

1 Q. **Reference: Schedule 5 2024 Capital Expenditures Overview, pages B-42-43.**

2 Hydro states the Upper Salmon Hydroelectric Generating Station Rotor Rim Shrinking and Stator
3 Recentering (Supplemental) is a two-year supplemental project (2022-2023) that was completed
4 in 2023. The variance in 2023 and overall project expenditures is attributed to five items. In a
5 table, show the budget, actual expenditures and variance for each item and in aggregate to
6 show each item's contribution to the \$5.1 million project variance.

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9 A. The original budget, actual expenditures, and variance for each item and in aggregate for the
10 Upper Salmon Hydroelectric Generating Station Rotor Rim Shrinking and Stator Recentering
11 project are shown in Table 1.

Table 1: Variance Summary, Upper Salmon Hydroelectric Generating Station Rotor Rim Shrinking and Stator Recentering Project¹

Variance item	Original Budget (\$000)	Actual Expenditures (\$000)	Variance (\$000)
Complexities in completing the engineering and planning work compounded by performance issues with the Owner's Engineer that Newfoundland and Labrador Hydro had initially contracted for this project, resulting in more effort required and greater use of external technical resources.	904.5	1,450.2	545.8
Greater-than-originally estimated construction and material costs to complete the planned generator refurbishment work.	3,045.3	3,331.7	286.4
Greater-than-originally estimated level of inspection, refurbishment, testing, and recertification of the powerhouse crane and lifting device, required for the lift of the generator rotor.	50.0 ²	391.0	341.0
Addition of generating unit overhaul activities to the project scope that were originally scheduled for 2024 but advanced to take advantage of the unit disassembly for this project in 2023.	0.0	127.4	127.4
Additional scopes of work that were identified following the disassembly and inspection of the unit, including rotor refurbishment, rotor pole removal and cleaning, stator refurbishment, and generating unit realignment.	0.0	3,846.3	3,846.3
Total	3,999.8	9,146.6	5,146.8

¹ Numbers may not add due to rounding.

² The original budget proposal included an estimate for the inspection of the overhead crane and the performance of an assessment for near maximum. It was assumed in the estimate that no refurbishment work would be required, but significant work was required to recertify the crane and lifting device.