

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**
2 **2021, Volume 1, Section 2.1, 2022 Substation Refurbishment and Modernization at**
3 **p.3**

4
5 **In considering the replacement of the Tors Cove Substation, did Newfoundland**
6 **Power undertake an economic assessment of the continued operation of the Tors**
7 **Cove Hydro Plant? If yes, please provide. If not, why not?**

8
9 **A.** Yes, Newfoundland Power undertook an economic assessment of the continued operation
10 of the Tors Cove Plant when considering the replacement of the Tors Cove Substation.

11
12 Newfoundland Power, in its *2017 Capital Budget Application*, sought and received
13 approval of a project to refurbish Tors Cove Plant generating unit G3, including the
14 replacement of the turbine runner, replacement of the wicket gates, rewinding the rotor,
15 replacement of the power cables and replacement of the main inlet valve. The economic
16 analysis included in the attachments to *Report 1.3 Tors Cove Hydro Plant Refurbishment*
17 included a future capital cost of \$1,144,000 for the substation reconfiguration in 2018.

18
19 Newfoundland Power revisited the economic analysis completed for the 2017 project,
20 updating the cost and timing of the substation reconfiguration to reflect the 2022
21 estimates. The update increased the levelized cost of production by 0.07 ¢/kwh, or 1.9%,
22 to 3.61 ¢/kwh. This change is small and the updated economic analysis still supports the
23 continued operation of the Tors Cove Plant.