Q. In reference to Schedule "B", page 11 of 82, Thermal Plants Facility Rehabilitation and the project costs of \$1,561,000, please provide all studies and engineering reports which led to the determination that these have to be replaced.

Α

The operation of the Portable Gas Turbine and the Port aux Basques diesel generator is most critical during a loss of Newfoundland and Labrador Hydro's transmission system connecting this area with the remainder of the island power grid. In order to supply the load on the southwest corner of the island the Rose Blanche Hydro Plant, the Portable Gas Turbine and the diesel generator are all required to be brought on line. Therefore, maintaining these units is critical to ensuring the availability of backup power when supply from the electrical system is interrupted.

Please refer to the Company's response to the Public Utilities Board Request For Information PUB 2.5 for copies of two engineering reports related to replacement of the exhaust stack for the Greenhill Gas Turbine. An additional inspection report regarding the Greenhill gas turbine completed in July 2001 by Fern Engineering is provided as Attachment A.

Attachment B entitled Mobile Gas Turbine Planned Refurbishment 2003: Project Justification is provided in reference to the Portable Gas Turbine project. The decision to replace the governor and controls for the Portable Gas Turbine was based upon recent operating experience, the age of the equipment, and the need to take action on environmental concerns associated with the unit. If these components are not replaced, the ability to operate the plant is compromised.