

- 1 **Q. (Reference Application Schedule B, page 5 of 98) With respect to the proposed**
2 **Topsail project, it is stated “*This project is justified on the obligation to provide***
3 ***reliable service to customers at least cost and cannot be deferred.*”**
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5 **a) Please provide evidence showing that this is the least cost option for meeting the**
6 **needs of Island Interconnected System customers. Please explain how this**
7 **statement can be supported given that Hydro has yet to complete its Reliability**
8 **and Resource Adequacy Study, so it has not yet been determined when the**
9 **Island Interconnected System will need capacity and what that source of**
10 **capacity might cost.**
11
12 **b) Why is it not possible to defer this project? Specifically, please quantify the**
13 **impact on reliability of supply and rates if the project were to be deferred**
14 **pending the outcome of Hydro’s Reliability and Resource Adequacy Study.**
15 **Please quantify the risk of failure and the consequences of failure if work on this**
16 **plant were deferred by one or two years.**
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18
19 **A. a) For information on the justification of the capital expenditures proposed in the *2021***
20 ***Capital Budget Application* for Newfoundland Power’s hydroelectric generating**
21 **plants, including Topsail Hydro Plant, with reference to Hydro’s Reliability and**
22 **Resource Adequacy Study, see the response to Request for Information CA-NP-021.**
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24 **b) The Topsail Hydro Plant is currently out of service as a result of the failure of the**
25 **penstock in the fall of 2019. Completing the replacement of the penstock, as**
26 **approved by the Board in Order No. P.U. 5 (2020), and the refurbishment of the**
27 **intake structure and turbine runner as proposed in the *2021 Capital Budget***
28 ***Application*, will allow the Topsail Hydro Plant to be restored to a safe and reliable**
29 **condition, and returned to service in 2021.**
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31 For detailed information on the economics of continued investment in the Topsail
32 Hydro Plant in light of the most recent information on system marginal costs, see the
33 response to CA-NP-105.
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35 For information on the consequences for customers of not returning the Topsail
36 Hydro Plant to service in 2021, see the response to Request for Information
37 CA-NP-106.