

Replacement of the Lower Reheater Boiler Tubes on Units 1 & 2 at HTGS

- 1 Q. Please provide the specific cost estimate included in the \$11.8 million total project budget
 2 for each of the following:
- 3 - Replacement of lower reheater boiler tubes;
 - 4 - Replacement of items 1 through 10 on pages 13-14 (cost of each specific item); and
 - 5 - Completion of Level 2 condition assessments.
- 6
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- 8 A. The requested cost estimates are presented in the table below.

Description	Cost Estimate	Comment
Unit 1 Boiler Reheater Tube Replacements	\$3,989,500	
Unit 2 Boiler Reheater Tube Replacements	\$3,793,500	
Steam Coil Air Heaters for Unit 1	\$78,000	Item 1, page 13
Failed Suction Heat Exchanger on Fuel Storage Tank #3	\$94,000	Item 2, page 13
Expansion Joints on Unit 1 Downcomer Piping and Unit 2 Reheater Header	\$211,500	Item 3, page 13
Unit 1 DC Lube Oil Pump Motor Starter	\$87,000	Item 4, page 13
Unit 2 Reheater Pressure Safety Valve	\$76,000	Item 5, page 13
Failed Insulation and Cladding around the bottom levels of Unit 3	\$122,000	Item 6, page 13
Unit 3 boiler west fuel oil pump	\$20,000	Item 7, page 14
Replacement of #2 Air Compressor	\$235,000	Item 8, page 14
Replacement of a sensor cable on the Unit 1 continuous monitoring system	\$40,000	Item 9, page 14
Additional Capital Replacements that fall within the contingency of the project	\$1,841,000	Item 10, page 14 See below for discussion of how this contingency may be utilized
Level 2 Condition Assessments	\$457,300	
Interest and Escalation	\$709,500	
Total	\$11,754,300	

1 Hydro confirms that the contingency in this project will be used only for projects of similar
2 scope to those listed on pages 13 and 14 of the Capital Budget Supplemental Application
3 and will not be used for unrelated projects. As stated in the Application, the budget will
4 only be used for unforeseen component replacements that are required to mitigate
5 unplanned outages during the 2016/2017 winter operating season. All component
6 replacements will be scrutinized internally to ensure that capitalization criteria in
7 accordance with the International Financial Reporting System (IFRS) are met. Also, any
8 additional replacements will be communicated to the Board via the year end Capital
9 Expenditures Variance report. For example, additional component replacements could
10 include heat exchangers or expansion joints similar to those identified in this Application.
11 Separate Supplemental Capital Budget Applications would be submitted for all other
12 projects that do not meet the above criteria.