

1 Q. **Reference: Application Volume 1, 2022 Capital Budget Overview**

2 It is stated (page 1) *"In its aim to balance the provision of reliable service with cost management,*
3 *Hydro focuses on sound utility asset management practices, condition-based investments (versus*
4 *age-based investments) where appropriate, and operational and system requirements. Hydro*
5 *also seeks to engage with stakeholders and customers to inform its capital investment*
6 *considerations."*

7 (a) What changes has Hydro made to its asset management plan and practices since its
8 2021 Capital Budget Application?

9 (b) It is understood that Hydro is considering adoption of a formal asset management plan
10 such as ISO55000 as proposed by Midgard. Please confirm or deny, and if confirmed,
11 please provide the implementation schedule.

12 (c) What is the expected cost to implement a formal asset management plan such as
13 ISO55000?

14 (d) What benefits does Hydro expect as a result of implementation of a formal asset
15 management plan such as ISO55000?

16 (e) How has Hydro engaged stakeholders and customers with respect to its 2022 Capital
17 Budget Application? More specifically, explain and show how customer preferences
18 have been incorporated in the 2022 Capital Budget Application.

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21 A. (a) Newfoundland and Labrador Hydro ("Hydro") has not implemented any changes to its
22 formalized asset management system practices related to the capital budget application
23 ("CBA") since the 2021 CBA.

24 (b) Hydro is presently conducting a readiness assessment to determine appropriate steps to
25 take to further mature its asset management system. Hydro expects this assessment to
26 provide information on the benefits which could be obtained with an associated preliminary

1 cost estimate and a prioritized action plan to further mature certain elements of its asset
2 management system. Hydro expects this assessment to be complete by mid- to late 2022.
3 Upon completion of the readiness assessment initiative Hydro will provide information on
4 steps, which Hydro believes is appropriate to further mature its asset management system.

5 (c) Please refer to part (b).

6 (d) Please refer to part (b).

7 (e) Please refer to Hydro's response to CA-NLH-019 of this proceeding.