

1 Q. **Hydraulic Refurbishment and Modernization**

2 This project groups a number of different projects at different hydraulic facility sites. Please
3 explain, in detail, the rationale for grouping together the Refurbish Generator Stator Project -
4 Bay D'Espoir Unit 6 (which will cost \$9,160,900 over 2021-2022, representing the great
5 preponderance of the capital expenditures being proposed for approval within the grouped
6 "Hydraulic Refurbishment and Modernization" projects) with the following projects: Salmon
7 River Spillway Level 2 Condition Assessment (\$556,800), the Hinds Lake Frazil Monitoring System
8 (\$199,500), Paradise River Penstock/Rock Tunnel Level 2 Condition Assessment (\$196,800) and
9 Upgrade Public Safety Around Dams - Hinds Lake and Paradise River (\$436,300). In providing
10 such explanation, please explain why the Refurbish Ebbegunbaeg Control Structure project was
11 not similarly grouped as Hydraulic Refurbishment and Modernization.

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14 A. The Hydraulic Generation Refurbishment and Modernization project was established for the
15 execution of sustaining capital work related to Newfoundland and Labrador Hydro's ("Hydro")
16 hydraulic generation assets. This sustaining work includes activities such as regularly capitalized
17 scheduled maintenance, capitalized condition based corrective work, and work which will
18 improve the monitoring of asset condition. Hydro's Hydraulic Generation Asset Management
19 Overview,¹ provides the criteria by which work is included in this project.

20 Detailed information on the justification of each component of the Hydraulic Generation
21 Refurbishment and Modernization project is included in the project proposal. As Hydro had
22 previously included the Bay d'Espoir Unit 5 stator rewind in the 2020 Capital Budget
23 Application's Hydraulic Generation Refurbishment and Modernization project, a similar
24 approach was taken in the 2021 Capital Budget Application for the Bay d'Espoir Unit 6 work.

¹ "2021 Capital Budget Application," Newfoundland and Labrador Hydro, rev 1, August 7, 2020 (originally filed August 4, 2020), vol II, tab 2, att. 1.

1 Since the introduction of the Hydraulic Generation Refurbishment and Modernization project in
2 2018, control structure refurbishment was typically included in the project by addressing the
3 work on multi-gate structures in a process which included one gate annually in the project
4 proposal. Hydro's experience has proven that it would be more effective to undertake all the
5 work on a multi-gate structure within one project proposal. In light of this process change,
6 Hydro submitted the Refurbish Ebbegunbaeg Control Structure project as a separate proposal.
7 Hydro will continue to evaluate the type of sustaining work most appropriate to include in the
8 Hydraulic Generation Refurbishment and Modernization project.