

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

2 Please confirm that Hydro's current base case is to operate Holyrood as a power
3 source as needed through 2016 and as a back up with minimal operation from 2017
4 to 2020 and that by 2017 Hydro expects that annually it will consume in total
5 32,000 barrels of oil per year, as stated in the report "Holyrood Thermal Generating
6 Station Requirements 2011 to 2020" dated July 2011. Please explain why given the
7 most recent base case it would not be prudent to maintain the existing insulation
8 and to forego the installation of external insulation and ice protection.

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11 A. Hydro confirms that the current base case is to operate Holyrood as a primary
12 power source through 2016 and as a backup with minimal operation from 2017 to
13 2020. Despite this, Hydro believes it is not prudent to maintain the existing
14 insulation and to forego the installation of external insulation and ice protection.
15 The cost benefit analysis indicates that maintaining the existing insulation system is
16 not the least cost alternative considering the nine year period whereby the plant
17 has to be in reliable condition to operate at full thermal production if called upon.