Q. The responses to PUB-Nalcor-127 and PUB-Nalcor-128 state that as the Holyrood condition assessment report, Exhibit 44, did not address the potential remaining useful life of the assets at 2041, no costs for refurbishment or replacement were included in the CPW analysis.

Pg. 5 of Exhibit 44 states that one basis for the condition assessment and life extension study was to have the Holyrood units operating as synchronous condensers to 2041.

Pg. 6 of Exhibit 44 goes on to state: *"Holyrood is also expected to be able to meet its 2041 end of life date for operation in a synchronous condensing mode, but will require some further substantial equipment refurbishments and replacements specific to that role."*

Given these statements, it would appear reasonable to expect costs to be included in a CPW analysis extending to 2067, assuming the equivalent reactive capacity of these machines is required post 2041.

Please confirm that the equivalent reactive capacity post 2041 has been included in Nalcor's studies and, if so, why no costs have been included in the CPW analysis.

A. Nalcor has assumed that the three units at Holyrood will continue to operate as synchronous condensers beyond 2041.

While any refurbishment may have been considered 'substantial' in the context of other tasks outlined in the Holyrood life extension study, the

consultant did not state that major expenditures would be necessary to maintain operation of the three units at Holyrood as synchronous condensers beyond 2041. Nalcor is of the view that only minor expenditures, if any, would be required in 2041. Nalcor therefore concluded further detailed analysis of these minor expenditures which would occur far in the future was not necessary for the purposes of the DG2 analysis as they would have minimal impact on the outcome of the study.