



September 25, 2015

Mr. Mark Lanigan
Regulatory Services
Island Regulatory and Appeals Commission
PO Box 577
501-134 Kent Street
Charlottetown PE C1A 7L1

Dear Mr. Lanigan:

**2016 Capital Budget Filing Docket UE20724
Response to Interrogatories from Mr. John te Raa**

Please find attached the Company's response to the Interrogatories filed by Mr. John te Raa with respect to the 2016 Capital Budget filing. An electronic copy will follow shortly.

Yours truly,

MARITIME ELECTRIC



Jason C. Roberts
Director, Regulatory & Financial Planning

JCR58
Enclosure



Via email: johnteraa@gmail.com

September 25, 2015

Mr. John te Raa
1848 Hardy Mill Rd Rte 220
York PE C0A 1P0

Dear Mr. te Raa:

**2016 Capital Budget Filing Docket UE20724
Response to Interrogatories**

Please find attached the Company's response to your Interrogatories with respect to the 2016 Capital Budget filing.

Yours truly,

MARITIME ELECTRIC

Jason C. Roberts
Director, Regulatory & Financial Planning

JCR63
Enclosure

1. teRaa**Section 4.3 Charlottetown Plant Turbine-Generator Projects \$680,000.**

This includes \$429,000 to overhaul one of the low pressure turbines.

Also includes \$251,000 for miscellaneous turbine projects.

The low pressure section is slated for shutdown in 2018.

The low pressure section has a capacity rating of 17 MW. It consists of 3 turbines and three steam boilers.

It appears to me that a much better long term option would be not to spend any more money on the low pressure section of CTGS. Instead a better investment would be in a packaged dual fuel turbine/ generator of similar output. An example is the Titan 130 MPP package which is available in the same price range, on a per MW basis as the proposed CT4.

<https://mysolar.cat.com/cda/layout?m=675415&x=7>

Please provide a cost comparison as per table 4 (page 22) in the CT4 filing. Specifically compare the life extension of the low pressure CTGS with a packaged T/G set such as the Titan 130 MPP.

1. Response:

The \$ 429,000 for the overhaul of turbine/generator unit 7 is a provisional amount to address immediate safety and reliability concerns, based on findings during the overhaul.

These expenditures on the CTGS steam turbines are not for life extension – instead they are intended for safe and reliable operation during the next two to three years. Maritime Electric agrees that the expenditures regarding CTGS need to be kept to what is essential to maintain reliability and meet safety or environmental obligations. However, the Company still needs the CTGS to operate safely and reliably until the long term solution (installation of CT4) can be put in place.

The CTGS life extension option shown in Table 4 (on page 22) of the CT4 Application is based on life extending only three of the CTGS units – the two high pressure units (20 MW each) and the largest of the low pressure units (10 MW) – for a nominal refurbished capacity of 50 MW. Life extension of the two smaller low pressure units has not been considered.

The \$ 251,000 for miscellaneous turbine projects consists of the following provisional amounts:

- \$ 67,000 for steam turbine insulation (asbestos) replacement, as needed
- \$ 31,000 for steam turbine improvements, as needed based on inspection results
- \$ 153,000 for combustion turbine (CT3) improvements and spare parts, as needed

Thus \$ 98,000 of the \$ 251,000 is for CTGS steam turbines.