability of the occurrence of a three-phase 230 kV bus fault at Bay d'Espoir, it is Hydro's opinion that additional capital expenditure of a fourth high inertia synchronous condenser is unwarranted at this

time as the risk can be mitigated through three unit operation over peak.