

1 Q. Considering the excitation systems installed at Holyrood's Thermal Generating
2 Station have been in the *"Obsolete Phase of the ABB Product Life Cycle*
3 *management model since 2015"* why hasn't replacement been considered in
4 previous annual capital budget applications?

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7 A. Hydro previously included this project in its 2014 Capital Budget Application
8 ("Upgrade Excitation Systems Unit 1 and 2") after receiving notice from ABB in 2011
9 that the Unitrol P exciter was moving from the Limited Phase into the Obsolete
10 Phase in 2015.

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12 Upon review of this project during the Capital Budget Process for the 2014
13 application, this project was not approved in Board Order P.U. 42(2013). Hydro has
14 since been working to manage the excitation systems with spare parts and both
15 internal and external expertise; however, failures have continued. Even with spare
16 parts available, failures result in downtime for generating units. It is Hydro's view
17 that the execution of this project will address the downtime experienced when
18 failures occur, providing for more reliable service.