

1 Q. Provide the rationale for NLH's previous decision to defer life assessments of
2 the units based on operational hours though at the time the decision was
3 made units 1 and 2 were approaching the calendar end of life.

4

5

6 A. Calendar years and operating hours are related but different measures for
7 determining the remaining life of a generating plant. For instance, calendar
8 years is the more important measure for such things as buildings and the
9 dock while operating hours is the more important measure for rotating
10 equipment and boilers. When the plant was approaching the end of its
11 expected calendar life, those components which are sensitive to operating
12 hours were judged to be in reasonable condition and insufficient operating
13 hours had been accumulated to cause concern. In the intervening period,
14 sufficient additional operating hours have been accumulated that the end of
15 operating life based on hours falls within Hydro's planning horizon, indicating
16 that life assessment is now prudent to ensure a rational least cost long term
17 supply of energy to meet the needs of customers.