

- 1 Q. On page 38 of the *Supply and Install 100 MW (Nominal) of Combustion Turbine*  
2 *Generation* report, Hydro states:  
3 ***"In order to provide greatest value for its customers, Hydro will accept only***  
4 ***tenders from suppliers which include generating units with proven reliable***  
5 ***records, in reliable operating order, and with a minimum of a one year warranty."***  
6 Please provide details on the warranty of the combustion turbine that Hydro has  
7 procured including but not limited to the term of the warranty and the extent of the  
8 service and support that will be provided by the vendor.  
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- 11 A. Attached are the terms of the warranty associated with the combustion turbine  
12 that has been procured (see GT-NP-NLH-022 Attachment 1). The base warranty  
13 period is 12 months after substantial completion of the project, with an option to  
14 extend the warranty period to 24 months if the contractor or one of its affiliates are  
15 the operators of the plant for the 24 month period after substantial completion of  
16 the project.



## h) Warranty Details and Terms

### 11.1 General Warranty

Contractor represents and warrants that it is and will be at all times during the term of this Contract duly qualified and capable of performing the Work in accordance with the terms of this Contract. Contractor warrants that:

- a) the Work shall be of good quality and shall be free of defects in materials and workmanship;
- b) the Work shall be in accordance with GIP;
- c) the Work shall conform in all material respects to the Scope of Work and all applicable Laws and Governmental Authorizations in effect at Substantial Completion.

### 11.2 Warranty Period

The warranty set forth in Section 11.1 shall extend for a period of 24 months following Substantial Completion (the "Warranty Period") provided Contractor or one of its affiliates is the operator of the Plant during the entire Warranty Period. If Contractor or its affiliate is not the operator of the Plant during the entire 24 month Warranty Period then the Warranty Period shall be reduced to 12 months. The Warranty Period with respect to any Work that is repaired, replaced, modified or otherwise altered or corrected after Substantial Completion shall extend for the longer of 3 months from the date of completion of such repair, replacement, modification, correction or alteration or the remainder of the original Warranty Period, provided that in no event shall any Warranty Period extend beyond 27 months (or 15 months in the event the original Warranty Period is reduced to 12 months) following Substantial Completion.

### 11.3 Remedy

Owner promptly shall give notice to Contractor of the discovery during the Warranty Period of any defect that constitutes a breach of Contractor's warranties under Section 11.1. Contractor shall correct or replace the applicable Work at no cost to Owner except that Owner shall be responsible for any and all import and export permits, duties, licenses, customs clearance and any Governmental Authorizations or Taxes associated with Contractor performing its warranty obligations. Promptly after receipt by Contractor of such notice, Contractor and Owner shall agree upon a schedule for Contractor's performance of its warranty obligations that will allow Contractor to complete such work within a reasonable period of time without unreasonably interfering with the operation of the Facility. Owner shall provide Contractor with full and free access to the Facility to perform such warranty obligations in accordance with such schedule. The remedies of Owner under Sections 11.1 and 11.2 are the exclusive remedies of Owner arising out of the warranties set forth in this Contract and any remedies to which Owner otherwise would be entitled at law arising out of such warranties are hereby excluded. Notwithstanding another provision hereof or under applicable Law, Contractor's liability for



breach of warranty shall be limited to the correction or replacement of the defective portion of the Work, and Contractor shall have no other liability in connection with such breach to Owner.

#### 11.4 Third Party Warranties

Contractor agrees to assign to Owner all of its rights and interest in any warranty that may be provided by the manufacturer or supplier of any Equipment, goods, parts, or materials and further agrees to provide all reasonable assistance to Owner in administering warranty claims with respect to any of these third party manufacturers or suppliers.

#### 11.5 Warranty Exclusions

The duties, liabilities and obligations of Contractor under this Article 11 or otherwise do not extend to any repairs, adjustments, alterations, replacements or maintenance that may be required as a result of normal wear and tear in the operation of the Facility, normal degradation in the performance of Equipment, or as a result of (a) improper repair or alteration by Owner or other Persons or (b) misuse, negligence or damage by Owner or other Persons.

#### 11.6 No Implied Warranties

THE EXPRESS WARRANTIES SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND NO OTHER WARRANTIES OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED (INCLUDING WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY AND IMPLIED WARRANTIES OF CUSTOM OR USAGE) SHALL APPLY.