

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

3 It is stated

4 The variance in 2022 expenditures is associated with the capital program for  
5 protection control and monitoring systems and is attributed to completion of  
6 protection upgrades with costs exceeding the budget estimate.

7 Please elaborate on this statement.

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10 A. Covered under the scope of this program were several line protection relay upgrades. During  
11 the design phase of the first line protection upgrade, Newfoundland and Labrador Hydro was  
12 informed that the proposed relays planned for the initial design were slated to be discontinued.  
13 Alternate relays were sourced and designs were modified. The alternate relays were not direct  
14 physical replacements, leading to an increase in field construction efforts. The original budget  
15 estimates were based on direct physical replacements with modern digital relays. The change in  
16 relays therefore led to engineering redesign and increased construction costs.