

1 **Q. (Reference Application, 4.1 Sandy Brook Hydro Plant Generator**  
2 **Refurbishment) Did Hatch (or any other entity) quantify the risk of deferral of**  
3 **the proposed refurbishment of the generator? Does Hatch have the expertise**  
4 **to quantify the risk of project deferral?**  
5

6 A. No, Hatch did not quantify the risk of deferring the proposed *Sandy Brook Hydro Plant*  
7 *Generator Refurbishment* project. Newfoundland Power did not inquire with Hatch as to  
8 its expertise regarding the risk of project deferral for the proposed generator  
9 refurbishment.

10  
11 Newfoundland Power provided quantitative information relating to the risk of deferring  
12 the proposed refurbishment of the Sandy Brook Hydro Plant generator. This included a  
13 statistical analysis of the lifetime of hydro generators with resin-based windings and the  
14 economic cost of replacing lost production if the project were to be deferred. For  
15 example, the economic cost of replacing lost production if the project were to be  
16 deferred to 2024 is \$700,000. For more information, see *Section 4.0 Risk Assessment*  
17 and *Section 5.0 Assessment of Alternatives* of report *4.1 Sandy Brook Hydro Plant*  
18 *Generator Refurbishment*.

19  
20 Newfoundland Power also assessed the risk of deferring the *Sandy Brook Hydro Plant*  
21 *Generator Refurbishment* project using its risk matrix methodology. The assessment  
22 determined that deferring the project would pose a high risk to the delivery of least-cost  
23 service to customers. For more information, see pages 118 and 119 of Schedule B to  
24 the Application.