

1 Q. Please provide copies of all correspondence with the original equipment
2 manufacturer and with service suppliers and user groups regarding future
3 support of the gas generator and power turbine equipment.
4

5
6 A. The following documentation relevant to Rolls Royce's plans to support the
7 Olympus gas generator are attached:
8

9 Letter from Rolls Royce dated 2004-06-30

10 Rolls Royce service bulletin number 0427 dated May 2006
11

12 Attached is a letter from the Rolls Wood Group dated 2006-05-19. Rolls
13 Wood is the only factory certified Olympus overhaul facility. Since receipt of
14 this letter, Hydro has discussed with Rolls Wood their ability to overhaul an
15 Olympus gas generator. Rolls Wood indicated that they may not be able to
16 provide a full range of replacement parts required during an overhaul, either
17 new or remanufactured and that any overhaul may therefore be limited in
18 scope.
19

20 There is no written correspondence with the only other company claiming to
21 be able to overhaul the Olympus gas generator. Alba Power claims to have
22 that capability, but is not a Rolls Royce certified overhaul facility or parts
23 supplier. Despite several attempts to have Alba Power visit Hydro to
24 demonstrate its capabilities by providing detailed photographs of their repair
25 facility and parts stock, copies of their stock list, references or other such
26 evidence, no such meeting has occurred nor has such documentation been
27 provided.



S E R V I C E B U L L E T I N

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Model: OLYMPUS

SB No. 0427

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Date: May 2006

**INTERNAL
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FUTURE SUPPORT FOR OLYMPUS GAS GENERATORS AND POWER TURBINES

APPLICABILITY

This Service Bulletin is applicable to all Olympus installations.

EFFECT ON SAFETY

None.

REASON

ENG'S SERV'S
LONG 19 MAY 2006 TERM
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RECEIVED

16 MAY 2006

K. Buchanan

To advise operators of the future support for Olympus gas generators and power turbines.

INTRODUCTION

The Olympus gas generator and associated power turbines were introduced into service in the early 1960s and have been out of production since 1985. Accordingly it is becoming increasingly difficult and expensive to support these units. The volume of parts consumed during overhauls is very small and the Olympus parts use old materials and technology; accordingly suppliers are very difficult to find and charge a premium to manufacture these small quantities.

It is impractical for Rolls-Royce to provide indefinite support for a product that has few and infrequent arisings and there will become a point where the remaining fleet size is insufficient to provide realistic economical support. Rolls-Royce therefore organised an Olympus operator's forum in November 2004 to discuss with operators the plans for their 'installations' future, such that a support strategy could be developed to manage the equipment through to retirement.

The information from the 2004 forum has shown that the majority of the fleet will be retired from service in the 2010 to 2015 timeframe. Accordingly the Rolls-Royce strategy is to continue to supply parts until 2010.



OLYMPUS

INDUSTRIAL APPLICATIONS
SERVICE BULLETIN

Rolls-Royce will work with those operators who expect to operate past this date to put in place plans for continued support through to the installations' retirement.

Rolls Wood Group will maintain an overhaul facility for as long as there is sufficient demand.

**INTERNAL
USE ONLY**

ACTION

Operators of Olympus installations need to develop either a retirement plan or a plan for continued operation of their equipment.

- 1 Those operators planning to operate past 2010 should ensure that they have discussed their overhaul plans with Rolls Wood Group well before 2010 such that parts can be provisioned to support the demand.
- 2 Those operators planning for continued operation past 2015 have the following options:
 - a Plan to migrate to newer products.
 - b Build up a sufficient stock of spare parts, gas generators etc. to provide support for the systems' expected operational lifetime.

From the information received at the forum, in the period 2010 to 2015 many Olympus installations will be decommissioned. Those operators who plan to operate past 2015 should consider purchasing these decommissioned gas generators, power turbines, parts etc. to support their own operation.

The gas generators should be passed through the Rolls Wood Group overhaul facility and the overhauled units can then be placed in long-term storage for future use.

Rolls-Royce will assist those operators selling and those operators wishing to purchase decommissioned units. We will also provide an inspection service to the purchasers to advise on condition prior to purchase.

Technical Support and Field Service will continue to be provided for as long as is reasonably practical.

Rolls-Royce will help operators with development of their plans and advise of suitable replacements systems, to ensure that your ability to protect and manage your machinery continues without interruption.

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19 MAY 2006
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OLYMPUS

May 2006
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INDUSTRIAL APPLICATIONS
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SB No.0427
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COMMUNICATION

Should further information be required, all communication should be addressed to:

Technical Support Department
Customer Service Business
Rolls-Royce Power Engineering plc
Ansty
COVENTRY CV7 9JR

**INTERNAL
USE ONLY**

Tel: (0)24 7662 3483
Fax: (0)24 7662 4017

Or America's Region Operators:

Customer Service Business-Energy
Rolls-Royce (Canada) Ltd.
9500 Cote de Liesse
Lachine
CANADA H8T 1A2

Technical Support Department
695 Capstone Court
Hayden
Idaho 83835
USA

Tel: 514 636 0964
Fax: 514 633 7919

Tel: 208 762 7755
Fax: 208 762 9388

Or Asia Pacific Region Operators:

Technical Support Department
Rolls-Royce Pte. Limited
16, International Business Park
Unit 03-09
Singapore 609929

Tel: 6899 0092
Fax: 6862 4495

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Or Middle East Region Operators:

Technical Support Department
Fotouh Al Khair Centre
Tower 3, Floor 0
PO Box 44183
Abu Dhabi
UAE

Tel: 971 2 6311959
Fax: 971 2 6351242

Please remember to use the international dialling codes.

2004-06-30



Rolls-Royce

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NP-2 NLH
Attachment 2, Pg 1 of 2
NLH 2007 CBA

John Mallam
Newfoundland & Labrador Hydro
Bishops Falls
P.O. Box 2002
Newfoundland
Canada

Direct dial +44 (0)24 7662 3518
Direct fax +44 (0)24 7662 3271
Date 8th June 2004
Our ref
Your ref

Dear Sir/Madam

The fleet of Industrial Olympus gas generators has been diminishing for several years and the support of this fleet is becoming evermore challenging.

Because of this we intend to host an Industrial Olympus Operators Forum in October 2004. The purpose of this is for yourselves and Rolls-Royce to work together and plan for the support of Olympus engines until they are decommissioned. It is important that your views are expressed to enable support to be provided to meet your needs. Without this we cannot guarantee that your requirements can be met. We see this two-way communication as being vital to the future operational availability of your Industrial Olympus engines.

We intend to hold this Forum at the Brandon Hall Hotel on Tuesday 26th and Wednesday 27th October 2004. As hosts, Rolls-Royce will provide accommodation, meals and refreshments. We would be grateful if you could inform us of your intention to attend or otherwise, by returning the attached form by fax or post or by sending an e-mail to the address quoted on the attached page. We would also be grateful if you would inform us if you no longer operate Rolls-Royce Olympus engines.

Please respond to this invitation by 30th June 2004.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Taylor'.

Dave Taylor
Technical Services Director



Rolls-Royce

Why are we holding an Industrial Olympus Operators Forum?

The Olympus engine, along with its associated SK package, has been out of production for many years. Consequently the support of the remaining fleet is becoming evermore difficult and expensive.

At Rolls-Royce Energy business, we have been examining how this product can be best supported until it is finally decommissioned.

Key to any support strategy, are our customers. We feel that it is vital that we inform our customers of the difficulties that we face in supporting a mature product and listen to their plans and expectations. Having shared this information, we can then work together to maintain these units until they are decommissioned.

The Olympus forum is therefore an educational event.

- A series of presentations will inform our customers about how we currently support the Olympus, and the difficulties that we face.
- We will learn about our customers' plans and needs for continued operation – something that is vital to planning any future support strategy.
- Customers will have the opportunity to discuss their issues and talk through possible solutions.
- Customers will also have the opportunity to submit technical questions, which will be answered at the event.

It is the intention of Rolls-Royce to work with our customers to ensure that their Olympus equipment is supported until it is decommissioned. We hope that this forum marks the beginning of that process.

Rolls Wood Group
(Repair & Overhauls) Limited

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MF/gca/let001

19 May 2006

Newfoundland & Labrador Hydro
PO Box 12400
St John's
Newfoundland, A1B 4K7
Canada

For the Attention of Mr John Mallam

Dear Sir

FUTURE SUPPORT FOR OLYMPUS GAS GENERATORS AND POWER TURBINES

As an operator of Olympus gas generators and associated power turbines, you should now be in receipt of Rolls-Royce Service Bulletin 0427, dated May 2006. A copy of this Service Bulletin is attached but in summary it advises Olympus operators that:

1. The majority of the fleet will be retired in the 2010-2015 timeframe.
2. It is impractical for Rolls-Royce to provide indefinite support for the Olympus.
3. Rolls-Royce strategy is to continue to supply parts until 2010.
4. Rolls Wood Group and Rolls-Royce will work with and support operators who expect to operate beyond 2010.
5. Rolls Wood Group will maintain an overhaul facility for as long as there is sufficient demand.

I am sure that after reviewing the content of Service Bulletin 0427 you will have some questions or concerns, however I am writing now to assure you that Rolls Wood Group will continue to provide the highest levels of support for Olympus gas generators and associated power turbines. It is important however, that we understand your intentions with regard to your Olympus fleet, so that we can maintain our facilities, personnel and spare parts inventory at appropriate levels.

==== **Rolls Wood Group**
(Repair & Overhauls) Limited

Supporting the fleet up to and even beyond the timeframe specified in the Service Bulletin will require a certain degree of visibility and perhaps even commitment.

We would therefore like to arrange either a teleconference or meeting at your convenience, to discuss your requirements and how Rolls Wood Group can support your fleet through the remainder of its life.

Please do not hesitate to contact us if you have any questions, or if you wish to arrange a conference call or meeting. In the meantime, I have asked our Olympus project staff to contact you to discuss this in any case.

Yours faithfully
for Rolls Wood Group (Repair & Overhauls) Ltd



P.P.,
Mark Forsyth
Olympus, SK30 and 501K Business Manager