

1 Q. Page E-1, lines 7-9: Please describe in detail how the transformer resale price of
2 \$40,000 USD was determined.

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5 A. Reliable, public information on used transformer pricing was not available.
6 However, Hydro has considerable experience purchasing transformers. Based on
7 recent quotes to purchase transformers, Hydro estimates that the cost to purchase
8 new transformers similar to these would be approximately \$80,000 and that the
9 sale price for a lightly used, 10 year old transformer would be 50% of the new price.