

1 **Re: B-57, Replace Unit 1 Hydrogen Emergency Vent Valves, Holyrood,**
2 **\$213,900**

3 Q. In the 2006 Capital Budget Application, B-24 and B-25, and in the 2007
4 Capital Budget Application, B-114, Hydro makes reference, in Upgrade Fire
5 Protection, to the relocation of the hydrogen and carbon dioxide manual
6 valve stations for Units 1, 2 and 3, as identified by Hydro's insurance
7 company. Subsequent Capital Expenditure reports do not indicate any
8 deviation from the original plan. How does this project relate to the original
9 proposal?

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12 A. The scope of work for the Upgrade Fire Protection project in the 2006 Capital
13 Budget Application has changed. Item 4, which related to the hydrogen and
14 carbon dioxide valve stations, as described on page B-23 of the application
15 has been removed. However, the overall budget remained unchanged
16 because of the increased cost to implement Item 1 which related to the
17 installation of a sprinkler system described on page B-23 of that Application.
18 Hydro's insurer, Factory Mutual (FM), issued a new standard in late October,
19 2006 for the installation of sprinklers in the powerhouse. To meet the
20 requirements of the standard, the cost of installation increased. Hydro
21 reviewed the full scope of work described in the 2006 Application with the
22 insurer and determined that upgrading the sprinkler system to the new
23 standard was a priority. The hydrogen and carbon dioxide venting were
24 considered a lower priority and could be deferred to a future capital budget
25 application. This project relates to Item 4 in the 2006 application.

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27 The change in scope did not occur until after the 2007 Capital Budget
28 Application was filed, however this information should have been included in

- 1 the Capital Expenditures and Carryover Report, Year Ending December,
- 2 2007. It was inadvertently omitted.