

1 Q. With reference to IC-NLH-093 in this GRA, Hydro was asked whether such proceeds
2 address only facility repair versus business interruption and lost generation. Hydro's
3 response was simply that no insurance proceeds were received "for this event" as
4 the costs were less than the deductibles under the applicable policies. Please
5 provide full details of all quantified costs (losses) for each unanticipated plant
6 outage (including for repair, business interruption and lost generation as
7 applicable), what categories of costs (losses) would have been covered by the
8 applicable policies if the deductible had been exceeded, what was the deductible
9 for each applicable policy, and what was the annual premium paid by Hydro for
10 each applicable policy.

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13 A. In determining if an unanticipated outage is the subject of insurance, insured
14 property must have been damaged, and the damage must have arisen from an
15 insured peril. Not all unanticipated outages or major repairs will meet these policy
16 definitions and be subject to insurance. The larger unplanned outages which did
17 have aspects of the loss and/or damage which were the subject of possible
18 insurance coverage are noted below:¹

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1. Hurricane Matthew² - \$3.0 million;

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2. Penstock #1 at Bay d'Espoir - \$7.6 million;

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3. Unit #1 Reheater Tube Repairs at Holyrood - \$1.1 million; and

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4. Unit #2 Reheater Tube Repairs at Holyrood - \$1.8 million.

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24 Coverage for these losses would be sought under the Property All Risk Insurance
25 Policy. Given that the insurable events occurring in 2016-2017 had total costs below

¹ Cost estimates include both capital and operating.

² Excludes Bishop Falls plant which is owned by the Province.

1 the deductibles in force for this period, there were no insurance recoveries received
2 by Hydro. In order to determine the full quantified costs that would have been
3 subject to insurance, a claim submission would be required, reviewed, and
4 approved by the insurance provider. Given that the estimated costs for completing
5 the repairs and replacements were less than the deductibles, no claims were
6 submitted. As a result, Hydro does not know what portion of insured costs would
7 have been insurable. Hydro has not quantified business interruption or lost
8 generation costs as we do not purchase insurance for either of these losses.
9 Deductibles apply to physical damage losses only.

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11 Premiums and deductibles are outlined in Hydro’s response to IC-NLH-153.