

1 Q. **Reference: Volume I, 2020 Capital Projects Over \$500,000, Overhaul Diesel Units, page C-53,**
2 **lines 15 to 17**

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4 Hydro has determined, based upon the cost of replacement parts, that it may be
5 cost comparable to replace the engine instead of overhauling an engine, if the
6 engine is available with acceptable delivery.
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8 If, as Hydro suggests, it is cost comparable to replace the engine instead of overhauling an
9 engine, will Hydro seek Board approval before proceeding to purchase the engine replacement?
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12 A. Newfoundland and Labrador Hydro (“Hydro”) will complete a least-cost analysis prior to
13 execution. If the replacement of the engine aligns with the execution strategy¹ outlined within
14 the Overhaul Diesel Units project proposal and is the least-cost option, Hydro will proceed with
15 the replacement. Hydro was not aware of a requirement to seek further Board approval if the
16 prior stated conditions were met.

¹ As execution of the annual Overhaul Diesel Units project (“Project”) is carried out up to 18 months after the Project proposal is filed with the Board, specific determination of engine replacement versus engine overhaul as the least-cost option is not available at the time of submission of the Project proposal to the Board.