1 Q. **Reference: Hydro's response to PUB-NLH-011, Volume III, Table 8 of the Reliability and**

2 **Resource Adequacy Study 2022 Update filed October 3, 2022, and October 6, 2022 Technical**

3 **Conference**

4 With reference to IC-NLH-008, and footnote 4 to the Hydro's cover letter to the March 31, 2022

5 RRAS filing states that estimates developed by Hatch were Association for Advancement of Cost

6 Engineering Class 4 estimates, with an expected accuracy of -30%/+50%. Please confirm that all

7 amounts included in Table 8 of the RRAS 2022 Update are AACE Class 4 estimates, with an

8 expected accuracy of -30%/+50%. If that is not confirmed, then please explain how the Table 8

9 amounts were estimated and the expected accuracy range of those estimates. Please also

10 comment on whether the expected accuracy of the Table 8 estimates can be expected to

11 decline over the time period, ie can the 2024 estimates be expected to be more likely to fall

12 within an expected accuracy of -30%/+50% than, say, the 2029 estimates.

13

14

15 A. The capital plan and capital improvement cost estimates were developed to an AACE[1] Class-IV

16 estimate.[2] Although all estimates would fall within the Class-IV accuracy range, it would be likely

17 that the accuracy of the estimates for near-term projects would be higher than estimates for

18 later work.

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[1] The Association for the Advancement of Cost Engineering ("AACE").
[2] "Reliability and Resource Adequacy Study Review – Assessment to Determine the Potential Long-Term Viability of the Holyrood Thermal Generating Station," Newfoundland and Labrador Hydro, March 31, 2022, vol. II, p. 7.