

1 Q. **Reference: Application, Gas Turbine In-service Failures (2023)**

2 Hydro has a number of programs relating to in-service failures. Why are these not all lumped  
3 under a single heading such as the “allowance for unseen items account” or under the relevant  
4 preventative maintenance program?

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7 A. Newfoundland and Labrador Hydro’s (“Hydro”) approach of proposing in-service failures as  
8 individual programs segmented by asset classification provides several regulatory and practical  
9 benefits. By proposing such programs individually, Hydro affords the Board of Commissioners of  
10 Public Utilities and parties the opportunity to assess each program individually on its own merit.  
11 Additionally, Hydro presents its capital budget application segmented by asset classification.  
12 Individual programs allow the costs associated with each in-service failure program to be  
13 presented within the appropriate asset classification, which enables a more fulsome view of  
14 proposed and planned expenditures within each asset classification. Lastly, the proposal and  
15 approval of individual in-service failure programs provide practical benefits during execution, as  
16 it allows for accounting, management, and execution of the individual programs within the  
17 appropriate business units and departments within Hydro.