

1 Q. **Reference: Application, Schedule 6, Boiler Condition Assessment and Miscellaneous Upgrades**
2 **(2024) – Holyrood, Table 1, page 6**

3 Please explain why the likelihood of failure if a condition assessment is not carried out is rated
4 “4”.

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7 A. In the risk matrix applied to rank capital projects, “4” is assigned when the likelihood is
8 considered to be between 50% and 90%. The condition assessment work completed under the
9 Boiler Condition Assessment and Miscellaneous Upgrades (2024) – Holyrood program¹ is
10 extensive and covers a large number of components—including boiler tubes that are subjected
11 to extreme temperatures, pressures, stresses, as well as erosion and corrosion mechanisms.
12 Assessment findings that are considered critical to operational reliability are addressed as they
13 are identified (prior to return-to-service). The scope of this program also includes assessment
14 and upgrade work on issues that have been previously identified to require follow-up. As such,
15 Newfoundland and Labrador Hydro believes that the assumption that there would be a 50% or
16 greater chance of a failure in the coming operating period without completing this project is
17 accurate.

¹ “2024 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. August 18, 2023 (originally filed July 12, 2023), sch. 6.