

1 Q. **Reference: Capital Expenditures and Carryover Report for the Year Ended December 31, 2022,**  
2 **page 24**

3 It is stated

4 The following scope items were cancelled following review of updated asset  
5 condition information indicating that the work was not immediately required.

6 Why was the work included in the CBA if it was not needed?

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9 A. While Newfoundland and Labrador Hydro's ("Hydro") capital budget applications ("CBA") are  
10 prepared using the most accurate information known to Hydro at the time of application filing,  
11 there are instances where subsequent analyses completed prior to project execution indicate  
12 that planned work is no longer required. Capital plans are also updated due to changes in  
13 operational decisions that occur within the 12 months or more that elapse between the  
14 submission of a CBA and the execution of the work.

15 The reassessment of the insulator replacements at the Churchill Falls and Roddickton Terminal  
16 Stations, which determined that this work was not immediately required, was completed prior  
17 to project execution but post-CBA filing. For the Churchill Falls Terminal Station, the intention  
18 and ability to proceed with the decommissioning of transmission line L1301 led to this  
19 determination. For the Roddickton Terminal Station, this determination was due to the  
20 indefinite de-energization of the insulators planned for replacement.

21 In addition, a portion of the major transformer refurbishment at Jackson's Arm Terminal Station  
22 was cancelled (being the internal inspection). Subsequent to the filing of the 2020 CBA,<sup>1</sup> it was  
23 determined that the internal inspection was not immediately required due to updated condition  
24 information. A portion of the major refurbishment of the transformers at the Hampden  
25 Terminal Station was also cancelled; however, this portion was not in the original scope as

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<sup>1</sup> "2020 Capital Budget Application," Newfoundland and Labrador Hydro, August 1, 2019.

- 1 defined within Hydro's Terminal Station Refurbishment and Modernization (2020–2021) project
- 2 proposal.<sup>2</sup>

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<sup>2</sup> Ibid., Tab 7.