

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

2 At page B4 of Tab 5, AMEC's report states that it was asked 'to exclude those items
3 associated with the steam generation or steam turbine use.' What was the purpose
4 of this request?

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7 A. During preparation of this proposal, Hydro had not received the final report for
8 Phase I of the Holyrood condition assessment and life extension program. In
9 preparation for Phase II of the condition assessment program to be complete under
10 this proposal in 2011, Hydro requested AMEC to submit a preliminary
11 recommendation prior to the Phase I final report, with primary focus on plant
12 equipment and systems required for the future synchronous condensing mode. This
13 was the most appropriate place to focus more detailed study in the upcoming year
14 while awaiting a decision on whether construction of the Lower Churchill Project
15 would proceed as scheduled. This is expected to be clarified before the end of 2010
16 and the final report for Phase I on the condition assessment will also be received by
17 that time. Hydro will then be in a better position to decide the scope and schedule
18 of Level II condition assessment work that should be planned related to the
19 generation equipment at Holyrood. Unless unforeseen issues of an urgent nature
20 become apparent after the Phase I report is received, it is expected that Level II
21 condition assessment study activities that may be warranted for the generation
22 equipment will be proposed to take place in 2012.