

1 Q. **Reference: Application, Schedule 6, Proposals Under \$750,000, page 5 of 13**

2 Why are there separate “Purchase Tools and Equipment” projects for 1) Transmission and Rural
3 Operations, 2) Generation, and 3) Telecontrol, and only one project for “Purchase Office
4 Equipment”?

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7 A. Newfoundland and Labrador Hydro (“Hydro”) proposes separate programs for purchasing tools
8 and equipment by asset class, as is the case with its in-service failures programs. Hydro does this
9 because by proposing programs individually, the Board of Commissioners of Public Utilities and
10 other interested parties can judge each program individually. In addition, Hydro presents its
11 capital budget application by asset category and, as such, presenting these programs in the
12 same manner allows for a more fulsome view of proposed and planned expenditures within an
13 appropriate asset class.

14 In addition, the considerations and specifications regarding procurement for tools and
15 equipment vary to a greater degree between the noted areas of Hydro operations in
16 comparison to that of office equipment. Generally, office equipment needs and options are
17 similar across all sectors and levels of business and can be reliably grouped into a single project.
18 Tools and equipment for each noted business area (Transmission and Rural Operations,
19 Generation, and Telecontrol) can vary significantly, thus requiring a specific knowledge base and
20 expertise to procure them.

21 Lastly, the proposal and approval of individual programs for purchasing tools and equipment by
22 asset class provide practical benefits during execution, as it allows for accounting, management,
23 and execution of the individual programs within the appropriate business units and
24 departments within Hydro.