Q. Haynes page 9 indicates Holyrood Units 1 and 2 are approximately 32 years old. Is it expected that Holyrood Units 1 and 2 will survive past 40-45 years? If so, what is the expected cost and timing of rebuilding required in the next 10 years to allow these units to continue to operate past the 40-45 year time frame. If not, how does Hydro plant (*sic*) to address the capacity and energy shortfalls arising from retirement of these units.

A. With proper maintenance and appropriate levels of capital reinvestment, Hydro would expect the Holyrood units to exceed 40 years of useful service life. Hydro's maintenance and capital programs and in particular, the minor and major overhauls at Holyrood, are intended to ensure long term reliable production from each unit.

It is likely that at some future time, a major rehabilitation of the whole plant may be needed if it is to continue in service, however that is beyond Hydro's planning horizon and it will be evaluated against other viable options at that time.

Please refer to IC-381 NLH for items in the current five-year capital plan. The specific projects, estimated costs and timing are subject to change as annual budgets are reviewed and finalized. The review would consider the condition of the equipment at the time, legal or regulatory requirements, etc. Major items that would be replaced over the long term besides the feedwater heater noted in IC-381 NLH include such things as major pumps, major valves, water treatment equipment, condenser tubes and control equipment, all of which are intended to extend the life of the units.

Hydro believes that Holyrood units 1 and 2 will be in service until at least 2020, and they will likely exceed that with continued proper maintenance and capital reinvestment.