

1 **Q. Project C-12: Rewind Rotor and Install Flux Probe Unit 3 - Holyrood**

2 Did Hydro consider and/or obtain an estimate of insurance costs in relation to the
3 three alternatives considered? If yes, please provide a breakdown of the insurance
4 costs for each alternative.

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7 **A.** Insurance carriers typically will exclude from the insurance policies equipment that
8 they consider at the end of their life due to the probability of failure increasing
9 dramatically. Due to the age of the equipment it would not be a question of what
10 additional costs of insurance would have been, but instead if the piece of
11 equipment was still insurable. Unit 3 at Holyrood and Hydro's capital plan for it has
12 been reviewed by Hydro's insurer and it continues to be insured.

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14 Therefore, if the capital work is not completed in 2016, as recommend, the asset is
15 at risk of not being insured, only further supporting the alternative chosen.