Q. Reference: Refurbish Penstock 2, Bay d'Espoir Generating Station, March 3, 2017,
Appendix A – Penstock 1 Refurbishment Report, Page 14, Lines 13-16.
"Penstocks 2 and 3 at Bay d'Espoir will have detailed inspections completed in 2017.
All remaining penstocks will have engineering inspections completed between 2018 and 2020. Hydro is coordinating the timing of the inspections with other work

requiring the penstocks to be dewatered."

Why is Hydro seeking Board approval to proceed with the refurbishment of Penstock 2 before the results of the inspection and assessment are available for consideration by the Board?

A. Hydro is seeking Board approval to proceed with the refurbishment of Penstock 2 before the results of the inspection and assessment are available to allow for expedient refurbishment and return to service of this key resource. Hydro recognizes asking for approval to proceed without confirmed evidence is not the normal approach; however, based on the conditions of penstock 1, and similar operating conditions for penstock 2, Hydro expects refurbishment to be required. If the expected condition is confirmed, it will not be safe to water-up Penstock 2 to return the units to service and wait for Board approval to proceed with the refurbishment. Further, during the timeframe while approval is sought and the outage schedule extended, other planned work critical to reliable system operation could be delayed and may have to wait to proceed. Hydro commits to communicating the results of the inspection with the Board, as soon as results are available, to confirm the need for refurbishment, or to cancel the project if the refurbishment is not required based on the inspection.