

1 Q. On page 33 of the Report it is stated that after January 2013 a number of
2 aftermarket options to meet the 2015 capacity requirement were identified.
3 Describe the options identified including: the manufacturer; whether the units were
4 used, used but overhauled, or unused; the capacity of each; the warranty to be
5 provided; the anticipated in-service date; and the approximate costs associated
6 with each option.

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9 A. After the Unit 1 failure at Holyrood in January 2013, and in the third week of
10 January, Hydro began to make enquiries on the availability of units, including
11 aftermarket units, up to 60 MW capacity for immediate use in supporting
12 generation needs during the high load period of 2013 and prior to March 30. At
13 that time, high level enquiries were made to determine availability and estimated
14 fastest in-service dates. Detailed proposals were not received however information
15 was received through various telephone discussions and e-mail transmissions. After
16 considering this information, Hydro concluded that additional generation could not
17 be delivered and installed in the short time frame available to have a significant
18 effect on supporting the system load that would be experienced prior to March 30,
19 2013. Table 1 identifies the aftermarket vendors contacted and information they
20 provided.

Table 1

| Option | Condition | ISO Capacity (MW) | Warranty | Est. In-service Date | Indicative EPC Cost ¹ (\$1,000) |
|---------------------------------|-------------------|-------------------|-------------|------------------------------------|--|
| Pratt & Whitney Power Solutions | Used (Overhauled) | 53 | Not quoted. | Approx. 12 months. | Not quoted. |
| Thomassen Amcott International | Unused | 85 | Not quoted. | Not quoted. (offering supply only) | Not quoted. |

In January 2014 Hydro requested all known suppliers of new and aftermarket combustion turbines to submit a high level budgetary proposal to supply and install a 100 MW (nominal) combustion turbine by the end of 2014. Detailed proposals were not received however information was received through various telephone discussions and e-mail transmissions. Table 2 identifies the aftermarket vendors contacted and information they provided.

¹ "Indicative EPC Cost" refers to indicative engineering, procurement and construction cost. It is a very high level budgetary estimate offered by vendors based on a short descriptive scope statement provided by Hydro followed up by telephone conversations and produced in a time frame of approximately two weeks. It is a best high-level estimate that a vendor could provide based on their experience, and using known existing equipment that is available, with out detailed specifications and investigation of the local construction environment. Considering the information available, it is an indication of what an EPC contract cost would be between Hydro and the supplier. It is not a total Hydro project cost which would include project management, site preparation, site specific additional construction requirements that may be required (i.e., equipment modifications, terminal station connections, fuel storage and distribution, winterized enclosure) contingency, and AFUDC.

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Table 2

| Option | Condition | ISO Capacity (MW) | Warranty | Est. In-service Date | Indicative EPC Cost (\$1,000) |
|---|--|-------------------|--|---|-------------------------------|
| PW Power Systems, 2 FT4C-3F TwinPac Units | Used equipment. Approx 40 yrs of age. | 2 @ 56 = 112 | Warranty is 12 months after first fire, 18 months after delivery or 4,000 operating hours, whichever shall occur first | On site 2014/08/14 based upon 2014/03/15 contract award. No estimated in-service date quoted. | 37,400 US |
| Wood Group, 2 X FT4 TwinPac | Used equipment. Approx. 40 yrs of age. | 2 @ 56 = 112 | The offered warranty on the gas turbine units is 12 months after first fire, 18 months after delivery or 4,000 operating hours, whichever shall occur first. | 2014/11/14 based upon NTP on 2014/03/03. | 39,000 US |

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| Option | Condition | ISO Capacity (MW) | Warranty | Est. In-service Date | Indicative EPC Cost (\$1,000) |
|-----------------------------------|--|-------------------|---|--|-------------------------------|
| Aux Energy, 2 X P&W FT4 TwinPac | Used equipment. Approx. 40 yrs of age. | 2 @ 52 = 104 | None quoted. | Aux Energy estimates the time to deliver and install 2ea (Two) Pratt & Whitney FT4 gas turbine generators and full balance of plant to be 90 days from the completion of Civil Works, Foundations and Drainage infrastructure. | 27,954 US |
| ProEnergy, 2X LM6000 PC Sprint | Used equipment. | 2 @ 50.5 = 101 | None quoted. | 2014/11/14 | 44,046 US |
| ProEnergy, 1 x Seimens SGT6-3000E | Unused equipment. Approx. 6 yrs. of age. | 113 | The Warranty period for the Contractor supplied equipment will be the lesser of a) one (1) year from the Commercial Operation Date (COD), or b) 18 months from delivery of major equipment. | 8 months ARO | 59,837 US |
| Wood Group, GE 7EA | Unused equipment. Approx. 5 yrs. of age. | 99 | None | December 2014 | 52,141 US |

| Option | Condition | ISO Capacity (MW) | Warranty | Est. In-service Date | Indicative EPC Cost (\$1,000) |
|---------------------------------|--|-------------------|------------------|----------------------|-------------------------------|
| Wood Group, GE LM6000 PC Sprint | Unused equipment. Approx. 4 yrs. of age. | 100 | None | December 2014 | 72,393 US |
| Wood Group, GE LM6000 PC Sprint | Used equipment. Approx. 19 yrs. of age. | 97 | Yes, unspecified | December 2014 | 65,402 US |
| Thomassen Amcott International | Unused equipment. Approx. 6 yrs. of age | 85 | Not quoted. | Not quoted | Not quoted |

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The Indicative EPC cost is for the provision of a combustion turbine plant at the ISO capacity indicated. The plant configuration may consist of a single large combustion turbine or multiple smaller units as indicated. The Indicative EPC costs vary considerably depending on age and condition of the units that are available.

In March 2014 Hydro was advised by Thomassen Amcott International that they had withdrawn their offer. Another buyer had committed to purchasing the combustion turbine.