

1 Q. Hydro provided Liberty with a 2006 technical paper describing a lube oil failure in
2 2001 at the San Onofre nuclear station. In a meeting with Hydro management on
3 May 29, 2015, Hydro suggested that this paper should be considered in the
4 prudence evaluation of Hydro's 2013 Holyrood Unit 1 failure, but did not make clear
5 how or why the paper was applicable or how it should influence the investigation.
6 Please provide a copy of this paper. Also, please explain Hydro's opinion on why this
7 paper is relevant to Liberty's analysis.

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10 A. Hydro's approach to managing its assets includes proactively looking for
11 information and opportunities to improve our maintenance and operational
12 activities. Given the vast amount of available information on possibilities for
13 maintenance considerations, across many types of assets and operations, from
14 many sources, Hydro has historically included OEMs, insurance providers,
15 consultants and internal knowledgeable employees in its information gathering
16 process on maintenance. Further, Hydro contracts experts and OEMs to complete
17 maintenance per the OEMs core business, and requires, through contract language,
18 adherence to maintenance standards. See Hydro's response to PR-PUB-NLH-179 for
19 further detail on how Hydro gathers information for input into its maintenance
20 strategy.

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22 Hydro simply offered the paper regarding San Onofre failure as an example that
23 other utilities also experienced lube oil failures based on original design and
24 therefore Hydro is not unique in experiencing a failure in a mature plant on this
25 basis. Hydro became aware of the specific San Onofre failure after the January
26 2013 Unit 1 failure and its detailed review of this incident. Hydro relies upon the

- 1 asset management strategy discussed in PR-PUB-NLH-179 and above to capture and
- 2 mitigate operational risks.