

1 Q. **Reference: Program 9 Replace Mobile Equipment (2025-2027), page 1.**

2 Hydro states that the mobile equipment fleet includes wheeled heavy construction equipment
3 such as excavators and loaders.

4 a) Are there wheeled heavy construction equipment such as excavators and loaders
5 available to rent from construction companies in Hydro's service territory?

6 b) Has Hydro completed a study comparing the cost to own and operate this heavy
7 construction equipment with the cost of renting the equipment when required? If yes,
8 provide the study. If not, why not?

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11 A. a) While heavy-duty construction equipment may exist with local operators at times in some of
12 Newfoundland and Labrador Hydro's ("Hydro") service territory, the availability and
13 suitability of these assets are significant risks. Any rental equipment that could possibly be
14 considered as an alternative would have to meet Hydro specifications, be readily available
15 when needed, and be the least-cost option over the life of the equipment. The majority of
16 Hydro's heavy-duty construction equipment operates in rural areas where rental
17 opportunities are limited and mobilization costs for contract equipment are substantial. The
18 overall readiness and availability of key pieces of heavy equipment during unplanned events
19 and during times of severe weather preparedness is also a major concern when outsourcing
20 heavy-duty equipment work. Additionally, as each such piece of equipment nears the end of
21 its useful life, Hydro considered the needs and alternatives for the area, including the
22 potential for rentals.

23 b) No, Hydro has not completed a study comparing the cost of owning and operating this
24 heavy construction equipment with the cost of renting the equipment when required. As
25 noted in part a) of this response, case-by-case informal reviews are conducted when
26 general-purpose equipment is nearing the end of its lifecycle, and rental opportunities and
27 contingency plans are evaluated as alternatives to new equipment procurement.