

Q. (Reference 3.1 – Rose Blanche Hydro Plant Refurbishment)

- a) Why is a plant that was commissioned in 1998 in such poor condition?**
- b) Please provide reliability and cost data supporting the need for this project.**
- c) What is the value of the plant based on avoided power purchase costs from Hydro and the NP hydro generation credit included in Hydro's cost of service study?**
- d) Please quantify the risk of failure over the next 3 years.**
- e) It is stated (page 10) "the governor oil cooler and auxiliary power unit do not effectively function as required." Have they ever functioned as required?**

A. a) See the response to Request for Information PUB-NP-014, parts a) and b).

b) The *Rose Blanche Hydro Plant Refurbishment* project is justified on the basis that components of the Plant are deteriorated and obsolete, and require replacement based on the results of condition assessments. The condition of these components pose a risk to the continued safe and reliable operation of the Plant. An in-service failure would result in a Plant outage of approximately 18 months, costing approximately \$2,037,000 annually.¹

c) The estimated annual value of the Rose Blanche Plant is approximately \$1,511,000 based on the cost of energy purchases from Newfoundland and Labrador Hydro ("Hydro") and the hydro generation credit provided to Newfoundland Power from Hydro.²

d) Newfoundland Power does not quantify risk increases year over year. The risk assessment outlined in the *2027 Capital Budget Application* for the *Rose Blanche Hydro Plant Refurbishment* project relied upon the condition assessment undertaken for the Plant, which identified deteriorated and obsolete components. In addition, the risk assessment factored in the economic benefit of the continued operation of the Plant to customers, as well as the estimated cost associated with an in-service failure of the Plant. As a result, the risk of not completing the identified work proposed in the *Rose Blanche Hydro Plant Refurbishment* project was assessed as a High (20) risk.³

e) The governor oil cooler and auxiliary power unit have not been significantly modified since original construction. Both of these systems are currently experiencing ambient temperature related issues. See the response to Request for Information PUB-NP-014, part b).

¹ See the *2027 Capital Budget Application*, report 3.1 *Rose Blanche Hydro Plant Refurbishment*, page 9.

² Based on Hydro's *Schedule of Rates, Rules and Regulations*, updated July 1, 2026. Energy Charges are based on winter (December-March) and non-winter (April-November) second block energy charges from Hydro to Newfoundland Power. Estimate also assumes the full capacity of 6.0 MW is available from the Rose Blanche Plant during peak.

³ See the *2027 Capital Budget Application*, Schedule B, page 122.