

1 Q. **Re Complete Condition Assessment Phase 2**

2 Given that the Phase 2 Report builds upon the Phase 1 report, is it prudent to
3 proceed with the approval of the Phase 2 Report (a) if the assumptions which
4 underlie the Phase I report are in question? and (b) prior to a reasonable
5 opportunity to receive and study the final Phase I report?
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9 A. The Phase 2 report will assist Hydro in determining the measures that need to be
10 taken to ensure Holyrood continues to operate as a reliable generating facility up to
11 2016 and a synchronous condensing thereafter. These measures are also applicable
12 and beneficial in maintaining the reliability of the plant if it is required to continue
13 operating as a generating station beyond 2016 into the foreseeable future. The
14 equipment that will be focused on in the Phase 2 study is required for long term
15 operation whether the plant changes its operation to a synchronous condensing
16 plant or continues to operate as a generating station.

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18 a) Yes, it is prudent to proceed with approval of the Phase 2 report as no
19 information gathered to date has caused questions regarding the underlying
20 assumption.

21 b) Yes, it is prudent to proceed with approval of the Phase 2 report prior to
22 receiving the final Phase 1 report. In May of 2010, Hydro received
23 documentation outlining the Level 2 recommendations that would be
24 incorporated in the final report related to key balance of plant systems
25 required for operation of the Holyrood Thermal Generation Station as a
26 synchronous condensing facility to 2041. A copy of the documentation
received from AMEC is located in Appendix B of the proposal.