

1 Q. **Re: B-68, Condition Assessment & Life Extension Phase 2 - \$1,215,700 in 2012**

2 In Volume II, Tab 25, page 13, Hydro states that as a part of the AMEC Study in 2010
3 a Level 2 condition assessment was carried out on the Marine Terminal. This
4 assessment was to be completed in September 2011. How does this assessment
5 relate to the capital budget for the Marine Terminal submitted in Hydro's 2012
6 Capital Budget Application?

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9 A. This question can be addressed by providing clarification to Section 4.3 on page 13
10 of the report. The Level 2 condition assessment carried out on the Marine Terminal
11 was not carried out by AMEC. It was completed in 2010 by a different engineering
12 firm, Hatch, and was a more detailed piece of work than a Level 1 assessment.
13 Hatch had previous experience with the Marine Terminal and Hydro believed that
14 their previous experience with this structure would be beneficial in completing the
15 Level 2 assessment. The Hatch report was filed with the Board as Appendix B of the
16 proposal titled "Refurbishment of Marine Terminal at the Holyrood Thermal
17 Generating Station" submitted as part of the 2012 Application.

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19 The study referred to in Volume II, Tab 25, page 13, to be completed in September
20 2011, is for a Level 2 condition assessment of the gas turbine plant at Holyrood. This
21 study is presently being completed by AMEC. The more detailed Level 2 assessment
22 was completed because the gas turbine plant is in poor condition and has
23 developed serious operational problems. The final report for the Level 2
24 assessment will be submitted as a supporting document in a future proposal to the
25 Board requesting budget approval to either refurbish or replace the gas turbine
26 plant.