

1 Q. **Re: Holyrood (HTGS) Stack Breeching**

2 With reference to Hydro's response (c) to IC-NLH-7, Hydro advises the reduced total
3 maintenance costs (\$4,000 per year) for the nine-year CBA period for Hydro's
4 preferred option for refurbishment will be primarily attributable to avoiding new
5 insulating block installation and avoiding installing steel patches on casing (These
6 must represent the preponderance of the reductions, as steel floor replacement
7 only cost \$30,000, as recently as 2006). Is Hydro maintaining that there will be no
8 insulating block installation and no installation of steel patches on casing, or other
9 extraordinary corrective maintenance not included in the total maintenance costs
10 (\$4,000 per year) during the nine-year CBA period, if Hydro's preferred option for
11 refurbishment is followed? If Hydro is not maintaining this, then what would be a
12 reasonable annual contingency amount for these continuing corrective
13 maintenance costs?

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16 A. Yes, Hydro is maintaining that there will be no insulating block installation and no
17 installation of steel patches on the casing or other extraordinary corrective
18 maintenance required during the nine-year CBA period, if Hydro's preferred option
19 for refurbishment is followed. The total maintenance cost estimate (\$4,000 per
20 year) during the nine-year CBA period includes the cost of removing loose or fallen
21 internal insulating blocks and performing preventative maintenance inspections. As
22 there will be a new external insulating system installed, there will be no need to
23 replace deteriorated insulation blocks from the existing internal system during that
24 time period as the internal system will have become redundant. The steel casing
25 sections that presently have localized thinning due to corrosion will be fitted with
26 steel patches during construction. Considering the favorable present day flue gas
27 operating temperature conditions inside the steel casing that will minimize further

1 corrosion, and a new watertight insulation system will be installed on the exterior
2 of the steel casing to protect it from the weather elements, it is not anticipated that
3 any further patching will be required during the nine-year CBA period. For these
4 reasons and the fact that all other major components of the breeching system (i.e.
5 structural supports, expansion joints, external insulation system) will be new, Hydro
6 does not believe that an annual contingency amount is required for continuous
7 corrective maintenance costs.