

1 Q. **Project C-22, Upgrade Excitation Systems Units 1 and 2 – Holyrood**

2 Has Hydro considered delaying the purchase of the second control panel to 2015
3 when it plans to install the second panel, rather than purchasing both panels in
4 2014?

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7 A. Hydro is proposing to purchase both control panels in 2014 because of the cost
8 saving in buying two at the same time. The cost to purchase both panels in 2014 is
9 \$460,000. The cost to purchase one panel in 2014 is \$254,000. Using \$254,000 in
10 2015 without escalation would give a total purchase price of \$508,000 for a cost
11 increase of \$48,000.