

# Quarterly Business Review

August 2, 2011

*Follow Ups*



# QBR Follow Ups – Power Services



- **What generator was out of service and had its outage extended?**
  - It's Generator 24 in the 3rd Powerhouse with a capacity of 805MW.
- **When was the original outage scheduled for, and how much longer is the extended outage expected to be?**
  - Originally the unit was expected to return to service on July 1st. This was the return date assumed in Q2. Currently the assumption is the unit will be down until August 22. The outage was planned for 6 year maintenance, cavitation repair, and WECC testing. In addition, on-going severe leakage at the shaft seals due to wear and tear needed to be addressed during the outage to prevent forced outages after startup (this severe leakage is a problem in all the big units). This work is very complicated and involves removing the wicket gate arms in order to replace the seals. In the process of removing the arms, lead paint was released, creating a worker safety issue. As a result, a different safe procedure was used to remove the arms, but it required significantly more time to complete the work.
- **What is the revenue impact of the outage extension?**
  - The approximate revenue impact of the outage extension is \$10 million through the end of July. High streamflows necessitated that most available units at Grand Coulee be used to generate power during the month. Thus the outage of G24 meant that the resulting loss of generation closely approximated the amount of generation from the unit had it been operational for the entire month. As streamflows decline in August, the expectation is that revenue impact from the outage extension through August 22 will be mostly mitigated by our ability to generate power using other units.

## QBR Follow Ups



- **Provide exact debt restructuring savings included in the Final Proposal?**
  - Per year average savings increased by approximately \$5 million, from \$110 million to \$115 million.