

1 **Q. Re: Facility Rehabilitation (Pooled) - As regards the Switchgear component of the**
2 **Horsechops Plant Project, can the existing Switchgear reasonably be expected to**
3 **operate properly for the foreseeable future?**
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5 A. No, it is not reasonable to expect that the existing switchgear will operate properly for the
6 foreseeable future.
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8 The switchgear equipment is critical to the operation of the plant, and its deteriorated
9 condition requires its replacement in 2009.¹ The existing switchgear cubicle, with the
10 exception of the actual generator breaker, is original to the plant's 1954 construction.
11 The power cables, cubicle wiring and the current transformer insulation have degraded
12 with age. The current equipment arrangement does not adequately provide arc flash
13 clearances for employees working on the existing switchgear.
14

15 Newfoundland Power uses its best efforts to maximize asset life and has recent practical
16 experience with the limitations to, and risks inherent in, such efforts.²

¹ See Schedule B, page 4 of 81 and *1.1 Facility Rehabilitation*, page 3.

² Newfoundland Power's 2005 Capital Budget Application included an \$81,000 capital project to replace the switchgear breaker at Rocky Pond plant. The project description identified the reason for the replacement of the breaker as the arc extinguishing mechanism had deteriorated and failure of the mechanism would limit the breakers ability to extinguish an arc produced during a fault. See Newfoundland Power 2005 Capital Budget Application, Volume 1, Schedule B, page 19 of 73; Volume 2, Substations Appendix 2, page 1 of 4. On July 15, 2005, approximately 1 week before the scheduled replacement of the breaker, a fault developed on the generator, and a failure of the arc extinguishing mechanism resulted in a fire that caused \$1.5 million in damage to the plant and a 9 month outage.