Q. The Table at page 1 of Hydro's Internal Expert Analysis of SD Myers Test Results 1 2 shows transformers RT3, RT4 and RT5 have remaining lives of 25%, 36% and 42% 3 (respectively). What would be the anticipated replacement date of each of transformers RT3, RT4 and RT5 in light of this? 4

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A.

This is only one of the failure mechanisms noted from the SD Myers analysis. It is solely based on calculated DP<sup>1</sup> from furan analysis. The calculated DP is not an exact science but rather an indication of remaining life. Other test results showed high acid content in the fluid which is another failure mechanism. Based on the results of the acid content tests, these transformers do not have the above stated remaining life. The acid in the fluid attacks other internal components of the transformer that do not affect the furan levels that are used in the above referenced remaining life calculations.

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The complete SD Myers analysis recommended replacing all transformers except for the Unit 5 transformer. The analysis also recommended that Hydro add 2,000 ppm (approx. 1.5 liters to the 726 liters of existing transformer fluid) of acid scavenger (AGE) to this transformer and to retest in one year. However, extending the life of one transformer (for possibly five years) could potentially reduce the reliability of this unit and would increase total cost as described in Hydro's response to IC-NLH-3.

<sup>&</sup>lt;sup>1</sup> Degree of Polymerization