

1 Q. Re: Holyrood: Upgrade Unit 1 Stack Breeching

2 With respect to the Board's statement in P.U. No. 38 (2010) at p. 10, "Hydro has not  
3 shown, however, that the 'long term' solution is appropriate in the circumstances.  
4 Hydro has not shown that insulation problems have a reasonable or any potential  
5 to cause the worst case scenario of a forced outage." Where, specifically, in the  
6 materials filed in support of this present Application does Hydro show that  
7 insulation problems have a reasonable or any potential to cause the worst case  
8 scenario of a forced outage?

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11 A. The high risk of a worst case scenario for a forced outage taking place in the near  
12 future relates to the breeching support structures which have been determined to  
13 be in very poor condition and requiring immediate replacement or refurbishment.  
14 Please refer to the response to IC-NLH-12.

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16 Hydro does not expect that insulation problems will cause the worst case scenario  
17 of a forced outage to be experienced in the near term. However, existing and  
18 worsening insulation problems will cause rapidly accelerated deterioration of the  
19 steel breeching casing. The poorer the condition of the insulation system, the more  
20 rapid the rate of corrosion. If an insulation refurbishment does not take place, and  
21 operations continue with the status quo as it pertains to the insulation system,  
22 accelerated corrosion could result in a breeching failure that would cause a forced  
23 outage in relatively short order. Failure to remediate the insulation could lead to  
24 having to replace the casing in addition to the work contemplated in this proposal.  
25 Alternative 5 included in the Upgrade Unit 1 Stack Breeching report, contemplates  
26 inclusion of the casing replacement, effectively doubling the cost of the proposed

- 1 project. Prior to experiencing a forced outage, failure of the casing may result in
- 2 safety issues, such as gas being released into the plant.