

1    Q.    **Reference:    Upgrade Circuit Breakers – Various Sites, Volume II, Report 15**

2            It is indicated that Hydro is actively pursuing a regulatory amendment to federal  
3            PCB regulations and that "...capital investment for oil circuit breakers replacement  
4            will increase significantly in 2014.", if amendment is not granted (see pp. 12-13).  
5            Please provide an estimate of the increased capital investment that will be required  
6            in 2014 if the amendment is not granted.

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9    A.    The capital budget implications for the Upgrade Circuit Breaker project if the  
10          extension to 2025 is not granted for the end of use date for equipment containing  
11          PCBs that are above 500 mg/kg will mean a very aggressive replacement plan to  
12          have all remaining Oil Circuit Breakers (OCB) replaced in 2014. This plan will then  
13          require the replacement of 5 - 138 kV OCBs and 22- 66 kV OCBs in 2014 as opposed  
14          to 1 - 138 kV units and 2 - 66 kV units that are currently identified to be replaced in  
15          2014. The impact to the capital budget for such a change will be in the order of  
16          \$4.5 million. However it is likely this change will not be required as Hydro has  
17          received notice from Environment Canada on July 27, 2013 that the extension has  
18          been placed in the Gazette requesting input on the change prior to finalizing the  
19          regulations. See below the notice received by Hydro from Environment Canada.

20          ***"Attention: If you own electrical equipment containing PCBs***

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22          *On June 22, 2013, the Regulations Amending the PCB Regulations and Repealing the*  
23          *Federal Mobile PCB Treatment and Destruction Regulations were published in*  
24          *Canada Gazette, Part I. This publication initiates a 60-day public consultation period*  
25          *during which stakeholders may submit comments on the draft text to Environment*  
26          *Canada.*

27          *If you own electrical equipment that contains PCBs in a concentration of 500 mg/kg*  
28          *or more that are used in the generation, transmission or distribution of electricity,*  
29          *the following information may be of interest to you.*

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1       *The proposed amendments to the PCB Regulations address a number of issues,*  
2       *however, owners of electrical equipment containing high concentrations of PCBs*  
3       *(i.e., in a concentration of 500 mg/kg or more), may particularly wish to review the*  
4       *proposed text under subsections 16(2.1) and 33(4). Subsection 16(2.1) proposes to*  
5       *permit current transformers, potential transformers, circuit breakers, reclosers and*  
6       *bushings that were in use on September 5, 2008 and that contain concentrations of*  
7       *PCBs equal to or greater than 500 mg/kg and that are located at electrical*  
8       *generation, transmission or distribution facilities to remain in service until December*  
9       *31, 2025. Subsection 33(4) proposes reporting requirements for this equipment.”*