Q. **C-16, Tab 7: Install Backup System for Raw Water Supply and Clarifier -Holyrood; $955,600**

As the Holyrood plant has been in operation without a backup raw water system for decades and the AON Reed Stenhouse Inc. recommendation was made in 2007. Provide an explanation why this work is necessary now at this stage of plant operations.

A. This work is necessary now because a reliable supply of raw water is required at all times at Holyrood whether the plant operates in thermal generation mode or synchronous condensing mode. However, it is believed that the requirement is most important when the plant is in generation mode. The Holyrood facility is still required for a significant period of time as a thermal generating station and thereafter as a synchronous condensing station. The plant will continue as a thermal station into 2017 at an increased capacity factor with extended periods of time at high demand compared to its historical profile and will be required thereafter to 2020 for regular thermal generation exercising and back-up generation as required. After 2020, a reliable raw water supply will also be required; however, its criticality will be less than when the plant was required for thermal generation operation.

For a period of time Hydro accepted the risk of failure associated with operating the plant with the existing raw water supply system. However, with the critical nature of the plant for baseload generation in the immediate term, and the general requirement of reliable supply to 2020, the risk increases with age and plant usage and is no longer acceptable.