

1 Q. D-226; Volume I: Replace Spherical By-Pass Value Units 1 and 2

2 Hydro states:

3 *"This project is required to replace the spherical valve (SV) by-pass assemblies on*  
4 *Generating Units 1 and 2 located in Powerhouse 1 at Bay d'Espoir Hydroelectric*  
5 *Generation Station (BDE). A similar multi-year project was approved by the Board*  
6 *of Commissioners of Public Utilities (Board) as part of Hydro's 2014 capital*  
7 *program, Board Order No. P.U. 42(2013), but due to outage constraints related to*  
8 *the generating Units 1 and 2, the approved project could not take place as*  
9 *planned. Generating Units 3 and 4 were substituted for the Generating Units 1*  
10 *and 2. All four generating units are the same age and design. They each have the*  
11 *same by-pass valve arrangement and are in a similar state of deterioration."*

12 In Tab I: 2015 Capital Expenditures to June 30, it is indicated that Units 3 and 4 are  
13 scheduled to be completed in 2015 with a total budget of \$153,800. Please explain  
14 the increase in budget for Units 1 and 2 to \$351,500.

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17 A. The construction work for the spherical valve by-pass assembly replacement project  
18 on Units 5 and 6 has been completed and the project will be closed out this year  
19 with an estimated total cost of \$215,000. The spherical valve by-pass assembly  
20 replacement project on Units 3 and 4 has been reforecast and is now estimated to  
21 cost \$250,000.

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23 The estimated price for the eight inch motorized valves on the spherical valve by-  
24 pass assembly (Units 1 and 2) was \$20,000 in the 2014 budget. The actual purchase  
25 price of these motorized valves was \$60,000 in 2014 and increased to \$100,000 in  
26 2015 from the same supplier. The 2016 budget was adjusted to reflect this increase  
27 in the purchase price of the motorized valves and the actual costs for the similar

- 1 spherical valve by-pass assembly replacement projects on Units 3, 4, 5 and 6, in
- 2 addition to the escalation and contingency.