

1 Q. In its 2011 Capital Budget Application, Hydro proposed a project to overhaul the
2 Holyrood gas turbine, used for Holyrood black start, but subsequently decided to
3 defer the project. Provide detailed, present-value comparison of the capital costs
4 (and any other applicable costs) that would have been incurred if the Holyrood gas
5 turbine overhaul had proceeded, in 2011, as originally proposed in the 2011 Capital
6 Budget application, on the one hand, as compared to the capital costs, projected
7 annual lease costs and other projected costs for the lease, installation, maintenance
8 and use of the diesel units which are the subject of the present Application until
9 late 2015, or such later date as Hydro may now be projecting a new combustion
10 turbine to be installed and operational at Holyrood (or at another site as may be
11 applicable).

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14 A. The scope of work for the 2011 Capital Budget Application to overhaul the gas
15 turbine included the inspection and overhaul of the gas turbine engine only. A
16 subsequent condition assessment of the gas turbine, completed in 2011, indicated
17 that work was required on additional gas turbine subsystems such as the gearbox,
18 power turbine disk, turbine blades, ducting, exhaust stack, generator and the
19 generator exciter. Therefore, had the 2011 Capital Budget scope of work been
20 completed, it would not have addressed all of the gas turbine issues in order to
21 restore a blackstart solution.

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23 As the 2011 Capital Budget Application to overhaul the gas turbine would not have
24 resulted in working blackstart solution, it is Hydro's opinion that its costs cannot be
25 meaningfully compared to the capital cost to install a working blackstart solution.