Q. **Project C-31: Install Asset Health Monitoring System, Upper Salmon**

Please provide further information with respect to any cost recovery anticipated by the proactive monitoring assessment and maintenance planning created by this project. Is Hydro able to identify potential capital costs that would likely be incurred without the approval of this project?

A. As noted in Hydro's response to PUB-NLH-010, the Asset Health Monitoring System will allow Hydro to trend operational parameters using a full dataset from the operational history of the generating unit. Currently, this information is obtained manually, which absorbs operator time, is limited in the amount that can be collected, runs the risk of incorrect data entry, and causes reliance on calendar-based maintenance programs. Using the results of this analysis, Hydro will have the ability to provide more precise and timely intervention to maintain, refurbish or replace equipment based on real data regarding equipment condition. This project will also enhance Hydro's ability to prevent or minimize the impact of forced outages using real-time information provided by this system. While not quantifiable in the monetary sense, the benefit of installing such a system is in the efficiencies that will result from not having to send operators out to manually collect and enter data, and from having on-line, real time data to provide an in-depth assessment of asset health. This will allow better preparation of maintenance schedules as required by the condition of the asset rather than by set time intervals. It is also anticipated that with real-time data, future potential capital costs will be minimized through timely maintenance intervention.