

1 Q. **Reference: Volume I - Tab 1 - 2022 Capital Budget Overview**

2 Please detail the reasons that led to the revised budgets for each of the previously approved
3 multi-year projects identified in Table G-1 on page G-1.

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6 A. Explanations on the revised budgets' contributing factors for the prior-approved, multi-year
7 projects identified in the 2022 Capital Budget Overview¹ are detailed in the 2021 Capital
8 Expenditures Overview² of Hydro's 2022 Capital Budget Application. Section 2.0 of the 2021
9 Capital Expenditures Overview lays out the explanation for each project. For ease of reference, a
10 summary statement for each is included below, with further detail found in the 2021 Capital
11 Expenditures Overview.

12 **1) Hydraulic Generation Refurbishment and Modernization (2021–2022)**

13 The budget reduction is attributed to an updated estimate to complete the
14 planned refurbishment of the Bay'd'Espoir Unit 6 generator stator. The
15 contractor scope of work was tendered and awarded in 2021 for less than the
16 original budget estimate.³

17 **2) Upgrade Circuit Breakers (2021–2022) - Various**

18 This project was originally submitted as a two-year project and is now planned
19 to extend into 2023 . . . During a review of asset condition in 2021, it was
20 determined that the replacement of breaker B6L3 in Holyrood Terminal Station
21 can be deferred to 2023 without significant reliability risk. The associated
22 budget for this breaker replacement has been moved from 2022 to 2023.⁴

¹ "2022 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 1, p. G-1, Table G-1.

² "2022 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 4.

³ *Ibid.*, at p. 6/9–12.

⁴ *Ibid.*, at p. 7/2–6.

1 **3) Upgrades for Future Retirement of Stephenville Gas Turbine**

2 The budget reduction is attributed to the cancellation of a portion of the project
3 scope following an optimization of the engineering design of Bottom Brook
4 Terminal Station.⁵

5 **4) Additions for Load – Wabush Substation Upgrades**

6 A portion of the scope originally planned to be completed in 2022 is now
7 planned to be completed in 2023, for a more efficient sequencing of the overall
8 project work plan. Specifically the installation of two of the three 46 kV motor
9 operated disconnect switches to be located between Bus B4 and the three
10 transformers have been rescheduled and the associated budget has been
11 moved from 2022 to 2023.⁶

12 **5) Terminal Station Refurbishment and Modernization (2021–2022)**

13 The budget reduction is attributed to updated estimates for the installation of a
14 fire suppression system at Massey Drive Terminal Station and the replacement
15 of station lighting at Stony Brook Terminal Station. The revised estimates were
16 based upon recent cost experience for similar projects.⁷

17 **6) Diesel Genset Replacements (2021–2022)**

18 The budget reduction is attributed to an updated estimate to complete the
19 planned scope of work. The supply of the new genset was tendered and
20 awarded for less than the original budget estimate.⁸

⁵ Ibid., at p. 7/13–15.

⁶ Ibid., at p. 8/12–16.

⁷ Ibid., at p. 9/3–6.

⁸ Ibid., at p. 10/3–5.