

1 Q. RE: p. B-20 Upgrade Oil Systems for Fire Protection on Unit No. 3 –
2 Holyrood (\$225,000)

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4 12.1 The recommendations by Hydro's insurers were made in 1993 and, as
5 of April 30, 2001 the work had not yet begun on Units No. 1 and 2,
6 included in the 2001 Capital Budget. Why is this work being carried
7 out now?

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9 12.2 What future projects are expected to be undertaken as a result of the
10 "Property Risk Control Survey Report" prepared in 1993? When will
11 these be undertaken and what are the anticipated capital expenditures
12 related to these projects?

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15 A. 12.1 The work related to Units No. 1 and 2 is scheduled during the summer
16 and fall of 2001. Design work was initiated in May and construction
17 will commence later this year (2001).

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19 At Hydro all capital expenditures are prioritized based on the nature of
20 the project. These insurer's recommendations were delayed due to
21 other priority work and budget restraints.

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23 12.2 Other recommendations contained in the report are mostly of a
24 "housekeeping" nature, involving little cost. There was one
25 recommendation requiring a capital expenditure, provision of fire
26 protection for turbine and generator bearings, which was implemented
27 in 2000.