

1 Q. Reference: Hydro's 2015 & 2016 Supply Cost Recovery Application Evidence,
2 October 11, 2017, Page 6. Hydro states that:

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4 *"The decreased power purchases from Nalcor Exploits were primarily due to*
5 *operational issues experienced at Exploits in 2015."*

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7 Please describe in detail each of the operational issues experienced at Nalcor
8 Exploits in 2015, and whether and for what reason each of these operational issues
9 were outside the control of management.

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12 A. Operational issues which impacted production in 2015 were primarily attributable
13 to: below normal precipitation in the second half of 2015; an unplanned emergency
14 outage; and ice restrictions at the Grand Falls Generating Station Intake.

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16 Nalcor Exploits experienced low levels of precipitation in the second half of 2015
17 which materially reduced hydraulic production. The dry conditions through this
18 period resulted in a negative impact on production of approximately 60 GWh. The
19 impact of low hydrology is beyond the control of management.

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21 Based on a preliminary condition assessment completed by a third-party contractor,
22 concerns were raised with respect to the penstock on Grand Falls Unit 4 in
23 December 2014. As such, an outage was taken on this unit to investigate the
24 penstock in January 2015 which negatively impacted 2015 production levels at
25 Nalcor Exploits by approximately 7 GWh. Finally, ice restrictions at the Grand Falls
26 intake during January 2015 negatively impacted production by a further 4 GWh.

- 1 Hydro does not consider the previously described matters to be within
- 2 management's control.