

1 Q. **B-70, Overhaul Diesel Units, \$974,100**

2 In the 2010 Capital Budget it was noted that “Hydro’s current practice is to replace
3 diesel engines after four overhauls, each completed after approximately 20,000
4 hours of operation. ...an older asset management practice was to perform five
5 overhauls, each after approximately 15,000 hours of operation.” Please provide an
6 analysis of the benefits of a change in the criteria employed by Hydro, both from a
7 financial and from a reliability perspective.

8
9
10 A. The change in the overhaul practise to 20,000 operating hours from 15,000
11 operating hours was made based on reducing cost without reducing reliability.
12 Regarding the reduction in cost, \$488,000 has been saved over the eight years that
13 the overhaul interval has been 20,000 operating hours. Regarding reliability, of the
14 engine failures identified between 2004 and 2011, only one occurred between
15 15,000 operating hours and 20,000 operating hours after the last overhaul. The
16 remainder of the failures occurred with either less than 15,000 operating hours or
17 greater than 20,000 operating hours after the last overhaul. This suggests that
18 moving to 20,000 operating hours has not negatively impacted reliability.