

1 Q. **Re: p. B-47 Interconnect Rencontre East \$3,250,100** The Rencontre  
2 East Interconnection has a payback of 15 years under base case  
3 assumptions, the threshold for project consideration, but a high sensitivity to  
4 an increase in capital costs. What factors could cause an increase in the  
5 capital costs of the projects?

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8 A. The market place demand for distribution line construction services and  
9 variations in the price of poles, conductor, and hardware, and uncertainties in  
10 site conditions could adversely affect capital costs for the project.