

1 Q. Reference: *Purchase 12MW of Diesel Generation (Revised)*, Page 1, Lines 8-15.

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3 *“As part of these reviews and in light of recent events in the supply of electricity on*
4 *the system, Hydro has considered the following items in its provision of reliable*
5 *electricity supply:*

6 1. *There is a risk of a shortfall of capacity for customers on the Avalon*
7 *Peninsula due to customers forecasted needs on the Avalon;*

8 2. *There has been an increase in availability concerns regarding Hydro’s*
9 *thermal generating units increasing the risk of a capacity shortfall; and*

10 3. *There is currently a material reduction in water available to Hydro for*
11 *hydraulic generation.”*

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13 Is the increase *in availability concerns regarding Hydro’s thermal generating units*
14 *identified in item 2 related to the boiler tube failures experienced in early 2016 at*
15 *the Holyrood Thermal Generating Station? If so, are the availability concerns*
16 *regarding Hydro’s thermal generating units expected to be resolved by the boiler*
17 *repairs in the summer of 2016?*

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20 A. The replacement of boiler reheat tubing this summer will address one concern, the
21 continued aging of in-service components and parts can result in increasing
22 likelihood of failure of other items. While Hydro is continuously inspecting and
23 monitoring all systems to mitigate the risk of failure of components or systems,
24 Hydro’s increasing concern is a result of continuously increasing likelihood of age
25 failures in systems which affect the availability of the units. Therefore, the
26 availability concerns will not end, but be somewhat mitigated post additional
27 reheat tube replacements.