

1 **Q. If it is determined that it may not be economically justifiable to invest in the life**  
2 **extension of a hydro production facility, provide an explanation of the process to**  
3 **decommission the hydro plant and an outline of the costs that would be incurred**  
4 **upon decommissioning and abandonment.**  
5

6 A. Newfoundland Power undertakes assessments of its hydro production facilities to  
7 determine if their continued operation is economically justifiable and consistent with the  
8 Company's obligation to provide reliable service to customers at least cost. If it is  
9 determined that continued operation of a hydro production facility is no longer  
10 economically justifiable Newfoundland Power would undertake a detailed site specific  
11 evaluation of the costs of decommissioning the hydro production facility.  
12

13 Newfoundland Power has provided the report *2019 Depreciation Study – Hydro Plant*  
14 *Decommissioning Report* as Attachment A to response to Request for Information  
15 CA-NP-021. The report provides a detailed description of the requirements to  
16 decommission a hydro production facility and estimates of the associated costs. Costs  
17 associated with environmental cleanup or habitat restoration are not included. These  
18 costs are site specific and require a detailed study to produce an accurate site specific cost  
19 estimate.<sup>1</sup>  
20

21 In addition to site reinstatement, there may be ongoing obligations required for  
22 maintaining the water flows and water storage levels associated with facility  
23 infrastructure including the reservoir, penstock, tailrace, and spillway.<sup>2</sup> The full extent of  
24 any Newfoundland Power obligations would be identified through engagement of  
25 regulatory bodies and other stakeholders and be detailed in a site specific  
26 decommissioning study.  
27

28 If decommissioning and abandonment of a hydro production facility is required,  
29 Newfoundland Power would submit an application to the Board in accordance with the  
30 abandonment of plant provisions in the *Public Utilities Act*.<sup>3</sup> Relevant information  
31 pertaining to the economic justification, associated costs, and any other obligations would  
32 be provided to the Board in support of the application.

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<sup>1</sup> See *2019 Depreciation Study – Hydro Plant Decommissioning Report*, page 2, filed as Attachment A to response to Request for Information CA-NP-021.

<sup>2</sup> Depending on the location of the hydro plant and associated equipment, ongoing obligations may be required for water supply, flood control, and recreational purposes.

<sup>3</sup> See *Public Utilities Act*, Section 38.