

1 Q. Please explain why this project was not included in the 5-year Capital Plan filed as part of Hydro's  
2 2025 Capital Budget Application.

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5 A. This project was not captured in the Five-Year Capital Plan filed as part of Newfoundland and  
6 Labrador Hydro's ("Hydro") 2025 Capital Budget Application ("CBA") due to the timeline of  
7 events associated with the inspection and assessment activities of the Cat Arm runner.

8 As noted in the application, reviews of turbine components by the original equipment  
9 manufacturer were performed in the fall of 2023. It was during this review that Hydro was  
10 advised that the runners on Cat Arm Unit 1 and Unit 2 were at the end of their life cycle.

11 In response to this finding, Hydro engaged a third party to perform an on-site inspection and  
12 provide a recommended course of action for the runners. This analysis was required for Hydro  
13 to confirm timelines for potential replacements as well as cost estimates for inclusion in the  
14 Five-Year Capital Plan.

15 The third-party on-site inspection was completed during the annual unit outage in fall 2024, and  
16 Hydro was provided with analysis and recommendations in mid-November. Recommendations  
17 from the third party specified that replacements for both runners should be completed as soon  
18 as possible.

19 In summary, Hydro did not have a basis for a runner replacement timeline or project cost at the  
20 time of the filing of the CBA. Rather, given the information presented above, it was determined  
21 that a supplemental application was required.