

June 10, 2020

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Holyrood Supplemental Capital Projects – Monthly Update

On April 7, 2020 Newfoundland and Labrador Hydro (“Hydro”) filed its application for approval of capital projects necessary for the continued operation of the Holyrood Thermal Generation Station (“Holyrood TGS”). The application was approved on May 11, 2020 in Board Order P.U. 14(2020). In that Order, the Board directed Hydro to file monthly updates on the status of the approved capital projects from June 2020 to September 2020 and, thereafter, to provide updates as part of the Winter Readiness reports filed in October, November, and December 2020; contained within is Hydro’s first monthly update.

Projects Overview

Four projects were approved in P.U. 14(2020):

- **Boiler Condition Assessment and Miscellaneous Upgrades** - includes Level 2 condition assessments on internal components of the main steam generators (boilers) and associated external high energy piping to identify required refurbishment or replacement work. Hydro will also replace or refurbish components that are identified as requiring immediate intervention. This project also includes the completion of required miscellaneous upgrades of condition based deficiencies identified in the 2019 Condition Assessment and Miscellaneous Upgrades project.
- **Overhaul Unit 2 Turbine Valves** - includes the total disassembly, detailed internal inspection, refurbishment, and reassembly of all major steam valves. Valve refurbishment includes replacement of any identified damaged components.
- **Overhaul Unit 3 Boiler Feed Pump West** - includes disassembly, inspection, reassembly, and re-commissioning of the pump. During overhaul, parts, including the volute impeller cartridge, are replaced as necessary.
- **Overhaul Unit 2 Generator** - includes disassembly of generator end shields, hydrogen seals, hydrogen coolers, and bearings; removal of the generator rotor from the stator; cleaning of internal components; detailed visual inspection and non-destructive evaluation of internal components; detailed measurement of clearances and alignments; mechanical integrity testing of windings and core wedges; and replacement or refurbishment of components found to be damaged.

Project Status Update

Project status and cost updates for the four projects are provided in Tables 1 and 2. All projects remain on schedule as proposed within the project reports included in the application.

Both Holyrood TGS Unit 1 and Unit 3 are currently on planned annual maintenance outages. Holyrood TGS Unit 2 planned maintenance outage commences July 6, 2020.

Table 1: Status Update

Project	Status Update
Boiler Condition Assessment and Miscellaneous Upgrades ¹	Work activity is in progress for Unit 3 and is expected to be completed by June 12, 2020. Work activity is planned to commence for Unit 1 on June 15, 2020 and for Unit 2 on August 3, 2020. This project is proceeding on schedule, as planned.
Overhaul Unit 2 Turbine Valves	Work activity is scheduled to commence July 27, 2020.
Overhaul Unit 3 Boiler Feed Pump West	Work activity is in progress and on schedule. Pump disassembly, volute impeller cartridge change out, and reassembly is complete. While the overhaul work for this project is complete, final commissioning will occur once Unit 3 is returned to service on start-up. The removed volute impeller cartridge will be shipped to the refurbishment facility in late June 2020 and is expected to be returned to inventory as a spare by November 30, 2020.
Overhaul Unit 2 Generator	Work activity is scheduled to commence July 31, 2020.

Table 2: Project Cost Update

Project	Approved Budget (\$000)	Forecast and Expenditures ² (\$000)	Notes
Boiler Condition Assessment and Miscellaneous Upgrades	\$3,056.7	\$3,056.7	Expected to be completed on budget. Contract awarded.
Overhaul Unit 2 Turbine Valves	\$2,919.5	\$2,919.5	Expected to be completed on budget. Work being executed under existing contracted service provider.
Overhaul Unit 3 Boiler Feed Pump West	\$367.9	\$367.9	Expected to be completed on budget. Contractor executing overhaul work.
Overhaul Unit 2 Generator	\$1,294.1	\$1,294.1	Expected to be completed on budget. Work being executed under existing contracted service provider.

¹ The Boiler Condition Assessment and Miscellaneous Upgrades project spans Units 1, 2, and 3.

² Expenditure reports are not yet available for the first month of project execution.

Hydro continues to manage the required work and planned outage schedules with an aim to achieving project completion prior to the 2020–2021 winter season. At the time of this monthly update, there are no execution risks or concerns identified.

Should you have any questions or comments about any of the enclosed, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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