

1 Q. **Reference: Request for Information NP-NLH-032.**

2 In the 2022 Capital Expenditures Overview, page 12, Table 14, the total project cost for the
3 Additions for Load - Wabush Substation Upgrades is stated to be approximately \$9.3 million. In
4 the 2021 Capital Budget Application, Additions for Load – Wabush Substation Upgrade, Section
5 4.2 Evaluation of Alternatives, page 5, Hydro states that a two transformer configuration similar
6 to what is proposed in the 2023 Capital Budget Application would cost approximately
7 \$12.2 million.

8 Would the scope of work identified as no longer required in the 2022 Capital Expenditures
9 Overview, page 11, have also been excluded in the two transformer alternative identified in the
10 2021 Capital Budget Application? Please reconcile the differences in these project cost
11 estimates.

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14 A. As indicated in Newfoundland and Labrador Hydro’s (“Hydro”) response to NP-NLH-031 of this
15 proceeding, Hydro notes that the statement in the “2021 Capital Budget Application” regarding
16 the two-transformer alternative stating, “[T]he estimate for this alternative is approximately
17 \$12.2 million . . .” is incorrect and should have been written as “The estimate for this
18 alternative is approximately \$13.4 million . . .”

19 The scope of work identified on page 11 of the 2022 Capital Expenditures Overview¹ would not
20 have been included in the two-transformer alternative identified in the “2021 Capital Budget
21 Application.”²

22 Differences in the project cost estimates would mainly be due to the differences in the class of
23 estimates and refinement of estimates during the capital budgeting process. The alternatives
24 evaluated in the “2021 Capital Budget Application” were evaluated using alternative screening-

¹ “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. I., sch. 4, p. 11.

² “2021 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. November 2, 2020 (originally filed August 4, 2020, vol. I, Tab 16).

1 level estimates. The estimates submitted for the Additions for Load – Wabush Substation
2 Upgrades project³ and the Additions for Load Growth - Upgrade Transformer Capacity (2023–
3 2025) - Jean Lake Terminal Station project⁴ were further refined prior to submittal. During the
4 estimate refinement, front-end engineering identified additional required upgrades, including
5 SCADA⁵ upgrades, distribution line upgrades, and the relocation of automated metering
6 equipment.

³ Ibid.

⁴ “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. II, proj 1.

⁵ Supervisory Control and Data Acquisition (“SCADA”).