

1 Q. **Reference: Capital Expenditures and Carryover Report for the Year Ended December 31, 2022,**
2 **page 29**

3 It is stated

4 It was determined that engine replacement was a lower cost alternative than
5 engine overhaul, and the engine was replaced in 2022.

6 Does this finding impact future assessments of the “Overhaul Diesel Units” program; e.g., will
7 overhauls be discontinued in favour of replacements?

8

9

10 A. Newfoundland and Labrador Hydro (“Hydro”) evaluates each engine overhaul to determine the
11 least-cost option at the time of execution. If a viable new engine is available, the cost is
12 compared to the overhaul cost, with the most cost-effective alternative pursued. In recent
13 years, new engines have been determined as the most cost-effective alternative; however, this
14 is not always an option as not all models have new engines available.