

1     Q.     At page 7-8 of Hydro's own report in support of the Application, Hydro lists the  
2            repair and re-assembly scope of work to be carried out during Phase 3 of the  
3            project.

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5            (i)    Is it anticipated that further damage may be discovered during  
6                    Phase 3 of the project? and

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8            (ii)    If the answer to (i) is "no", why would a \$2,112.6 M contingency on an  
9                    estimated \$8,281.8 budget (as outlined in Table 2 of Hydro's Application),  
10                  being in excess of 25% of the estimated budget for Phase 3, be justified?

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13    A.    (i)    No, it is not anticipated that further damage may be discovered. However,  
14            the scope of work required to restore Unit 1 to reliable service is not fully  
15            known. One portion of the scope which is not completely known is the  
16            extent of rotor repair which will be required to remove the hardness  
17            identified in the bearing journal areas. This level of contingency is required  
18            to allow for the possibility that more than estimated machining and welding  
19            is required in these areas to meet the specification for continued operation  
20            of the rotor. As well, the full extent of work required to ensure that the DC  
21            oil pump set operates effectively in the future has yet to be determined. It  
22            should be noted that if the contingency funds are not required, they will not  
23            be spent.

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25    (ii)    Please see the response to (i) above, and the response to NP-NLH-2.