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1 Q. **Project C-31: Install Asset Health Monitoring System, Upper Salmon**

2 Please provide further information with respect to any cost recovery anticipated by  
3 the proactive monitoring assessment and maintenance planning created by this  
4 project. Is Hydro able to identify potential capital costs that would likely be incurred  
5 without the approval of this project?  
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9 A. As noted in Hydro's response to PUB-NLH-010, the Asset Health Monitoring System  
10 will allow Hydro to trend operational parameters using a full dataset from the  
11 operational history of the generating unit. Currently, this information is obtained  
12 manually, which absorbs operator time, is limited in the amount that can be  
13 collected, runs the risk of incorrect data entry, and causes reliance on calendar-  
14 based maintenance programs. Using the results of this analysis, Hydro will have the  
15 ability to provide more precise and timely intervention to maintain, refurbish or  
16 replace equipment based on real data regarding equipment condition. This project  
17 will also enhance Hydro's ability to prevent or minimize the impact of forced  
18 outages using real-time information provided by this system. While not quantifiable  
19 in the monetary sense, the benefit of installing such a system is in the efficiencies  
20 that will result from not having to send operators out to manually collect and enter  
21 data, and from having on-line, real time data to provide an in-depth assessment of  
22 asset health. This will allow better preparation of maintenance schedules as  
23 required by the condition of the asset rather than by set time intervals. It is also  
24 anticipated that with real-time data, future potential capital costs will be minimized  
through timely maintenance intervention.