

1 Q. **Reference: Schedule 1 2024 Capital Budget Overview, Appendix F, page F-5, lines 5-13**

2 Appendix F provides details on the asset management strategy for individual components of
3 Hydro's terminal stations but does not explain Hydro's overall approach to the maintenance of
4 its terminal stations. Please provide a description of Hydro's overall Asset Management System
5 strategy for terminal stations, including when it was implemented, the date it was last reviewed,
6 whether any reviews are ongoing, the goals and objectives the system is designed to achieve,
7 the frequency of terminal station inspections, and how it compares to the asset management
8 strategies for terminal stations of other Canadian utilities.

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11 A. Newfoundland and Labrador Hydro's ("Hydro") overall Asset Management System strategy for
12 terminal stations is a combination of its strategy for each asset class. The description of Hydro's
13 strategy for each terminal station asset class as it relates to capital investment can be found
14 within Version 7 of Hydro's "Terminal Station Asset Management Overview."¹ Details on the
15 preventive maintenance strategy can be found within Hydro's "Transmission System and
16 Terminal Station Asset Management Execution Report,"² specifically Appendix A.

17 Hydro's overall asset management system strategy for terminal stations was developed over
18 time and was formally documented in 2016 with the creation of Hydro's "Terminal Station Asset
19 Management Overview." As stated in Version 7 of Hydro's "Terminal Station Asset Management
20 Overview," the asset management system monitors, maintains, refurbishes, replaces, and
21 disposes of assets with the objective of providing safe, reliable electrical power in an
22 environmentally responsible manner at the lowest possible cost. Hydro's preventive
23 maintenance follows the latest version of its Terminal Station Maintenance Manual (which
24 originated in the 1990s), a summary of which has been provided since 2017 in the "Transmission
25 System and Terminal Station Asset Management Execution Report."

¹ "2024 Capital Budget Application, Newfoundland and Labrador Hydro," rev. August 18, 2023 (originally filed July 12, 2023), sch. 1, app. F, p. F-16.

² "Transmission System and Terminal Station Asset Management Execution Report," Newfoundland and Labrador Hydro, April 25, 2023.

1 Hydro's overall asset management system strategy for terminal stations as it relates to capital
2 work strategies and preventive maintenance strategies are typically reviewed annually and bi-
3 annually, respectively. Hydro's capital work strategies were last reviewed in 2023 and are
4 planned to undergo their next review by the second quarter of 2024. Hydro's preventive
5 maintenance strategies were last reviewed in 2021 and are planned to undergo their next
6 review by the first quarter of 2024.

7 Terminal stations are inspected two or three times per year based on terminal station criticality.
8 Individual terminal station equipment is also inspected more thoroughly every six years, three
9 years, or annually as part of its preventive maintenance.

10 Hydro has reviewed other Canadian utilities' asset management strategies for terminal stations
11 and observed that (similar to Hydro) these strategies are typically maturing with a decreased
12 focus on age and an increased focus on condition. When comparing preventive maintenance
13 strategies for other Canadian utilities, Hydro shows similarity in scopes but a variation in
14 frequency for some asset classes.