

1 Q: Reference: *Review of Newfoundland and Labrador Hydro Power Supply*
2 *Adequacy and Reliability Prior to and Post Muskrat Falls Final Report, Pages 9-*
3 *10.*

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5 *"The failure of both units during each of the last three winters gives a strong basis*
6 *for concern that the chances this capacity will be there when needed are not good.*
7 *Any capacity assessment that assumes a good chance of both units [Hardwoods*
8 *and Stephenville] starting when needed must be considered questionable in our*
9 *opinion. "*

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11 **Please elaborate on what Liberty would consider to be appropriate options or**
12 **actions that can be taken to mitigate the reliability issues associated with the**
13 **Hardwoods and Stephenville gas turbines.**

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16 A. Liberty has observed that Hydro has been aggressive in seeking to improve the
17 reliability of both the Hardwoods and Stephenville gas turbines. Specific actions
18 have included considerable investment, heightened maintenance, increased spares,
19 engine overhauls, as well as other necessary repairs required as a result of recent
20 failures. Given these significant and sustained efforts and their continuing problems
21 with the units, continued investment in the existing units may be questionable. At
22 some point, one must conclude that the only viable option is retirement of the units
23 and procurement of alternate capacity sources. We suggest that such a decision
24 grows increasingly likely in the next few years and that it should be considered
25 seriously in Hydro's evaluation of pre-Muskrat Falls supply needs.