

- 1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**  
 2 **2021, Volume 1, Section 1.2, Sandy Brook Plant Penstock Replacement, Appendix A**  
 3  
 4 **Please provide cost-benefit analysis for this project assuming a 25% reduction in**  
 5 **marginal costs and a 25% increase in capital costs.**  
 6  
 7 **A. Table 1 summarizes the results of the economic analysis assuming a 25% reduction in**  
 8 **marginal costs and 25% increase in capital costs.**

**Table 1**  
**Economic Evaluation Results**

	<b>50 Year Levelized Value</b>	<b>Net benefit</b>
Cost of Plant Production	<b>3.68 ¢/kWh</b>	
Benefits of Production (Run of River)		
Value of Energy	4.25 ¢/kWh	
Value of Capacity	<u>3.44 ¢/kWh</u>	
<b>Total</b>	<b>7.69 ¢/kWh</b>	<b>4.01 ¢/kWh</b>
Benefits of Production (Fully Dispatchable)		
Value of Energy	4.25 ¢/kWh	
Value of Capacity	<u>5.82 ¢/kWh</u>	
<b>Total</b>	<b>10.07 ¢/kWh</b>	<b>6.39 ¢/kWh</b>