

1 Q. **Re: B-20, Upgrade Stack Breeching Unit 2 - \$1,505,100 in 2012**

2 In Volume II, Tab 7, page 13, Hydro states: *"Alstom states that the preferred long*
3 *term solution for refurbishing the breeching is to install external insulation...."* Since
4 Holyrood will only be required for the short term if the Labrador Infeed is
5 sanctioned, what other short term solutions has Hydro considered to address the
6 insulation problem?

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9 A. Hydro has considered the short-term option of continuing to maintain the existing
10 interior insulation system. However, the cost benefit analysis revealed that it is
11 more cost effective to replace the existing insulation than it is to continue to
12 maintain it.

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14 Hydro's current assumption is that Holyrood will continue to operate as a thermal
15 generating station at least until early 2017. After that time, it will remain
16 operational as a backup thermal generation station until 2020 and will be exercised
17 annually. However, Hydro has to be prepared to operate Holyrood as a base load
18 generating station up to 2020. For additional information, please refer to Page 18 of
19 the 2012 Capital Plan, included in the Application. The cost benefit analysis
20 provided in the report shows that the proposed alternative is the most cost
21 effective.