1 Q. Re: Project B-5 Unit 1 and Unit 2 Generator Stator Rewind

Hydro decreased the frequency of inspections of the stator windings for Unit 1 and 2 from every 6-7 years until to 2003 to every 9 years since then. AMEC criticizes this change, saying that it "does not appear logical" (Appendix D, page D3). At page 20 of the July 2011 report supporting this Project, Hydro posits possible damage to the stator core and rotor that could occur in the range of \$13 million to \$20 million. Does decreasing the frequency of inspections increase the risk of such damage? Has Hydro reinstituted more frequent inspections?

Α.

Since the change in major overhaul schedule was changed from six to nine years, the first major overhaul on either Units 1 or 2 is scheduled for Unit 1 in 2012. Since the change in major overhaul frequency was made, additional stator ground fault protection was added to lessen the impact of a potential stator insulation failure while a unit is online. Given the recommendations of the independent consultant report by AMEC in 2011, the decision was made to submit the proposal for stator rewinds.

The decision to decrease the major overhaul frequency was done in consultation with industry experts Hartford Steam Boiler Inspection and Insurance Company. The conclusion of their findings was that the generator was considered to be very low risk when compared to all other generators in their database of similar size class and OEM. The number of operating hours on the Units at Holyrood is roughly half of the chronological hours since installation. It was Hydro's opinion at the time of the report, that decreasing the frequency of major inspection did not increase the risk of damage to the generator.

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1	The desicion to return to a six year fraguency for generator major inspections is
L	The decision to return to a six-year frequency for generator major inspections is
2	under review by Hydro.
3	
1	The key point is that the condition of the stator windings is the driver for
5	submission of the proposal at this time. Increasing or decreasing inspection
5	frequency has not and will not slow down deterioration of the windings nor
7	increase their remaining life.