

1 Q. Why didn't Hydro seek approval of the Refurbishment of the Fuel Oil Storage  
2 Facility and the Upgrade Unit 1 Stack Breeching as part of its 2012 Capital Budget  
3 Application?  
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6 A. Hydro is concerned for the reliability of the assets in question and had expectation  
7 to complete both projects before the end of 2011 when they were first submitted  
8 to the Board for approval in 2010. While Hydro still has this concern and its  
9 objective is to start both projects as soon as possible in 2011, it recognizes that  
10 neither can be completed by the end of this year. Please refer to IC-NLH-1 for  
11 revised schedules and explanation.  
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13 Hydro believes it is important to receive approval as soon as possible in 2011 and  
14 has planned its engineering and project management resources to complete the  
15 planning work for both projects in 2011. Hydro's intention is to prepare the tender  
16 documents, complete the tendering process, and award construction contracts in  
17 2011. In addition, Hydro believes it is imperative to reinstate reliable support  
18 structures, associated with the breeching refurbishment project, before the 2011  
19 outage period has ended. With regard to the fuel tank refurbishment project, Hydro  
20 also believes it would be advantageous to have engineering work completed and a  
21 construction contract awarded before the end of 2011 so that long lead time steel  
22 deliveries could be made as early as possible thereby minimizing any negative  
23 impact if delays were incurred.