

1 Q. **Reference: Attachment 1- Long-Term Supply for Southern Labrador - Economic and Technical**  
2 **Assessment**

3 Page 42, lines 20-25, states “Case 10 represents a scenario where the continued operation of  
4 mobile units at the Charlottetown Diesel Generating Station would be preferred if all diesel  
5 generating station replacement costs could be reduced by 80%. Reliable operation with such a  
6 significant reduction in expected capital expenditures is deemed to be unsustainable. Further  
7 analysis indicates that even if diesel generating station replacements are deferred by more than  
8 20 years, the interconnected alternatives remain the most economic solution.” Please provide  
9 the above-referenced ‘further analysis’.

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12 A. The further analysis described in the citation consisted of a high-level cost-benefit sensitivity  
13 review where Alternative 1 (the mobile option) was modified with plant replacements for  
14 Mary’s Harbour, Port Hope Simpson, and St. Lewis each delayed by 20 years. For the purposes of  
15 simplicity in this cursory review, operating and maintenance (“O&M”) costs were not increased,  
16 despite the 20-year replacement delays for these facilities. All other parameters in the analysis  
17 were also held constant.

18 The results of this analysis are provided below in Figure 1. As illustrated, the interconnected  
19 alternatives remain the least-cost solutions by the end of the study period.

20 While a detailed assessment of the impacts of delayed plant replacement on O&M costs was not  
21 performed, such impacts would likely result in significant cost increases. Further, such delays  
22 would be expected to result in appreciable reliability impacts.

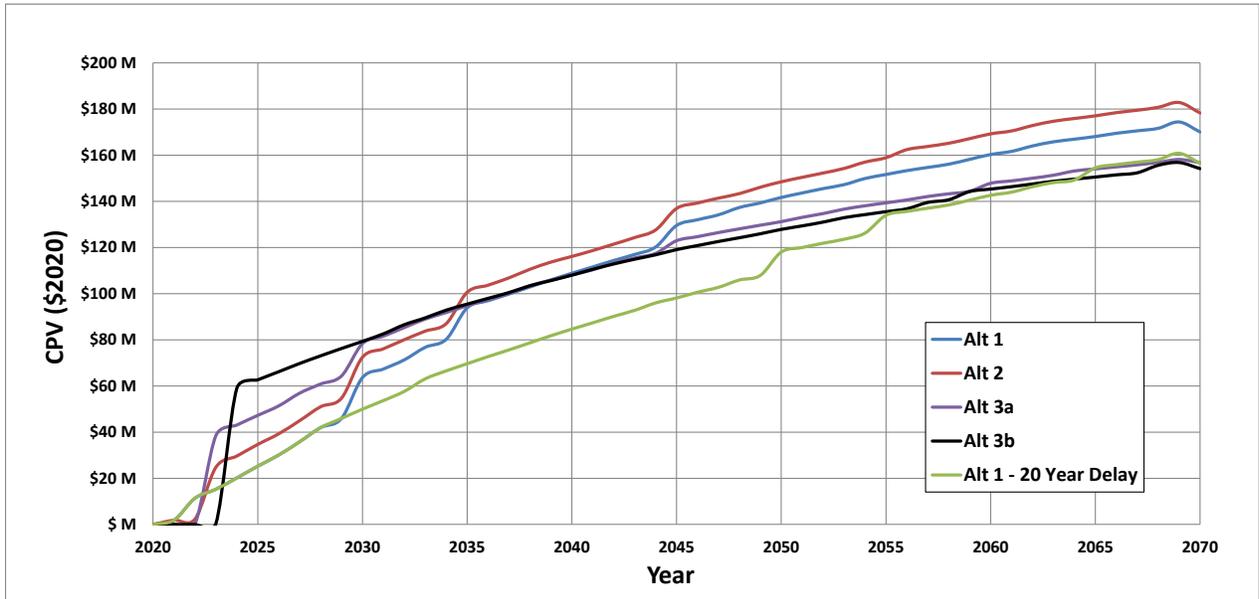


Figure 1: CPV Chart with 20-Year Delay Sensitivity Case