

In mid October, Chorus One's Lido eth2 validators experienced a downtime episode as a consequence of loss of an entire vendor (multiple datacenters) that led to a cascading failure in our storage layer, where slashing protection databases were located. Initially, we attempted to restore the failing storage cluster, but were unable to do so and migrated our nodes to alternative deployment strategy. Regrettably, the attempted restoration of the storage cluster led to an extended period of downtime before nodes were able to resume operation.

As this episode resulted in forgone rewards for stETH holders, we decided to investigate and reimburse the incident as part of our [delegator protection pool program](#).

We identified the attestations missed by all our validators during the period in question (comparing to 100% effectiveness rating) and extrapolated the lost ETH rewards using an average loss of rewards per attestation of 0.0000185 ETH (an approximated average taken from beaconcha.in), which led stETH holders in aggregate to a loss of staking rewards of 33.827287 ETH (or ~\$150k at the time of writing).

The calculation data for this analysis is available [here](#).

We propose to reimburse the foregone ETH staking rewards by sending an equivalent amount of stETH to the Lido DAO, which will then burn this amount of stETH, lowering the total supply and effectively increasing the claimable ETH rewards for all existing stETH holders.