Q. **Reference: Application, Schedule 1: Upgrade Report – Penstock 1 Life Extension – Bay d'Espoir, Page 18, Table 5.**

Is the capital risk assessment for Option 3 summarized in Table 5 only for the 17-foot diameter section of Penstock 1, or does it also include the capital risk assessment for the 13.5-foot and 15-foot diameter sections of penstock? If the 13.5-foot and 15-foot diameter sections of penstock are included, please explain how the weld refurbishment and recoating reduces the likelihood of post-execution failure to the extent indicated.

A. The full length of Penstock 1 is included in the risk assessment. The weld refurbishment and protective coating application to the 13.5- and 15-foot diameter sections are necessary to ensure reliable operation and extend the life of the penstock. As these sections of the penstock have never experienced a rupture, their inclusion does not figure prominently in the reduction of the "Likelihood" from a 4 to a 1. This reduction in probability is predominantly driven by the replacement of the repeatedly failed 17-foot diameter section.