

1 Q. Please confirm that the primary economic benefit or justification for construction of
2 Granite Canal is avoidance of Holyrood or other thermal generation.

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5 A. The primary justification for the construction of Granite Canal was the least cost
6 solution to a system energy deficit forecast to begin in 2000, and a capacity deficit
7 forecast to begin in 2001. Please refer to IC-NLH-8 Attachment 1, Section 2.4. At
8 the time of the evaluation, the near term options which were considered were:

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- Granite Canal Hydroelectric

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- Island Pond Hydroelectric

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- Holyrood Combined Cycle Plant

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- Holyrood Unit IV

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- Hardwoods Combustion Turbine

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- Stephenville Combustion Turbine